

**OFFICIAL TITLE**

**AN INITIATIVE MEASURE**

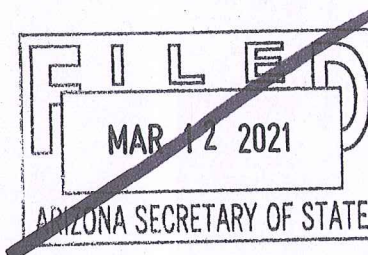
**AMENDING TITLE 16, ARIZONA REVISED STATUTES BY ADDING CHAPTER 6.1; RELATING TO DISCLOSURE OF THE ORIGINAL FUNDS USED FOR INDEPENDENT CAMPAIGN SPENDING**

**TEXT OF PROPOSED ACT**

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

**Section 1. Title.**

This Act shall be known as the "Voters' Right to Know Act."



**Section 2. Purpose and Intent.**

- A. This Act establishes that the People of Arizona have the right to know the original source of all major contributions used to pay, in whole or part, for independent campaign spending. This right requires the prompt, accessible, comprehensible, and public disclosure of the identity of all contributors who gave \$5,000 or more to fund campaign expenditures in an election cycle and the source of those funds regardless of whether the money passed through one or more intermediaries.
- B. This Act is intended to protect and promote the rights and interests guaranteed by the First Amendment, to promote self-government and ensure responsive officeholders, to prevent corruption and to assist Arizona voters in making informed election decisions by securing their right to know the source of funds used to influence Arizona elections.
- C. By adopting this Act, the People of Arizona affirm their desire to stop the practice of laundering political contributions through multiple intermediaries to hide the original source, known as dark money.
- D. This Act will empower the Arizona Citizens' Clean Elections Commission and individual voters to enforce its disclosure requirements. Violators will be subject to significant civil penalties.

**Section 3.** Title 16, Arizona Revised Statutes, is amended by adding Chapter 6.1, to read:

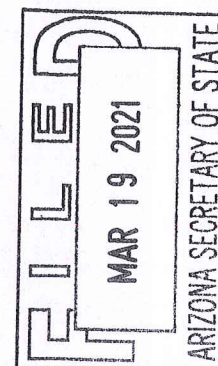
**CHAPTER 6.1.**

**DISCLOSURE OF THE SOURCE OF FUNDS USED FOR INDEPENDENT CAMPAIGN SPENDING.**

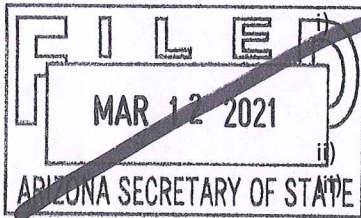
**16-970. DEFINITIONS**

FOR PURPOSES OF THIS CHAPTER:

- 1) "INDEPENDENT CAMPAIGN SPENDING" MEANS SPENDING FUNDS (OR ACCEPTING IN-KIND CONTRIBUTIONS) TO FINANCE THE FOLLOWING ACTIVITY WHEN UNDERTAKEN INDEPENDENTLY
  - a) A PUBLIC COMMUNICATION THAT:
    - i) EXPRESSLY ADVOCATES FOR OR AGAINST THE NOMINATION OR ELECTION OF A CANDIDATE.
    - ii) PROMOTES, SUPPORTS, ATTACKS, OR OPPOSES A CANDIDATE (REGARDLESS OF WHETHER THE COMMUNICATION EXPRESSLY ADVOCATES THE ELECTION OR DEFEAT OF A CANDIDATE) AT ANY TIME WITHIN A YEAR OF AN ELECTION.
    - iii) REFERS TO A CLEARLY IDENTIFIED CANDIDATE AT ANY TIME FROM 90 DAYS BEFORE A PRIMARY ELECTION THROUGH THE GENERAL ELECTION AND IS DISSEMINATED IN THE JURISDICTION WHERE THE CANDIDATE'S ELECTION IS TAKING PLACE.
    - iv) PROMOTES, SUPPORTS, ATTACKS, OR OPPOSES THE QUALIFICATION OR APPROVAL OF ANY STATE OR LOCAL INITIATIVE OR REFERENDUM (REGARDLESS OF WHETHER THE COMMUNICATION EXPRESSLY ADVOCATES FOR OR AGAINST THE QUALIFICATION OR APPROVAL).
    - v) SUPPORTS THE ELECTION OR DEFEAT OF CANDIDATES OF AN IDENTIFIED POLITICAL PARTY OR THE ELECTORAL PROSPECTS OF AN IDENTIFIED POLITICAL PARTY (INCLUDING PARTISAN VOTER REGISTRATION, PARTISAN GET-OUT-THE-VOTE ACTIVITY, OR OTHER PARTISAN CAMPAIGN ACTIVITY).



