



**PIMA COUNTY ELECTION INTEGRITY COMMISSION
MEETING MINUTES FOR SEPTEMBER 25, 2015**
<http://www.pima.gov/commission/ElectionIntegrity.shtml>

The Pima County Election Integrity Commission met in regular session on September 25, 2015 at 9:00 a.m. in the Herbert K. Abrams Building, 3rd Floor Conference Rooms 3108/3110 at 3950 S. Country Club Road, Tucson, Arizona.

ITEM 1. ROLL CALL

Present: Matt Smith, Chris Cole, Barbara Tellman, Karen Schutte, Beth Borozan, Bill Beard, Brian Bickel, Tom Ryan, Brad Nelson; Jeff Rogers arrived at 9:45.

Absent: Arnie Urken.

ITEM 2. PLEDGE OF ALLEGIANCE

The American flag was saluted with the Pledge of Allegiance.

ITEM 3. APPROVAL OF MINUTE SUMMARY – August 21, 2015

It was moved by Barbara Tellman, seconded by Chris Cole and carried unanimously to approve the Minutes of the August 21, 2015 meeting.

Prior to moving to the next Item, Brad Nelson announced that Kris Kingsmore from the Arizona Secretary of State's office has tendered her resignation. She will be the Deputy Town Clerk for the Town of Gilbert. She has been with the Secretary of State's office for a substantial number of years, and prior to that was the Coconino County Elections Director.

ITEM 4. CALL TO PUBLIC

No comments from the public; no public present.

ITEM 5. ES&S SYSTEM SECURITY QUESTIONS – Brad Nelson

- ES&S Responses to EIC Questions

Brad referenced the responses from ES&S that were provided to the Commission [a copy of the security questions with ES&S's responses is incorporated into these minutes as Attachment 1]. Chris Cole brought up the VW scandal, where they manipulated the vehicle computer so that it knew when it was being tested. He wonders if the ES&S system can similarly be manipulated so that different results can be acquired during a Logic and Accuracy Test, and ballot tabulation. How can one be sure that this is not being done? Barbara Tellman responded that there is the hand count audit. Tom remembers that the Diebold GEMS system had an L&A mode, but, at least for a while, it wasn't used; Brad confirmed that while in the GEMS environment, the L&A mode was not used. Chris responded that, between the time the equipment is certified, bought and installed—and no

offense to Brad—there was time for someone to manipulate the system to throw an election, and the ones relied upon to catch the problem are the ones that are doing it. Karen Schutte pointed out that, while she and Barbara were at the City observing their election, every single inaccuracy that they saw was not a result of the equipment, but rather human error. Barbara asked if there is a toggle mode in this system; Brad responded he did not know but when a system is certified, the hash code for that software is placed in the NIST Library for comparison. When the software is purchased, it is tested against the one on file with the Feds to make certain nothing has changed. Chris asked if the software is tested before every election; Brad responded yes, it is a requirement.

Bill Beard asked about the question on insurance to deal with system failure, and whether that was spelled out in the contract in the event of a failure of their systems, because ES&S's response is that they do not offer insurance. Brad does not believe it is, but ES&S is the latest iteration of an election system that started in the IBM days which then became CES, BRC and then Election Systems and Software. When Brad was in Colorado, BRC produced ballots on a pad; sometimes they tore off nice and square, sometimes they tore off on a slant and wouldn't read. They paid for all the overtime involved in that election and didn't charge for any of the printing. Brad's "gut feeling" is that, if it's their fault, it is to their advantage from a marketing standpoint that it is made right.

Bill's other point is that during the meeting with the Arizona Secretary of State's office, it was discussed that Arizona's laws don't deal with ballot images, and one of the talking points was, there is nothing in current law that prevents the vendor from using those images. Has the discussion on security of those images once an election is over ever occurred with ES&S? Is the database ours exclusively, or do they have access to it? Brad responded it is ours exclusively and the system is stand-alone and not connected to the internet in any way. Brad agreed that the topic of ballot images is not yet covered in statute, but the Secretary of State is attempting to put such verbiage in the *Procedures Manual*. At this time, ballot images will be treated as if they were real ballots. No one gets ballots or images; that's against the law.

