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Secretary of State
e-mail: elections@sos.state.az.us

Campaign Contributions and Expenses

May 2003

Welcome from the Arizona Capitol in Phoenix.
The Secretary of State's Office publishes this booklet as a guide for those interested in campaign contributions and expenses.
Your comments about any of our publications are appreciated.

JAN BREWER
Secretary of State

A message from Secretary Brewer

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State Capitol, Phoenix, Arizona

Customer Service Center
14 N. 18th Avenue
Phoenix, Arizona
Phone: 602.542.6187
Fax: 602.542.7386

Jan Brewer
Arizona Secretary of State

Capitol Office (Mailing Address)
1700 W. Washington Street, 7th
Phoenix, Arizona 85007
Phone: 602.542.4285
Toll-free 1-877-THE VOTE
TDD: 602.255.8683

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Thank you for your interest in finding out more about Title 16, Chapter 6 of the Arizona Revised Statutes. This guide will help in your understanding Campaign Contributions and Expenses.

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Janice K. Brewer

Jan Brewer
Arizona Secretary of State

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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 exemp-

tion 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, ref-

erendum 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

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 committees

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 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 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 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 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.

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.

D. The political committee shall file an amended statement of organization reporting any change in the information prescribed in subsection B 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 and a statement as to whether the political committee supports or opposes the passage of the ballot measure.

§ 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 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 writing 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 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 writing 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 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. 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.

§ 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 his 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 his 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. 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.

G. 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.

H. 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.

I. 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.

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

§ 16-905. Contribution limitations*; civil penalty; complaint

*** See adjustments made to these limits by the Citizen's Clean Elections Act, A.R.S. 16-941(B) and the contributions limits chart at the back of this book.**

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. Three hundred dollars from an individual.
   2. Three hundred dollars from a single political committee, excluding a political party, not certified under subsection I of this section to make contributions at the higher limits prescribed by paragraph 3 of this subsection and subsection B, paragraph 3 of this section.
   3. One thousand five hundred ten dollars from a single political committee, excluding a political party, certified pursuant to subsection I of this section.

B. For an election for a statewide office, a contributor shall not give and an exploratory committee, a candi-

date or a candidate's committee shall not accept contributions of more than:

1. Seven hundred sixty dollars from an individual.
2. Seven hundred sixty dollars from a single political committee, excluding a political party, not certified under subsection I of this section to make contributions at the higher limits prescribed by subsection A, paragraph 3 and paragraph 3 of this subsection.
3. Three thousand seven hundred ninety dollars from a single political committee excluding political parties certified pursuant to subsection I of this section.

C. A candidate shall not accept contributions from all political committees, excluding political parties, combined totaling more than seven thousand five hundred sixty dollars for an office other than a statewide office, or seventy-five thousand six hundred ten dollars for a statewide office.

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

E. An individual shall not make contributions totaling more than two thousand eight hundred twenty dollars in a calendar year to state and local candidates, political committees contributing to state or local candidates, and political committees advocating the election or defeat of state or local candidates. Contributions to political parties are exempt from the limitations of this subsection.

F. The use of a candidate's personal monies is not subject to the limitations of this section but affects the application of these limitations to the candidate's opponents as follows:

1. For a candidate for an office other than a statewide office:
   (a) If a candidate contributes or promises amounts of more than eleven thousand eight hundred forty dollars of those personal monies, the candidate, within twenty-four hours, excluding Saturdays, Sundays and other legal holidays, shall give written notice by certified mail of the amount contributed or promised as of the date of the notice to all other candidates and the candidates' campaign committees for the same office at the address on file with the filing officer and to the filing officer. Other candidates for the same office and contributors to those candidates are not subject to the limitations of subsections A, C and E of this section after receiving the notice until these candidates receive contributions totaling the amount of personal monies contributed or promised by the candidate giving this notice.
   (b) For each additional accumulation of contributions or promises of that candidate's personal monies that totals at least five thousand nine hundred twenty dollars, the candidate, within twenty-four hours excluding Saturdays, Sundays and other legal holidays, shall give written notice by certified mail of the amount contributed or promised as of the date of the notice. The notice shall be given as prescribed in subdivision (a) of this paragraph. Other candidates for the same office and contributors to those candidates are not subject to the limitations of subsections A, C and E of this section after receiving the notice until these candidates receive contributions totaling the amount of personal monies contributed or promised by the candidate giving this notice.
2. For a candidate for a statewide office:
   (a) If a candidate contributes or promises amounts of more than twenty-three thousand six hundred seventy dollars of those personal monies, the candidate, within twenty-four hours, excluding Saturdays, Sundays and other legal holidays, shall give written notice by certified mail of the amount contributed or promised as of the date of the notice to all other candidates and the candidates' campaign committees for the same office at the address on file with the filing officer and to the secretary of state. Other candidates for the same office and contributors to those candidates are not subject to the limitations of subsections B, C and E of this section after receiving the notice until these candidates receive contributions totaling the amount of personal monies contributed or promised by the candidate giving this notice.
   (b) For each additional accumulation of contributions or promises of that candidate's personal monies that totals at least eleven thousand eight hundred forty dollars, the candidate, within twenty-four hours excluding Saturdays, Sundays and other legal holidays, shall give written notice of the amount contributed or promised as of the date of the notice. The notice shall be given as prescribed in subdivision (a) of this paragraph. Other candidates for the same office and contributors to those candidates are not subject to the limitations of subsections B, C and E of this section after receiving the notice until these candidates receive contributions totaling the amount of personal monies contributed or promised by the candidate giving this notice.
3. If any notice prescribed by this subsection is not timely given the other candidates are not subject to the limitations of subsections A, B and C of this section for an additional five hundred ninety dollars for each day the notice was delinquent.
4. Notwithstanding any other provision of this subsection, the amount of contributions that a candidate may receive and that is not subject to the limitations of subsections A, B and C of this section shall not be greater than the largest amount of personal contributions, plus any additional amounts due to delinquent notices, made by any other single candidate for the same office.

G. The use of personal monies by an individual who designates an exploratory committee is not subject to the limitations of this section but is subject to the following:

1. If an individual who has designated a committee for other than statewide office contributes or promises to the committee an amount of personal monies that is more than eleven thousand eight hundred forty dollars, the individual, within twenty-four hours excluding Saturdays, Sundays and other legal holidays, shall give written notice by certified mail of the amount contributed or promised as of the date of the notice to the filing officer.
2. For each additional accumulation of contributions or promises of the designating individual's personal monies that totals at least six thousand dollars, the individual, within twenty-four hours excluding Saturdays, Sundays and other legal holidays, shall give written notice by certified mail of the amount contributed or promised as of the date of the notice to the filing officer.
3. If an individual who has designated a committee for statewide office contributes or promises to the committee an amount of personal monies that is more than twenty-three thousand six hundred seventy dollars, the individual, within twenty-four hours excluding Saturdays, Sundays and other legal holidays, shall give written notice by certified mail of the amount contributed or promised as of the date of the notice to the filing officer.
4. For each additional accumulation of contributions or promises of the designating individual's personal monies that totals at least twelve thousand dollars, the individual, within twenty-four hours excluding Saturdays, Sundays and other legal holidays, shall give written notice by certified mail of the amount contributed or promised as of the date of the notice to the filing officer.

H. 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.

I. 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 3 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, paragraph 1 of this section and subsection B, paragraph 1 of this section.

J. The secretary of state shall, biennially, adjust to the nearest ten dollars the amounts in subsections A through G 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. In 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.

K. The following specific limitations and procedures apply:
1. The limits of subsections A through D, F and G of this section apply to each election for any office or offices which the candidate seeks.
2. The limits of subsections A through 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 his custodial parent or parents for determining compliance with subsection A, paragraph 1, 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 his nomination paper a statement that he 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.

L. 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.

M. 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.

N. 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 M of this section, then the individual filing the complaint may bring a civil action in his own name and at his 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.

O. 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.

P. If any notice prescribed by subsection F or G of this section is not given in a timely manner, the designating individual, in the case of an exploratory committee, or the candidate, in the case of a candidate's campaign committee, is subject to a civil penalty of three times the amount of personal monies that were contributed, expended or promised in violation. The civil penalty shall be imposed as prescribed by section 16-924.