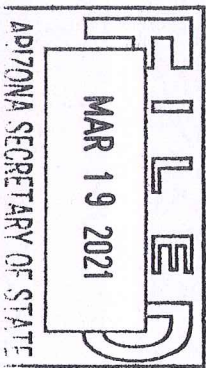
- b) RESEARCH, DESIGN, PRODUCTION, POLLING, DATA ANALYTICS, MAILING OR SOCIAL MEDIA LIST ACQUISITION, OR OTHER ACTIVITIES CONDUCTED IN PREPARATION FOR OR CONJUNCTION WITH ANY OF THE ACTIVITIES DESCRIBED IN PARAGRAPH a OF THIS SUBSECTION.
- c) SPENDING FUNDS (OR ACCEPTING IN-KIND CONTRIBUTIONS) FOR THE FOLLOWING IS NOT INDEPENDENT CAMPAIGN SPENDING:



1) ANY NEWS STORY, COMMENTARY OR EDITORIAL BY ANY BROADCASTING STATION, CABLE TELEVISION OPERATOR, VIDEO SERVICE PROVIDER, PROGRAMMER OR PRODUCER, NEWSPAPER, MAGAZINE, WEBSITE OR OTHER PERIODICAL PUBLICATION THAT IS NOT OWNED OR OPERATED BY A CANDIDATE, A CANDIDATE'S SPOUSE OR ANY COMMITTEE.

- i) NONPARTISAN ACTIVITY INTENDED TO ENCOURAGE VOTER REGISTRATION AND TURNOUT.
- ii) PUBLISHING A BOOK OR PRODUCING A DOCUMENTARY, IF THE PUBLICATION AND PRODUCTION ARE FOR DISTRIBUTION TO THE GENERAL PUBLIC THROUGH TRADITIONAL DISTRIBUTION MECHANISMS OR A FEE IS OBTAINED FOR THE PURCHASE OF THE PUBLICATION OR VIEWING OF THE DOCUMENTARY.

- 2) "INDEPENDENTLY" MEANS NOT MADE PURSUANT TO ANY EXPRESS OR IMPLIED AGREEMENT OR COORDINATION WITH, OR ANY GENERAL OR PARTICULAR UNDERSTANDING WITH, OR PURSUANT TO ANY REQUEST BY OR COMMUNICATION WITH, A CANDIDATE, POLITICAL COMMITTEE, OR POLITICAL PARTY.
- 3) "PUBLIC COMMUNICATION" MEANS A PAID COMMUNICATION TO THE PUBLIC BY MEANS OF BROADCAST, CABLE, SATELLITE, INTERNET OR OTHER DIGITAL METHOD, NEWSPAPER, MAGAZINE, OUTDOOR ADVERTISING FACILITY, MASS MAILING OR OTHER MASS DISTRIBUTION, TELEPHONE BANK, OR ANY OTHER FORM OF GENERAL PUBLIC POLITICAL ADVERTISING OR MARKETING REGARDLESS OF MEDIUM, BUT DOES NOT INCLUDE:
  - i) COMMUNICATIONS BETWEEN AN ORGANIZATION AND ITS EMPLOYEES, OR STOCKHOLDERS, OR BONA FIDE MEMBERS, AND
  - ii) NON-PARTISAN DEBATES BETWEEN CANDIDATES OR PROPONENTS OR OPPONENTS OF A STATE OR LOCAL INITIATIVE OR REFERENDUM AND ANNOUNCEMENTS OF THOSE NON-PARTISAN DEBATES.



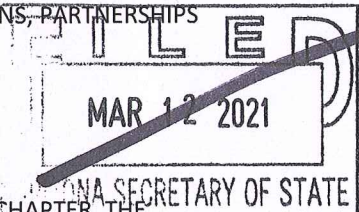
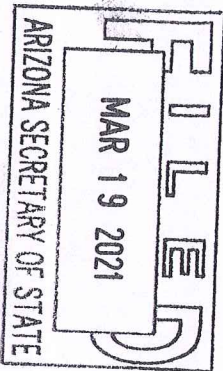
- 4) "COVERED PERSON" MEANS ANY PERSON WHO IN AN ELECTION CYCLE SPENDS AND/OR ACCEPTS IN-KIND CONTRIBUTIONS TOTALING IN THE AGGREGATE \$50,000 OR MORE ON INDEPENDENT CAMPAIGN SPENDING IN STATEWIDE CAMPAIGNS OR \$25,000 OR MORE IN THE AGGREGATE ON INDEPENDENT CAMPAIGN SPENDING IN ANY OTHER TYPES OF CAMPAIGNS ( ), BUT DOES NOT INCLUDE:
  - i) INDIVIDUALS WHO SPEND ONLY THEIR OWN PERSONAL FUNDS FOR INDEPENDENT CAMPAIGN SPENDING;
  - ii) ORGANIZATIONS THAT SPEND ONLY THEIR OWN BUSINESS INCOME FOR INDEPENDENT CAMPAIGN SPENDING;
  - iii) A CANDIDATE'S AUTHORIZED COMMITTEE; OR
  - iv) A POLITICAL ACTION COMMITTEE THAT RECEIVES NO MORE THAN \$5,000 IN CONTRIBUTIONS FROM ANY ONE PERSON IN AN ELECTION CYCLE.
- 5) "BUSINESS INCOME" MEANS—
  - a) FUNDS RECEIVED BY A PERSON IN COMMERCIAL TRANSACTIONS IN THE ORDINARY COURSE OF THE PERSON'S REGULAR TRADE, BUSINESS, OR INVESTMENTS; OR
  - b) MEMBERSHIP OR UNION DUES TO THE EXTENT THAT THEY DO NOT EXCEED \$5,000 FROM A PERSON IN AN ELECTION CYCLE.
- 6) "PERSONAL FUNDS" MEANS—
  - a) ANY ASSET OF AN INDIVIDUAL THAT, AT THE TIME THE INDIVIDUAL ENGAGED IN INDEPENDENT CAMPAIGN SPENDING OR TRANSFERRED FUNDS TO ANOTHER PERSON FOR SUCH SPENDING, THE INDIVIDUAL HAD LEGAL CONTROL OVER AND RIGHTFUL TITLE TO;
  - b) INCOME RECEIVED BY AN INDIVIDUAL OR THE INDIVIDUAL'S SPOUSE, INCLUDING—
    - i) SALARY AND OTHER EARNED INCOME FROM BONA FIDE EMPLOYMENT;
    - ii) DIVIDENDS AND PROCEEDS FROM THE INDIVIDUAL'S PERSONAL INVESTMENTS;
    - iii) BEQUESTS TO THE INDIVIDUAL, INCLUDING INCOME FROM TRUSTS ESTABLISHED BY BEQUESTS; AND
  - c) A PORTION OF ASSETS THAT ARE JOINTLY OWNED BY THE INDIVIDUAL AND THE INDIVIDUAL'S SPOUSE EQUAL TO THE INDIVIDUAL'S SHARE OF THE ASSET UNDER THE INSTRUMENT OF