Karen Schutte asked if the Elections Department had made any changes in the procedures for duplicating ballots with the new system. Brad explained the procedures for duplicating a ballot: When an early ballot is received and there is an anomaly such as a coffee stain, or a torn corner, a team of two of different political parties reads the original ballot and duplicates it to another ballot. The duplication is logged with the reason for the duplication and a number which is placed on both the original and the duplicate ballot. In the past, this process has been done using another paper ballot from the same precinct. The ExpressVote is a touchscreen device designed by ES&S predominantly for disabled individuals at the polling place. It produces a printout of choices made by the voter that can be read by the same equipment that reads the regular ballots. For the duplication process going forward, there will still be the duplication team and they will read from the original ballot and touch the screen to reflect the choices. The printout is compared to the original ballot, printed out and then reviewed by a second separate team for accuracy. The good thing about this system is that if the duplication team makes a mistake while duplicating a ballot, they can make the correction on the screen prior to printing out, rather than starting over with a fresh paper ballot. Bill Beard asked if the system logs how many ballots are created that way; Brad's understanding of the system is there is not a counter. However, there is the log that will be used in the same way for duplicating ballots on the ExpressVote. The ExpressVote does not log or tabulate votes; it is merely a printing device.

Tom Ryan asked how the ExpressVote ballot is read; Brad explained that when the ExpressVote makes the printout showing the selections, a barcode is inserted on the printout and is what the tabulation equipment actually reads. There is a Logic and Accuracy test done to test the barcodes.

Barbara Tellman noted that, with respect to the discussion earlier on ballot images, the City of Tucson decided not to keep ballot images. The City Attorney advised them there could be problems. So they chose to scan but not keep the ballot images afterward. Brad responded that is not his intention.

Tom Ryan said that during the discussion on ballot images with Eric Spencer at the last meeting, Tom took issue with Eric's position. He will be sending Eric a list of reasons why he thinks it is wrong to treat them exactly the same. Tom suggested that anyone else on the Commission who feels the same way should do the same. Tom's opinion is that they can be released without a problem and he hasn't heard a good argument on why it is a problem. He sees the potential for a significant enhancement to the audit process. Brad responded that, informally, Pima County agrees and in informal discussion with Maricopa County, they also agree that ballot images can be very useful for audits in the future.

Bill Beard raised the issue of the duplicate ballot logs with respect to the audit process. The audit process is designed to be an extra check to not just one step along the way, but every step. Having a log from the printers that shows how many duplicate ballots were printed to verify against the actual ballots in the stack seems to be a wise thing to do. If there is a problem along the way, having this verification could be helpful in nailing it down rather than having to go back through an entire range of events. Brad understands Bill's point. He has asked ES&S if there is a public counter on the ExpressVote to show how many ballots were produced on that touchscreen, and the answer is no. But the final reports show how many ballots were duplicated, who duplicated them, as well as the duplicated ballots married together with their originals.

Chris Cole asked how the barcodes on the touchscreen duplicate ballots are audited after the election to ensure that what is printed on the ballot is actually what is in the barcode. Brad responded that they are subject to hand count audit as all other ballots. Brian Bickel said that the barcodes could be run through a barcode reader and a readable document produced.

Karen Schutte asked about EIC members coming to observe in the early ballot processing area, as this would give insight to members for discussions. Brad explained that the current procedure is to allow two observers from each political party into the room where ballots are processed for tabulation. Observers are not to ask questions of the early board staff; there is other staff that observers may ask questions of to keep from interfering with the workload. Brad suggested that EIC members check the election calendar.

ITEM 6. NOVEMBER ELECTION UPDATE – Brad Nelson

In addition to the county-wide bond election there is also the City of Tucson mayoral and council races and questions of their own. The Town of Oro Valley has a recall; the Town of Sahuarita has a general plan question; and approximately a half dozen school districts within Pima County will have financial questions. The county-wide publicity pamphlets have been mailed out over the week of September 21 at about fifty to sixty thousand at a time; they are required to be sent to households prior to the start of early voting which begins October 8. Of approximately 480,000 registered voters in Pima County, about 305,000 have either requested an early ballot or are on the Permanent Early Voting List. Sample ballots are currently being printed.

