

PROPOSED AMENDMENT

SENATE AMENDMENTS TO S.B. 1403

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 16-914.02, Arizona Revised Statutes, is amended to
3 read:

4 16-914.02. Reporting independent expenditures of corporations,
5 limited liability companies and labor
6 organizations; statement; disclaimer and
7 disclosure; civil action; civil penalty; violation;
8 classification; definitions

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

15 1. An aggregate of five thousand dollars or more in one or more
16 statewide races.

17 2. An aggregate of two thousand five hundred dollars or more in one or
18 more legislative races.

19 3. One thousand dollars or more in one or more county, city, town or
20 other local races if the one thousand dollars is aggregated in races in a
21 single county, city, town or other local jurisdiction.

22 B. The secretary of state is the filing officer for registrations and
23 notifications for independent expenditures in statewide and legislative
24 elections. City, town or county filing officers are the filing officers for
25 notifications in a city, town, county or other local election as provided in

1 section 16-916. The corporation, limited liability company or labor
2 organization also shall notify the filing officer within the same time limit
3 prescribed in subsection A of this section of each additional accumulation of
4 expenditures that exceeds the threshold amount prescribed in subsection A of
5 this section but is not required to register again during that election cycle
6 after the initial registration. A corporation, limited liability company or
7 labor organization may register with the filing officer and provide a
8 notarized, sworn statement of authority in advance of the expenditure in
9 anticipation of making an independent expenditure. The secretary of state
10 shall provide for electronic filing for registrations and notifications and
11 shall provide for website access to the information for the public. Filings
12 at the secretary of state's office shall be in the form prescribed by the
13 secretary of state. Other filing officers shall prescribe the format for
14 filing registrations and notifications and shall provide for public access to
15 that information. On or after November 27, 2012 and at the request of the
16 local election filing officer, the secretary of state may provide for
17 electronic filing pursuant to this section for local elections.

18 C. The registration shall include all of the following:

19 1. The name and address of the corporation, limited liability company
20 or labor organization.

21 2. The name, title, electronic mail address and telephone number of
22 the person authorizing the independent expenditure.

23 D. Each notification shall include all of the following:

24 1. The name and address of the corporation, limited liability company
25 or labor organization making the independent expenditure.

26 2. The amount of the expenditure and the name of the vendor or other
27 payee receiving the expenditure.

28 3. The name of the candidate and race in which the expenditure was
29 made and whether the expenditure was in support of or opposition to the
30 candidate.

31 4. The communication medium and description of what was purchased with
32 the expenditure.

1 5. The date of the expenditure.

2 E. If the corporation, limited liability company or labor organization
3 did not register and provide a notarized sworn statement in advance of the
4 expenditure as prescribed by this section, the corporation, limited liability
5 company or labor organization shall file with the secretary of state or other
6 appropriate filing officer within five days after an initial threshold
7 expenditure as prescribed in subsection A of this section a notarized sworn
8 statement that the person, agent or officer filing the registration and
9 notice had authority to make that expenditure on behalf of the corporation,
10 limited liability company or labor organization. Until the secretary of
11 state or other filing officer receives the notarized sworn statement, the
12 filing officer shall categorize the notification as unverified. If the
13 secretary of state or other filing officer does not receive the notarized
14 sworn statement within the required five day time frame, the notification
15 shall be categorized as both unverified and delinquent. The filing officer
16 shall make reasonable efforts to contact the entity that made the expenditure
17 and remove the notification from public view within a reasonable time if
18 unable to verify that the entity made the expenditure and all penalties
19 prescribed in this section apply.

20 F. Any literature or advertisement that is purchased with monies from
21 a corporation, limited liability company or labor organization making an
22 independent expenditure in an attempt to influence the outcome of a candidate
23 election shall disclose the name of the corporation, limited liability
24 company or labor organization making the expenditure. Any disclosure
25 statement required by this section shall be printed clearly and legibly in a
26 conspicuous manner. If the communication is broadcast on radio, the
27 information shall be spoken at the end of the communication. If the
28 communication is broadcast on a telecommunications system, the information
29 shall be both written and spoken at the end of the communication, except that
30 if the disclosure statement is written for at least five seconds of a thirty
31 second advertisement broadcast or ten seconds of a sixty second advertisement
32 broadcast, a spoken disclosure statement is not required. If the

1 communication is broadcast on a telecommunications system, the written
2 disclosure statement shall be printed in letters equal to or larger than four
3 per cent of the vertical picture height. The literature or advertisement
4 shall include the words "paid for by" in the disclosure followed by the name
5 of the entity making the expenditure and shall also state that it is not
6 authorized by any candidate or candidate's campaign committee.

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

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

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

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

28 K. Any entity that makes an independent expenditure and that is
29 organized primarily for the purpose of influencing an election ~~and that is~~
30 **SHALL FILE WITH THE FILING OFFICER AS A POLITICAL COMMITTEE AS OTHERWISE**
31 **PROVIDED BY LAW IF IT IS EITHER OF THE FOLLOWING:**

1 1. A combination of corporations, limited liability companies or labor
2 organizations. ~~or that is~~

3 2. A corporation, limited liability company or labor organization that
4 accepts donations or contributions ~~shall file with the filing officer as a~~
5 ~~political committee as otherwise provided by law.~~

6 L. IT IS A REBUTTABLE PRESUMPTION THAT AN ENTITY IS NOT ORGANIZED
7 PRIMARILY FOR THE PURPOSE OF INFLUENCING AN ELECTION AND SUBSECTION K OF THIS
8 SECTION DOES NOT APPLY IF THE ENTITY IS RECOGNIZED OR HAS ITS APPLICATION
9 PENDING UNDER SECTION 501(c)(4), 501(c)(5), 501(c)(6) OR 501(c)(7) OF THE
10 INTERNAL REVENUE CODE.

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

16 M. N. For the purposes of this section:

17 1. "Independent expenditure" has the same meaning prescribed in
18 section 16-901, except that it is made by a corporation, a limited liability
19 company or a labor organization and except as prescribed in subsection L M
20 of this section.

21 2. "Local election" means an election in a county, city, town, school
22 district or special district."

23 Amend title to conform

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