CONVEYANCE OR OWNERSHIP, BUT IF NO SPECIFIC SHARE IS INDICATED BY AN INSTRUMENT OF CONVEYANCE OR OWNERSHIP, THE VALUE OF ONE-HALF OF THE PROPERTY.

- d) "PERSONAL FUNDS" DOES NOT MEAN ANY ASSET OR INCOME RECEIVED FROM ANY PERSON FOR THE PURPOSE OF INFLUENCING ANY ELECTION.
- 7) "ORIGINAL FUNDS" MEANS BUSINESS INCOME OR THE PERSONAL FUNDS OF AN INDIVIDUAL.
- 8) "TRACEABLE FUNDS" MEANS FUNDS THAT HAVE BEEN GIVEN TO A COVERED PERSON AND FOR WHICH, PURSUANT TO SECTION 16-971(2), NO DONOR HAS OPTED OUT OF THEIR USE OR TRANSFER FOR INDEPENDENT CAMPAIGN SPENDING, OR FUNDS USED TO FINANCE IN-KIND CONTRIBUTIONS TO A COVERED PERSON TO ENABLE INDEPENDENT CAMPAIGN SPENDING.
- 9) "TRANSFER RECORDS" MEANS A WRITTEN RECORD OF THE IDENTITY OF THE PERSONS WHO DIRECTLY OR INDIRECTLY CONTRIBUTED OR TRANSFERRED ORIGINAL FUNDS USED FOR INDEPENDENT CAMPAIGN SPENDING, THE AMOUNTS OF THOSE CONTRIBUTIONS OR TRANSFERS, AND THE PERSON TO WHOM THOSE FUNDS ARE TRANSFERRED.
- 10) "ELECTION CYCLE" MEANS THE TIME BEGINNING THE DAY AFTER GENERAL ELECTION DAY IN EVEN-NUMBERED YEARS AND CONTINUING THROUGH THE END OF GENERAL ELECTION DAY IN THE NEXT EVEN-NUMBERED YEAR.
- 11) "IDENTITY" MEANS—
- a) IN THE CASE OF AN INDIVIDUAL, THE NAME, MAILING ADDRESS, OCCUPATION, AND EMPLOYER OF SUCH INDIVIDUAL; AND
- b) IN THE CASE OF ANY OTHER PERSON, THE NAME, MAILING ADDRESS, FEDERAL TAX STATUS, AND STATE OF INCORPORATION OR PARTNERSHIP, IF ANY.
- 12) "CANDIDATE" MEANS AN INDIVIDUAL WHO SEEKS NOMINATION FOR ELECTION OR ELECTION TO STATE OR LOCAL OFFICE IN THE STATE OF ARIZONA.
- 13) "PERSON" INCLUDES BOTH NATURAL PERSONS AND ENTITIES SUCH AS CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS, REGARDLESS OF LEGAL FORM.
- 14) "COMMISSION" MEANS THE ARIZONA CITIZENS' CLEAN ELECTIONS COMMISSION.