Poll workers are being recruited and polling place agreements have been received from facilities. There have been very few changes from the 2014 polling places; there were perhaps a dozen or less that needed to be changed because the facility was no longer available. Publicity pamphlets will be mailed by each jurisdiction having a proposition on the ballot: the County will mail a pamphlet on

the County Bond Election, the City of Tucson will mail a pamphlet on their propositions, and any school issues will generate their own pamphlet. Pamphlets will be mailed separately, but all those jurisdictions will appear on one ballot.

Brian Bickel asked if City of Tucson voters will all get an early ballot or only PEVL voters. Brad responded that the August City of Tucson Primary was all ballot-by-mail; the ballots were automatically mailed to every eligible City voter. That is NOT the case for this election. City of Tucson voters either have to be on the Permanent Early Voting List, or have ordered an early ballot specifically for this election. Karen asked how many ballot styles there would be with all the various jurisdictions appearing on the ballot. Brad estimated that with 248 precincts, a half-dozen school districts, and three municipalities, there are probably 350 different ballot styles. Some are due to the fact that candidates are being rotated in Oro Valley. The City of Tucson ballots will not have a rotation of candidates, except that whatever party prevailed in the previous election will be first. So City of Tucson democratic candidates will be first.

Bill Beard asked if it has always been the Elections Department who chooses the party members for the L&A board without the parties' consent. Brad responded that the *Procedures Manual* says that the county board of supervisors shall appoint a two-member logic and accuracy board, and those two members must not be of the same political party. Normally, during a partisan election, the Elections Department will reach out to the major political parties to ask for input; however, before knowing that this election would include the City of Tucson, Brad recommended Barb and Benny because of their experience with past elections; Benny also went through the RFP process. That is not how it will be for the partisan elections in 2016. Bill said that a courtesy communication would have been appreciated, since he is also a party chairman. Karen Schutte asked about having an observer in the counting room. Brad responded that he can certainly accommodate that; the central count board is appointed by Brad and can be appointed to that without a formal declaration from the Board of Supervisors. Brad said he is flexible and has nothing to hide.

Bill then brought up the fact that since the bond election is non-partisan it will not be subject to the same auditing process that partisan elections are. Brad responded that certainly there will be auditing of the election, but if he is referring to a hand count audit, the law has no provision for such. The law is pretty explicit that only statewide questions and Federal offices are eligible for hand count audit. Bill stated that the Election Integrity Commission was instituted as a result of the RTA election in 2006. In Arizona it is the political parties that have the duty under the Constitution to observe elections. Out of an abundance of caution, given the track record of the County in handling bond elections and the millions of taxpayer dollars spent dealing with the RTA election in court, it seems that this Commission should recommend to the Board of Supervisors that they instruct the Elections Department, for the bond election, to follow the same procedures for audits in a partisan election. Barbara Tellman said that she and Karen Schutte came to the same conclusion after observing the City of Tucson election. The City has procedures for auditing a City election, different from the state mandated process. They use their staff and audit a smaller number of ballots. But since the City's election will be on the County's ballot, it would be a good idea to do a hand count audit. Another reason is that the County has new devices, and everyone needs to have confidence in these devices before going into a presidential election.

MOTION

Chris Cole moved that the Commission request that the Board of Supervisors take this issue up and institute a procedure for a hand count audit for the bond election. Bill Beard seconded the motion.

DISCUSSION

Jeff Rogers asked if we want to limit the number of the random sample. Brad agreed that if the Commission chooses to go down this road, we do need parameters as to what will be audited.

Tom recalled that there had been hand count audits on non-partisan elections because they had been requested. Brad recalled that in 2008 or 2009, the City of Tucson and TUSD had a consolidated ballot. The City of Tucson wanted to do a hand count audit. The City Attorney's office met with the County Attorney's office and came up with a compromise under the County's supervision. The City brought their own auditors to the County's facility and audited strictly City offices.

Bill Beard suggested amending the motion to include a random selection of two of the bond questions following the same criteria as the statewide races in terms of number of precincts chosen randomly. Chris Cole suggested doing this on a pilot basis to determine if it needs to be done on a routine basis. Bill Beard asked if there is any requirement for a hand count audit in the IGA; Brad checked with the County Attorney when the issue was broached by Barbara and Karen, and there is no provision in the IGA. There is also no provision in the IGA's for any of the other jurisdictions on the November 2015 ballot for a hand count audit.