§ 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. Candidates and independent expenditures; campaign literature and advertisement sponsors; identification; civil penalty

A. A political committee that makes an expenditure for campaign literature or advertisements that expressly advocate the election or defeat of any candidate or that make any solicitation of contributions to any political committee shall be registered pursuant to this chapter at the time of distribution, placement or solicitation and shall include on the literature or advertisement the following 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. The provisions of subsection A of this section do 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.

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 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 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. 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 letter 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 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 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 may, in lieu of filing a report required by subsection B of this section, 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 his 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 him certifying that he has received no contributions, has made no expenditures and has no campaign committee and that he 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 his 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 and shall be filed by delivery of a computer diskette or CD-Rom that contains the report or by use of the internet. The secretary of state shall promptly make the reports available to the public on the internet and on paper by request. The standing committee shall file the following reports:
   1. A report covering the period beginning January 1 through May 31, filed not later than June 30.
   2. 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.
   3. 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.
   4. 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, a political committee may terminate only when the committee chairman and treasurer file a written statement with the officer with whom the committee's statement of organization is filed 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.

§ 16-915. 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 obli-

gation 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

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. 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 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.
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 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.

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 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.

B. An original and one copy of the reports required pursuant to section 16-913 for the office of member of the legislature shall be filed with either the officer in charge of elections of the county of the candidate's residence or with the secretary of state. If the candidate files with the officer in charge of elections, the officer shall transmit the copy to the secretary of state within five days, excluding Saturdays, Sundays and other legal holidays. If the candidate files with the secretary of state, the secretary of state shall transmit the copy to the officer in charge of elections of the county of the candidate's residence within five days, excluding Saturdays, Sundays and other legal holidays.

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 unless filed by certified mail. For filings made by certified mail with a United States mail postmark, the date of mailing 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 software that is provided or approved by the secretary of state. The secretary of state shall provide computer software 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.

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 secretary of state may require that statements, designations or reports be filed with an additional written or printed copy.

§ 16-917. Independent expenditures; twenty-four hour notice; civil penalty

A. A political committee that makes independent expenditures for literature or an advertisement relating to any one candidate or office within ten 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 before depositing it at the post office for mailing, twenty-four hours before submitting it to a telecommunications system for broadcast or twenty-four hours before 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 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. 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 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 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.

§ 16-919. Prohibition of contributions by corporations, limited liability company or labor organizations; exemption; classification; definitions

A. It is unlawful for a corporation or a limited liability company to make 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. It is unlawful for a labor organization to make any contribution of money or anything of value for the purpose of influencing an election.

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

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

E. 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.

F. 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 which 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.

B. A membership organization, trade association, cooperative or corporation without capital stock may engage in the activities permitted in paragraphs 1 and 2 of subsection A 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; definition

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 and D 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. 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.

E. 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.

F. 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.

G. 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.

H. 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, its subsidiaries, branches, divisions and affiliates.

I. For purposes of this section, the term "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.

§ 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 article, 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 article, 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 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

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

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 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 election 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 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.
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 percent 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 percent of the original general election spending limit applicable to a participating candidate seeking the same office.

C. Notwithstanding any law to the contrary, a candidate, whether participating or nonparticipating:
1. If and only 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 the provisions of 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

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.

§ 16-943. Criminal violations and penalties

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 any thing 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.

§ 16-944. Fees imposed on lobbyists

A. Beginning on January 1, 1999, an annual fee is imposed on all registered lobbyists representing (A) one or more persons in connection with a commercial or for-profit activity except public bodies or (B) a non-profit entity predominately composed of or acting on behalf of a trade association or other grouping of commercial or for-profit entities. The fee shall be

in the amount of one hundred dollars annually per lobbyist and shall be collected by the secretary of state and transmitted to the state treasurer for deposit into the fund.

§ 16-945. Limits on early contributions

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

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 participating candidate

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

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

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. Qualification for clean campaign funding

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

B. To receive any clean 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 percent of the number of non-duplicative names on the list and forward facsimiles of the selected reporting slips to the county recorder 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, on the date specified on the slip, inside the electoral district of the office the candidate is seeking. The secretary of state shall multiply the number of slips not disqualified by twenty, and if the result is greater than one hundred and ten percent of the quantity required, shall approve the candidate for funds, and if the result is less than ninety percent of the quantity required, shall deny the application for funds. Otherwise, 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.