#### 16-971. INDEPENDENT CAMPAIGN SPENDING, TRANSFER RECORDS

- 1) A COVERED PERSON MUST MAINTAIN TRANSFER RECORDS. FOR PURPOSES OF THIS CHAPTER, THE AMOUNT OF A PERSON'S INDEPENDENT CAMPAIGN SPENDING INCLUDES INDEPENDENT CAMPAIGN SPENDING MADE BY ENTITIES ESTABLISHED, FINANCED, MAINTAINED, OR CONTROLLED BY THAT PERSON.
- 2) BEFORE THE COVERED PERSON CAN USE OR TRANSFER THE DONOR'S FUNDS FOR INDEPENDENT CAMPAIGN SPENDING, THE DONOR MUST BE NOTIFIED IN WRITING THAT THE FUNDS MAY BE SO USED AND MUST BE GIVEN AN OPPORTUNITY TO OPT OUT OF HAVING THE DONATION USED OR TRANSFERRED FOR SUCH SPENDING. THE NOTICE UNDER THIS SUBSECTION MUST:
- a) INFORM DONORS THAT THEIR CONTRIBUTIONS MAY BE USED FOR INDEPENDENT CAMPAIGN SPENDING AND THAT INFORMATION ABOUT DONORS MAY HAVE TO BE REPORTED TO THE APPROPRIATE GOVERNMENT AUTHORITY FOR DISCLOSURE TO THE PUBLIC; AND
- b) INFORM DONORS THAT THEY CAN OPT OUT OF HAVING THEIR CONTRIBUTIONS USED OR TRANSFERRED FOR INDEPENDENT CAMPAIGN SPENDING BY SO NOTIFYING THE COVERED PERSON IN WRITING WITHIN TWENTY-ONE DAYS.
- 3) THE NOTICE REQUIRED BY THIS SECTION MAY BE PROVIDED TO THE DONOR BEFORE OR AFTER THE COVERED PERSON RECEIVES THE CONTRIBUTION, BUT THE CONTRIBUTION MAY NOT BE USED OR TRANSFERRED FOR INDEPENDENT CAMPAIGN SPENDING UNTIL TWENTY-ONE DAYS AFTER THE NOTICE IS PROVIDED OR UNTIL THE DONOR PROVIDES WRITTEN CONSENT, WHICHEVER IS EARLIER.
- 4) ANY PERSON WHO CONTRIBUTES \$5,000 OR MORE IN AGGREGATE IN TRACEABLE FUNDS IN AN ELECTION CYCLE TO A COVERED PERSON MUST INFORM THAT PERSON, WITHIN TEN DAYS OF RECEIVING A WRITTEN REQUEST FROM THE COVERED PERSON, OF THE IDENTITIES OF PERSONS WHO DIRECTLY OR INDIRECTLY CONTRIBUTED \$2,500 OR MORE IN ORIGINAL FUNDS BEING TRANSFERRED, THE AMOUNTS OF SUCH PERSONS' ORIGINAL FUNDS BEING TRANSFERRED, AND ANY PERSONS WHO HAVE PREVIOUSLY TRANSFERRED THE ORIGINAL FUNDS. IF MORE THAN ONE TRANSFER HAS PREVIOUSLY OCCURRED, THE CONTRIBUTOR MUST DISCLOSE ALL SUCH PREVIOUS TRANSFERS AND INTERMEDIARIES. THE CONTRIBUTOR MUST MAINTAIN THESE RECORDS FOR AT LEAST FIVE YEARS AND PROVIDE THEM, UPON REQUEST, TO THE COMMISSION.



- 5) ANY PERSON WHO MAKES AN IN-KIND CONTRIBUTION TO A COVERED PERSON OF \$5,000 OR MORE IN AN ELECTION CYCLE TO ENABLE INDEPENDENT CAMPAIGN SPENDING MUST INFORM THAT PERSON, AT THE TIME THE IN-KIND CONTRIBUTION IS MADE OR PROMISED TO BE MADE, OF THE IDENTITIES OF PERSONS WHO DIRECTLY OR INDIRECTLY CONTRIBUTED OR PROVIDED \$2,500 OR MORE IN ORIGINAL FUNDS USED TO FINANCE THE IN-KIND CONTRIBUTION, THE AMOUNTS OF SUCH PERSONS' ORIGINAL FUNDS SO USED, AND ANY PERSONS WHO HAD PREVIOUSLY TRANSFERRED SUCH ORIGINAL FUNDS. IF MORE THAN ONE TRANSFER HAD PREVIOUSLY OCCURRED, THE IN-KIND CONTRIBUTOR MUST DISCLOSE ALL SUCH PREVIOUS TRANSFERS AND INTERMEDIARIES. THE IN-KIND CONTRIBUTOR MUST MAINTAIN THESE RECORDS FOR AT LEAST FIVE YEARS AND PROVIDE THEM, UPON REQUEST, TO THE COMMISSION.