Bill Beard noted that historically Pima County has done hand count audits on 4% of the polling locations. Should they say 4% of the county for the bond issue and 4% of polling places in the City of Tucson? Barbara said that since there will be no counting by machines at the polling locations they just need a percentage of ballots coming into central count. Tom asked if, when the ballots are brought to central count, they are treated as independent precincts. Brad responded that yes, when the individual ballot boxes from the various polling locations come to central count, the ballots are removed from the box, counted and then placed right back into the box they came from. A report can be generated from the polling place cast ballots.

Tom Ryan said that the weakness in the hand count audit is early ballots, which is why using ballot images for the early ballots is useful. The weakness is that some number could change somewhere in the tabulation of early ballots and no one would know. Brad asked if the City of Tucson separated their early ballots by precinct; Karen responded no. Brad noted that the hand count audit does not compare votes cast as shown on the canvass, because at the time of the audit, there may still be early ballots and provisional ballots that still need to be counted. The votes counted in the hand count audit are compared to the Statement of Votes Cast (SOVC). The SOVC reflects all votes cast at all the polling locations, and the early ballots tabulated up to that point.

Chris Cole said he thinks they should use the same criteria for this hand count audit as is used in a state election, in terms of the procedures and percentages.

Bill Beard asked if the recommendation about the ballot image pilot project has gone to the Board; Tom responded it has gone to the Board, but not been presented. Bill said that in the discussion of audits, these two are related.

Barbara Tellman asked Brad if there was anything in state law that would prohibit this hand count audit. Brad responded yes; it is not provided for. He suspects that the County Attorney's office will come forward that it is not provided for nor authorized in statute—don't do it.

Bill said that Chris Cole's suggestion is a friendly amendment and would be appropriate. Use the normal procedures, which in Pima County is 4%, and randomly chosen, with more than one precinct in the audit within the City of Tucson. There could be a random selection of the bond issues, of the City council races.

Chris Cole agreed with Barbara that with new equipment, Pima County can demonstrate the integrity of the equipment, and has corrected the problems with the RTA election. This needs to be included on the October 6th agenda.

Barbara suggested that we should randomly choose one county issue and one City council race, and that we use the same criteria used for the early ballot audit, rather than by precinct. Since all ballots will be counted on the central counting system, she suggests treating all the ballots as though they are early ballots. There are seven County propositions and four City propositions.

Jeff suggested that the recommendation should go into great detail about the reasoning, and recommended that several Commission members attend the Board meeting when it is presented.

Brad said another thing that needs to be defined is participation. When the statutorily required hand count audits are done, it is absolutely necessary to have participation from the political parties. If sufficient auditors do not show up, the audit does not take place, by statute. Each auditor that participates gets \$75.00, regardless of how long it takes to finish the audit. What also is included in the cost of an audit is the overtime of County employees; there is also a deputy sheriff. Barbara asked what the approximate total cost would be; Brad estimated \$4,000 to \$5,000. There is also the issue of finding a place to conduct the audit. It normally is done on the first floor of the Abrams Building.

Tom summarized the motion. We want to do a hand count, and it will be a precinct-cast and an early ballot-cast hand count. Barbara objected; the count will be by batches; Brian Bickel interjected that there is no more counting in the precinct. Tom said that we want to count to a number in the SOVC and if ballots are counted in batches, we won't get that. The purpose is to get an accumulation of data in multiple scanners and the reporting process.

Matt Smith asked about the percentages of early ballots versus polling place ballots; Brad responded it is at about 75% early ballots and 25% polling place. Matt then asked if there is any difference in percentages depending on demographics; for example, does the south side have a higher percentage of polling place voters? Brad said that he thinks where the population moves often, for example around the University campus where voters are more renters than homeowners, you may see voters come to the polls more because they don't have that standard mailing address.