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

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

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, and 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, and 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 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 purpose of subsection A of this section, or contributions to each opposing candidate, or 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 purpose of subsection A of this section, or contributions to those nonparticipating candidates, for 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 purpose of subsection A of this section, or a contribution to a nonparticipating opponent, for 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 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.
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 are 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 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 percent 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 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 percent 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, then 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

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.

§ 16-954. Clean elections tax reduction; return of excess monies

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

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 commission on appellate court appointments shall nominate candidates for vacant commissioner positions 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 purpose 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, the members of the supreme court in order of seniority, 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. The commission on appellate court appointments shall nominate one slate of three candidates before January 1 of each year beginning in the year 2000, and 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 his or her term of office for any reason, the commission on appellate court appointments shall nominate one slate of three candidates as soon as possible in the first thirty days after the commissioner vacates his or her office and a replacement shall be selected from the slate within thirty days of nomination of the slate. The high-

est-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 his or her 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

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.
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 the provisions of 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.

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, except that the commission shall submit the rules for publication and the secretary of state shall publish the rules in the Arizona administrative register. 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.

D. 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

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

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 (1) ten percent of the original primary election spending limit or twenty-five thousand dollars, whichever is lower, before the general election period, or (2) ten percent 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.

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

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 J, to account for inflation: section 16-941, subsection A, paragraph 2 or subsection D; section 16-942, subsection B; section 16-944; section 16-945, subsection A, paragraphs 1 and 2; section 16-948, paragraph 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, subsec-

tion 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

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

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 election fund defined by this article.

F. 1. "Party nominee" means a person who has been nominated by a political party pursuant to sections 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," with reference to an election for a member of the house of representatives, means opposed by no more than one other candidate.

G. "Primary election spending limits" means:
   1. For a candidate for legislature, ten thousand dollars.
   2. For candidate for mine inspector, twenty thousand dollars.
   3. For a candidate for treasurer, superintendent of public instruction, or corporation commission, forty thousand dollars.
   4. For a candidate for secretary of state or attorney general, eighty thousand dollars.
   5. For a candidate for governor, three hundred eighty thousand dollars.

H. "General election spending limits" means amounts fifty percent 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.

2003-2004 ELECTION CYCLE
CAMPAIGN CONTRIBUTION LIMITS
CONTRIBUTION LIMITS ADJUSTED JANUARY 27, 2003, PURSUANT TO A.R.S.§ 16-905(J)

CAMPAIGN CONTRIBUTION LIMITS	**NON-STATEWIDE OFFICES** Candidate or Authorized Candidate's Committee		**STATEWIDE OFFICES** Candidate or Authorized Candidate's Committee
LOCAL	**LEGISLATIVE**		
Individual's contribution to a candidate A.R.S. § 16-905(A)(1) A.R.S. § 16-905(B)(1)	$350	$280	$720
Political Committee's contribution to a candidate A.R.S. § 16-905(A)(2) A.R.S. § 16-905(B)(2)	$350	$280	$720
Committees certified by the Secretary of State to give at the upper limit **"Super PAC"** A.R.S. § 16-905(I) A.R.S. § 16-905(A)(3) A.R.S. § 16-905(B)(3)	$1,800	$1,440	$3,600
Combined total from all Political Committees other than political parties A.R.S. § 16-905(C)	$8,990	$7,192	$71,888
Nominee's total from political party and all political organizations combined A.R.S. § 16-905(D)	$8,990	$7,192	$71,888
Total contributed by an individual to candidates And committees who give to candidates A.R.S. § 16-905(E)	$3,360 in a calendar year		

Notification Levels for Candidates' and Designating Individuals' Personal Monies

PERSONAL MONIES NOTIFICATION A.R.S. § 16905(F)&(G)	**NON-STATEWIDE OFFICES** Candidate or Authorized Candidate's Committee		**STATEWIDE OFFICES** Candidate or Authorized Candidate's Committee	
	Candidate	Exploratory	Candidate	Exploratory
Candidates' and Designating Individuals' obligated or contributed personal monies: **first notification** A.R.S. § 16-905(F)&(G)	$14,070	$14,070	$28,120	$28,120
Candidates' and Designating Individuals' obligated or contributed personal monies: **subsequent notification** A.R.S. § 16-905(F)&(G)	$7,040	$7,120	$14,070	$14,320

Chart Revised 1/03

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Campaign Contributions and Expenses

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