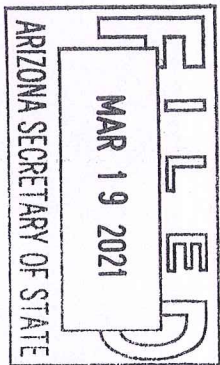
16-072. DISCLOSURE REPORTS

1) INITIAL REPORT. WITHIN FIVE (5) DAYS OF FIRST SPENDING AND/OR ACCEPTING IN-KIND CONTRIBUTIONS TOTALING IN THE AGGREGATE \$50,000 OR MORE DURING AN ELECTION CYCLE ON INDEPENDENT CAMPAIGN SPENDING IN A STATEWIDE CAMPAIGNS OR \$25,000 OR MORE IN THE AGGREGATE DURING THE ELECTION CYCLE IN ANY OTHER TYPE OF CAMPAIGNS A COVERED PERSON SHALL FILE AN INITIAL REPORT THAT SHALL DISCLOSE:

- a) THE IDENTITY OF THE PERSON WHO OWNS OR CONTROLS THE TRACEABLE FUNDS;
- b) THE IDENTITY OF ANY ENTITY ESTABLISHED, FINANCED, MAINTAINED, OR CONTROLLED BY THAT PERSON AND WHO MAINTAINS ITS OWN TRANSFER RECORDS AND THAT ENTITY'S RELATIONSHIP TO THE COVERED PERSON;
- c) THE NAME, MAILING ADDRESS, AND POSITION OF THE INDIVIDUAL WHO IS THE CUSTODIAN OF THE TRANSFER RECORDS;
- d) THE NAME, MAILING ADDRESS, AND POSITION OF AT LEAST ONE INDIVIDUAL WHO CAN CONTROL, DIRECTLY OR INDIRECTLY, HOW THE TRACEABLE FUNDS ARE SPENT;
- e) THE TOTAL AMOUNT OF TRACEABLE FUNDS OWNED OR CONTROLLED BY THE COVERED PERSON ON THE DATE OF THE REPORT;
- f) EACH CONTRIBUTOR OF ORIGINAL FUNDS WHO HAS CONTRIBUTED, DIRECTLY OR INDIRECTLY, MORE THAN \$5,000 OF TRACEABLE FUNDS OR IN-KIND CONTRIBUTIONS DURING THE ELECTION CYCLE TO THE COVERED PERSON, AND THE DATE AND AMOUNT OF EACH OF SUCH CONTRIBUTOR'S CONTRIBUTIONS;
- g) THE IDENTITY OF PERSONS WHO ACTED AS INTERMEDIARIES WHO TRANSFERRED, IN WHOLE OR PART, TRACEABLE FUNDS FROM ORIGINAL SOURCES TO THE COVERED PERSON, AND THE DATE, AMOUNT, AND SOURCE (ORIGINAL AND INTERMEDIATE) OF SUCH TRANSFERRED FUNDS;
- h) THE IDENTITY OF EACH PERSON WHO RECEIVED FROM THE COVERED PERSON DISBURSEMENTS AGGREGATING \$1,000 OR MORE OF TRACEABLE FUNDS DURING THE ELECTION CYCLE AND THE DATE AND PURPOSE OF EACH DISBURSEMENT INCLUDING THE FULL NAME AND OFFICE SOUGHT OF ANY CANDIDATE OR BALLOT PROPOSITION THAT WAS SUPPORTED, OPPOSED, OR REFERENCED IN A PUBLIC COMMUNICATION THAT WAS FINANCED, IN WHOLE OR PART, WITH THE DISBURSEMENT; AND
- i) THE IDENTITY OF ANY PERSON WHOSE AGGREGATE CONTRIBUTIONS OF TRACEABLE FUNDS TO THE COVERED PERSON CONSTITUTED MORE THAN HALF OF THE FUNDS OF THE COVERED PERSON AT THE START OF THE ELECTION CYCLE.

2) SUBSEQUENT REPORTS. AFTER ITS INITIAL REPORT, EACH TIME A COVERED PERSON SPENDS AND/OR ACCEPTS IN-KIND CONTRIBUTIONS TOTALLING IN THE AGGREGATE ANOTHER \$25,000 OR MORE DURING AN ELECTION CYCLE ON INDEPENDENT CAMPAIGN SPENDING IN STATEWIDE CAMPAIGNS OR \$15,000 OR MORE IN THE AGGREGATE ON INDEPENDENT CAMPAIGN SPENDING DURING AN ELECTION CYCLE IN ANY OTHER TYPE OF CAMPAIGN(S), THAT PERSON SHALL FILE WITHIN 3 DAYS A REPORT THAT SHALL DISCLOSE ANY INFORMATION THAT HAS CHANGED SINCE IT WAS PREVIOUSLY REPORTED PURSUANT TO SUBSECTION 1 OF THIS SECTION.