Tom asked, with respect to the precinct cast ballots, when they come to central count, how will you know the totals for each precinct? Brad responded that at the polling place at the end of the day, the ballot box will be opened and the number of pieces of paper will be counted and compared to the number of names in the poll list. If there is a discrepancy, the poll workers write an explanation as best they can for the discrepancy. The ballot box is then sealed up with the ballots and their report. The ballot box is returned to central count where it is opened and the ballots run through the DS850; the number of ballots tabulated on the DS850 is compared to the hand count report from the polling place. If the totals match, the votes are then added to the aggregate vote count. If not, the totals are zeroed out and that batch of ballots goes to a SNAG board for research. What Tom is concerned about is the manner in which the Elections Department comes up with the numbers that the hand count board matches against. With a random batch of early ballots, a report is run before and after the batch. Are the numbers produced for the hand count produced in exactly the same way with the new system since there is no tape, or is it different? Bill Beard asked if there is a report generated for each precinct after tabulation that gets sealed in the ballot box. Brad said there is no report generated for each precinct at that time. To keep the process totally

random, on the morning of the precinct hand count, they can generate reports of votes cast at the polling place for specific precincts.

Tom said the audit should include 4% of precincts for precinct cast ballots, and 1% of early ballots via batches. We will do one county bond question, one city council race and one city proposition. Four per cent of 248 precincts would be about 8 precincts; the odds are pretty good that three to four precincts will be within the City. Tom thinks the recommendation should be presented October 6th. Brad asked if the City of Tucson should give their permission for this, as he recalls the "gymnastics" required to get the hand count audit when the City's election was on the TUSD ballot. Tom said he has no problem calling Roger Randolph and telling him about the recommendation to the Board of Supervisors. He will also call Sharon Bronson to get this on the agenda. Tom will also write the letter of recommendation to the Board of Supervisors, and there won't be time to have the Commission approve the letter.

RESTATEMENT OF MOTION

Tom stated there is a motion that he will write the letter to the Board of Supervisors recommending a hand count using the usual procedures with the augmented amount of precincts, that we will do one bond question, one city council race and one city proposition. Precinct ballots and early ballot batches will be treated just as they have been in the past. The reasons for the hand count will also be stated, which are the integrity of the new equipment, to avoid the legal hassles encountered for the RTA, and to be consistent with the City of Tucson procedures for a hand count audit.

Matt Smith asked if there is a publicity pamphlet available on the reliability of the new system. A lot of people don't trust the machines, especially younger people. Brad suggested the Election Assistance Commission website for information on the machines. There they can see reports on this system and others, showing testing procedures, results of the testing, any change orders to the software, etc. On the state level, they can also contact the Arizona Secretary of State. Not only does a system need to be certified by the EAC, but also by the Arizona Secretary of State.

VOTE

Tom called the vote; the motion carried unanimously.

Bill Beard asked about the court challenge to the council and mayoral races in the Oro Valley recall election. Brad responded that the closing arguments have ended, and we are waiting for the judge's decision. The judge is administering a pretty intense jury trial at the same time. In the Town of Oro Valley, there are four recalls afoot; they are recalling the mayor and three council members. Each recall is a separate question that has the grounds for the recall, the defense statement from the incumbent, and the names of the incumbent and challengers. Challengers must circulate petitions to get their names on the ballot. A citizen of the Town of Oro Valley challenged the petitions of two of those candidates on the grounds that the petitions were insufficient. The County Attorneys as well as the Town Attorney provided much statutory and case law pertaining to petition challenges to candidate names on the ballot that must be completed prior to printing of the ballots and prior to votes being cast. Military and overseas voters get their ballots 45 days in advance of an election, which was 5:00 on September 18th. The Recorder's office had already received a ballot back three hours later. The plaintiff said he had up to 10 business days after petitions are filed to file a challenge, and unfortunately those two instances overlapped, and that is what the judge has to make a determination on.

Brad noted that the early ballots are all ready to be sent out, and all the polling place ballots, provisional ballots, and test ballots have been printed. He also explained that referendum petitions are checked for sufficiency in form and number of signatures. But in the case of candidate petitions, all that is checked is that the threshold for signatures has been met. The filing office—the Elections Department, the City or Town Clerk’s office—is just the repository. The office cannot review the petitions. That is up to opponents or the media or whomever else to challenge the petitions.

ITEM 7. EARLY BALLOT AUDIT WITH BALLOT IMAGES – Tom Ryan

Tom Ryan said this still needs to go before the Board of Supervisors. Tom will be calling Sharon Bronson and will ask her for a recommendation on when to present this issue.

