

August 14, 2013

TO: Ken Strobeck, Executive Director

FROM: William Bock, General Counsel

SUBJECT: Summary of HB 2593 (Chapter 98, Laws of 2013), Relating to Changes in Campaign Finance Regulations for Municipal Elections

HB 2593 (Chapter 98, Laws of 2013) amended several sections of Title 16, Arizona Revised Statutes relating to campaign contributions. Some of those changes related to elections for non-statewide and non-legislative offices, which also means they would apply to municipal elections.

The first changes were made **only to the amounts of contributions** that may be made or accepted by individuals or political committees. In Section 16-905 A., HB2593 changes the amounts that may be accepted or given as follows:

- 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 more than:
  - **\$2,500** from an individual. This amount was changed from \$390.
  - **\$2500** from a single political committee. This amount was changed from \$390.
  - **\$5000** from a single political committee certified to contribute at higher amounts. This amount was changed from \$2,000.

Another change that was made amended Section 16-905 C. That section used to provide that a candidate for an office other than a legislative or a statewide office could not accept contributions from all political committees, excluding political parties, combined totaling more than \$10,020. That section has now been changed so that a candidate **MAY** accept contributions from political committees, excluding political parties, and a candidate **IS NOT RESTRICTED** as to the aggregate total that a candidate may receive from all political committees. The effect is that for municipal elections, the \$10,020 limitation has been removed, and a candidate has no limit on the aggregate amount of contributions that may be accepted from all political committees. There is still the limit described above for contributions from single political committees.

Another change was made to Section 16-905 E. That section used to provide that an individual could not make contributions totaling more than \$5,610 in a calendar year to state and local candidates and political committees contributing to state or local candidates. That provision has now been changed so that an individual **MAY** make contributions as otherwise prescribed by the

section, but the individual is not restricted as to the aggregate total that an individual may give. That means that the \$5610 limit in a calendar year has been removed. Under the new law, then, an individual would be limited to a contribution of \$2500 to any single candidate or campaign committee, but can make contributions to additional candidates or committees, and is not restricted in the total amount given to all candidates or committees.

Finally, there is a new filing requirement. This new provision requires a candidate, or a candidate's campaign committee to give notice to the filing officer if the candidate or committee receives from a single source a contribution of at least \$1,000 less than 20 days before the day of the election. The notice must be filed within 72 hours after receipt of the contribution. The notice must contain the date of the receipt, the name of the contributor and the amount of the contribution. Contributions subject to this new notice shall be included in the next regular report filed pursuant to ARS Section 16-913. The date of receipt is the date that the candidate's campaign committee obtains possession of the contribution. The new filing requirement law also provides a civil penalty of up to 3 times the amount improperly reported for any committee that knowingly violates this filing requirement.

HB 2593 (Chapter 98, Laws of 2013) takes effect on September 13, 2013.