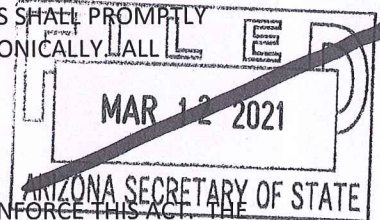
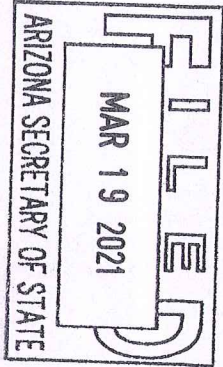
3) UPDATING INFORMATION. WHEN INFORMATION HAS CHANGED SINCE IT WAS PREVIOUSLY REPORTED PURSUANT TO PARAGRAPHS (a)-(d) OF SUBSECTION 1 OF THIS SECTION BUT HAS NOT YET BEEN REPORTED PURSUANT TO SUBSECTION 2, THE CHANGED INFORMATION SHALL BE REPORTED WITHIN TWENTY DAYS, EXCEPT THERE IS NO OBLIGATION TO REPORT CHANGES THAT OCCUR MORE THAN TWO YEARS AFTER THE MOST RECENT REPORT WAS FILED PURSUANT TO THIS SECTION.



- 4) TO DETERMINE THE AMOUNTS OF INDIRECT CONTRIBUTIONS RECEIVED, A COVERED PERSON MAY RELY UPON THE INFORMATION IT HAS RECEIVED PURSUANT TO SECTION 16-971, UNLESS THE COVERED PERSON KNOWS OR HAS REASON TO KNOW THAT THE INFORMATION RELIED UPON IS FALSE OR UNRELIABLE.
- 5) WHEN A COVERED PERSON TRANSFERS \$5,000 OR MORE IN TRACEABLE FUNDS TO ANOTHER COVERED PERSON (OR, AFTER RECEIVING THE REQUIRED NOTICE UNDER SUBSECTION 2 OF 16-971 FAILS TO OPT OUT OF HAVING PREVIOUSLY TRANSFERRED FUNDS USED FOR CAMPAIGN EXPENDITURES), A TRANSFER RECORD MUST BE PROVIDED THAT IDENTIFIES THE PERSONS WHO DIRECTLY OR INDIRECTLY CONTRIBUTED THE ORIGINAL FUNDS BEING TRANSFERRED, THE AMOUNTS OF THE PERSONS' ORIGINAL FUNDS BEING TRANSFERRED, AND ANY PERSONS WHO HAVE PREVIOUSLY TRANSFERRED THE ORIGINAL FUNDS.
- 6) NOTWITHSTANDING THE FOREGOING:
  - a) THE IDENTITY OF SOURCES WHO ARE OTHERWISE PROTECTED FROM DISCLOSURE BY LAW OR COURT ORDER OR WHO DEMONSTRATE TO THE SATISFACTION OF THE COMMISSION THAT PUBLIC KNOWLEDGE OF THEIR IDENTITY WOULD SUBJECT THEM OR THEIR FAMILY TO RISK OF PHYSICAL HARM SHALL NOT BE DISCLOSED.
  - b) THIS AMENDMENT DOES NOT REQUIRE PUBLIC DISCLOSURE OF OR A DISCLAIMER REGARDING THE IDENTITY OF AN ORIGINAL SOURCE THAT CONTRIBUTES LESS THAN \$5,000 IN FUNDS OR IN-KIND CONTRIBUTIONS IN THE AGGREGATE DURING AN ELECTION CYCLE TO A COVERED PERSON FOR CAMPAIGN COMMUNICATIONS, DIRECTLY OR THROUGH INTERMEDIARIES.
- 7) ALL DISCLOSURE REPORTS MADE PURSUANT TO THIS ACT SHALL BE MADE ELECTRONICALLY TO THE SECRETARY OF STATE AND TO ANY OTHER BODY AS DIRECTED BY LAW. OFFICIALS SHALL PROMPTLY MAKE THE INFORMATION PUBLIC AND PROVIDE IT TO THE COMMISSION ELECTRONICALLY. ALL DISCLOSURE REPORTS ARE SUBJECT TO PENALTY OF PERJURY.

**16-973. CITIZENS' CLEAN ELECTIONS COMMISSION.**

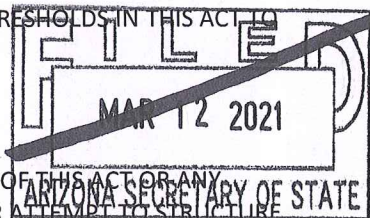
- 1) THE COMMISSION IS THE PRIMARY AGENCY AUTHORIZED TO IMPLEMENT AND ENFORCE THIS ACT. THE COMMISSION MAY PROMULGATE AND ENFORCE RULES AND REGULATIONS, ISSUE AND ENFORCE CIVIL SUBPOENAS, INCLUDING THIRD-PARTY SUBPOENAS; INITIATE ENFORCEMENT ACTIONS; CONDUCT FACT FINDING HEARINGS AND INVESTIGATIONS; IMPOSE FINES FOR NONCOMPLIANCE, INCLUDING PENALTIES FOR LATE OR INCOMPLETE DISCLOSURES; SEEK LEGAL AND EQUITABLE RELIEF IN COURT AS NECESSARY, ESTABLISH WHAT RECORDS PERSONS MUST MAINTAIN TO SUPPORT THEIR DISCLOSURES AND OTHER ACTS THAT MAY ASSIST IN IMPLEMENTING THIS ACT.
- 2) IF THE COMMISSION IMPOSES A PENALTY UPON A PERSON AND THAT PERSON DOES NOT TIMELY SEEK JUDICIAL REVIEW, THE COMMISSION MAY FILE A CERTIFIED COPY OF ITS ORDER REQUIRING PAYMENT OF THE FINE IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT IN ANY COUNTY OF THIS STATE. THE CLERK SHALL TREAT THE COMMISSION ORDER IN THE SAME MANNER AS A JUDGMENT OF THE SUPERIOR COURT. A COMMISSION ORDER SO FILED HAS THE SAME EFFECT AS A JUDGMENT OF THE SUPERIOR COURT AND MAY BE RECORDED, ENFORCED, OR SATISFIED IN LIKE MANNER. NO FILING FEE IS REQUIRED UNDER THIS SECTION.
- 3) THE COMMISSION SHALL ESTABLISH DISCLAIMER REQUIREMENTS FOR PUBLIC COMMUNICATIONS BY COVERED PERSONS. A POLITICAL ACTION COMMITTEE THAT COMPLIES WITH THESE REQUIREMENTS NEED NOT SEPARATELY COMPLY WITH THE REQUIREMENTS IN SECTION 16-925(B). AT MINIMUM, PUBLIC COMMUNICATIONS BY COVERED PERSONS WILL DISPLAY OR RECITE:
  - a. THE NAMES OF THE TOP THREE DONORS WHO DIRECTLY OR INDIRECTLY MADE THE THREE LARGEST CONTRIBUTIONS OF ORIGINAL FUNDS DURING THE ELECTION CYCLE TO THE COVERED PERSON.
  - b. IF IT IS NOT TECHNOLOGICALLY POSSIBLE FOR A COMMUNICATION DISSEMINATED ON THE INTERNET OR BY SOCIAL MEDIA MESSAGE, TEXT MESSAGE, OR SHORT MESSAGE SERVICE TO PROVIDE ALL THE INFORMATION REQUIRED, THE COMMUNICATION MUST PROVIDE A MEANS FOR VIEWERS TO OBTAIN, IMMEDIATELY AND EASILY, THE REQUIRED INFORMATION WITHOUT HAVING TO RECEIVE EXTRANEOUS INFORMATION.
- 4) THE COMMISSION'S RULES AND ANY COMMISSION ENFORCEMENT ACTIONS PURSUANT TO THE ACT ARE NOT SUBJECT TO THE APPROVAL OF OR ANY PROHIBITION OR LIMITATION IMPOSED BY ANY OTHER EXECUTIVE OR LEGISLATIVE GOVERNMENTAL BODY OR OFFICIAL. NOTWITHSTANDING ANY LAW TO THE CONTRARY, RULES ADOPTED PURSUANT TO THIS ACT ARE EXEMPT FROM TITLE 41, CHAPTERS 6 AND 6.1.



- 5) THE COMMISSION MAY REIMBURSE THE SECRETARY OF STATE OR OTHER AGENCIES WHO INCUR COSTS TO IMPLEMENT OR ENFORCE THIS ACT.
- 6) THE COMMISSION MAY ADJUST THE CONTRIBUTION AND EXPENDITURE THRESHOLDS IN THIS ACT TO REFLECT INFLATION.

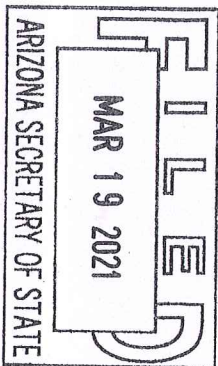
**16-974. STRUCTURED TRANSACTIONS PROHIBITED.**

NO PERSON SHALL, FOR THE PURPOSE OF EVADING THE REPORTING REQUIREMENTS OF THIS ACT OR ANY REGULATION PRESCRIBED THEREUNDER, STRUCTURE OR ASSIST IN STRUCTURING, OR ATTEMPT TO STRUCTURE OR ASSIST IN STRUCTURING, ANY SOLICITATION, CONTRIBUTION, EXPENDITURE, DISBURSEMENT, OR OTHER TRANSACTION.



**16-975. PENALTIES AND OTHER REVENUE.**

- 1) THE PENALTY FOR ANY VIOLATION OF THIS ACT SHALL BE NOT LESS THAN THE AMOUNT OF THE UNDISCLOSED OR IMPROPERLY DISCLOSED CONTRIBUTIONS AND NOT MORE THAN THREE TIMES THAT AMOUNT.
- 2) FINES OR PENALTIES COLLECTED FOR VIOLATIONS OF THIS ACT SHALL BE DEPOSITED INTO A SEPARATE ACCOUNT IN THE CLEAN ELECTIONS FUND AND USED TO DEFRAY THE COSTS OF IMPLEMENTING AND ENFORCING THIS ACT. ANY MONIES IN THIS ACCOUNT THAT ARE NOT USED TO IMPLEMENT THIS ACT MAY BE USED FOR OTHER COMMISSION APPROVED PURPOSES.
- 3) THE COMMISSION MAY USE OTHER COMMISSION FUNDS TO IMPLEMENT AND ENFORCE THIS ACT.
- 4) AN ADDITIONAL SURCHARGE ON CIVIL AND CRIMINAL PENALTIES OF ONE PERCENT SHALL BE IMPOSED AND THE PROCEEDS DEPOSITED INTO THE ACCOUNT WITHIN THE CLEAN ELECTIONS FUND THAT IS FOR THE IMPLEMENTATION OF THIS ACT. THE SURCHARGE SHALL BE SUSPENDED FOR ONE TO THREE YEARS AT A TIME IF THE COMMISSION DETERMINES THAT, DURING THAT PERIOD, IT CAN PERFORM THE ACTIONS REQUIRED BY THIS ACT WITHOUT THE FUNDS FROM THE SURCHARGE.



**16-976. CITIZENS' ENFORCEMENT ACTION.**

- 1) ANY ARIZONA VOTER MAY FILE A VERIFIED COMPLAINT WITH THE COMMISSION AGAINST A PERSON WHO FAILS TO COMPLY WITH THE REQUIREMENTS OF THIS ACT OR ITS IMPLEMENTING REGULATIONS.
- 2) THE COMPLAINT MUST STATE THE GROUNDS FOR BELIEVING THAT THERE HAS BEEN A VIOLATION OF THIS ACT OR ITS IMPLEMENTING REGULATIONS.
- 3) IF THE COMMISSION DETERMINES THAT THE COMPLAINT STATES A COLORABLE VIOLATION OF THIS ACT OR ITS IMPLEMENTING REGULATIONS, IT SHALL INVESTIGATE THE ALLEGATIONS, INCLUDING BUT NOT LIMITED TO PROVIDING THE ALLEGED VIOLATOR WITH AN OPPORTUNITY TO BE HEARD.
- 4) IF THE COMMISSION AT ANY TIME DISMISSES THE COMPLAINT OR TAKES NO SUBSTANTIVE ENFORCEMENT ACTION WITHIN NINETY (90) DAYS OF RECEIVING THE COMPLAINT, THE COMPLAINANT MAY BRING A CIVIL ACTION AGAINST THE COMMISSION TO COMPEL IT TO TAKE ENFORCEMENT ACTION, AND THE COURT SHALL REVIEW *DE NOVO* WHETHER THE COMMISSION'S DISMISSAL OR FAILURE TO ACT WAS REASONABLE. IN ANY MATTER IN WHICH THE PENALTY FOR THE ALLEGED VIOLATION COULD BE GREATER THAN \$50,000, THE COURT SHOULD DISREGARD ANY CLAIM OR DEFENSE BY THE COMMISSION OF PROSECUTORIAL DISCRETION AS A BASIS FOR DISMISSING OR FAILING TO ACT ON THE COMPLAINT.

**16-977. MORE STRINGENT ENACTMENT ALLOWED.**

NOTHING IN THIS ACT OR ANY OTHER STATUTE SHALL PREVENT THE LEGISLATURE, A COUNTY BOARD OF SUPERVISORS OR A MUNICIPAL GOVERNMENT FROM ENACTING MORE STRINGENT DISCLOSURE PROVISIONS THAN THOSE CONTAINED IN THIS ACT.

**16-978. LEGAL DEFENSE**

- 1) THE PEOPLE OF ARIZONA DESIRE THAT THIS ACT BE DEFENDED IF IT IS CHALLENGED IN COURT. THEY THEREFORE DECLARE THAT THE POLITICAL ACTION COMMITTEE REGISTERED TO CIRCULATE PETITIONS IN SUPPORT OF THIS ACT, OR ANY OF ITS MEMBERS, OR THE COMMISSION HAS STANDING TO DEFEND THIS

ACT ON BEHALF OF THE PEOPLE OF ARIZONA IN ANY LEGAL ACTION BROUGHT TO CHALLENGE THE VALIDITY OF THIS ACT OR ANY OF ITS PROVISIONS.

- 2) NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE COMMISSION HAS EXCLUSIVE AND INDEPENDENT AUTHORITY TO SELECT LEGAL COUNSEL TO REPRESENT THE COMMISSION REGARDING ITS DUTIES UNDER THIS ACT AND TO DEFEND THIS ACT IF ITS VALIDITY IS CHALLENGED.

**Section 4. Severability.**

The provisions of this Act are severable. If any provision of this chapter or application of a provision to any person or circumstance is held to be unconstitutional, the remainder of this chapter, and the application of the provisions to any person or circumstance, shall not be affected by the holding. The invalidated provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of this act.

**Section 5. Effective Date and Implementation.**

- 1) If approved by the voters, this Act shall be effective pursuant to Article IV, Part 1, Section 1(5), Constitution of Arizona, and shall apply to all elections occurring after January 1, 2024, and to contributions made after the effective date of this Act.
- 2) If approved by the voters, the Commission shall publicize the requirements of these provisions.
- 3) The rights established by this Act shall be construed broadly.