In the past, they have discussed semi-automating a more substantial audit using ballot images. Tom has had an email conversation with someone from TrueBallot Election Services and they are kind of interested in this idea. Their concern is that the ballot images are too low-resolution, which was a concern that Clear Ballot had. Tom asked if they do the processing from the images only, and he said yes. They operate from 200 dots per inch images and apparently do it successfully. The person from TrueBallot would be interested in interpreting the images using his system if he had actual images from an election at 200 dots per inch. He only needs a couple hundred ballots. Brad said that he had reached out to TrueBallot several years ago. Pima County Elections Department enters into an agreement with a recreational district in Green Valley. It is not a government; it is similar to a homeowners’ association with approximately 7,000 members eligible to run for office on the board. Brad was never able to actually connect with TrueBallot, but he is familiar with them and they have a good track record, so he would be interested to see what results they produce. Green Valley Recreation will be having an election in March before the PPE, so Brad thinks he can provide images from that. It will be several thousand ballots.

ITEM 8. CITY OF TUCSON PRIMARY – Barbara Tellman / Karen Schutte

Barbara Tellman and Karen Schutte observed at the City of Tucson during the counting; there were some glitches that appeared but the ES&S staff were there. They answered Barbara’s questions to her satisfaction. Some of the glitches were the dot matrix printers sticking; Brad noted that the printers produce the logs. Karen mentioned that a shield needed to be added so that ballots didn’t shoot out. Barbara assumes that ES&S staff will be present for Pima County’s election; Brad confirmed they will be present for the Logic and Accuracy Test, and on Election Night. Barbara mentioned that the L&A reports weren’t understandable; Brad agreed. The reports he has seen thus far, he is not really pleased with. The election results as posted on the City of Tucson website are not as detailed as what the Elections Department has had. He is looking for more detail: polling place votes, early ballots, provisionals. He thinks the detail is there; they just need to talk to ES&S about how to format reports. Barbara noted that the City didn’t have the daily reports such as are done in the Elections Department. From day to day, the number of megabytes didn’t change. Karen said it was because the City did not save the images. Barbara said they wanted to see something else that would show what was done on the machines, and that wasn’t available. The County is networked whereas the City used flash drives for transporting the information, and the DS850’s were zeroed out each day and a zero report produced. Brad said he thinks that can be done.

ITEM 9. SECRETARY OF STATE PROCEDURES MANUAL REVISIONS UPDATE – Brad Nelson

Brad Nelson said there was a meeting of county election directors and county recorders; they only handled the first seven chapters of the *Procedures Manual*, which has nothing to do with the Elections Department since it deals predominantly with voter registration issues. An agenda had been provided; however, when Brad got to the meeting, everyone was handed a brand new agenda. And at this point, there are no dates or times set for the next meeting that will focus more on the Elections Department side of the process, nor for public participation.

ITEM 10. SECRETARY OF STATE ELECTION LAW CHANGES UPDATE – Bill Beard / Beth Borozan

Bill Beard referred to the copy of the Secretary of State proposed changes to the laws in Title 16 [a copy of these changes is incorporated into these Minutes as Attachment 2]. Bill said that Eric Spencer's motivation for these changes is the inconsistencies from one section to another. The bottom line is, take the whole Title and rewrite it so the subject of each section, be it campaign finance, filing petitions, etc. is not referenced in other sections. This is a good first step in rewriting what has essentially become a jumble of overlapping and at times contradictory laws. The Secretary of State will do some minor tweaking between now and January when it will be sponsored in the Legislature.

Chris Cole asked how frequently the *Procedures Manual* is updated—someone sitting down and going through it word for word to avoid the contradictory language. Bill responded that in the past, changes to the *Procedures Manual* were a result of changes in the law. Conflicts in the *Manual* came about in two ways, one of which is because of conflicts in different sections of the law. Also, there are some editing issues where one phrase is used in one section and another way of saying the same thing in another section, which a legal mind might interpret as not agreeing. What Eric is suggesting by this rewrite is simplify the language in the law, the after effect of which will be to clarify the *Manual*.

Brad noted that it is much easier to make changes now than when everything had to be precleared through the United States Justice Department.

ITEM 11. LOS ANGELES COUNTY/IDEO VOTING MACHINE DEVELOPMENT PROJECT – Beth Borozan

Beth thought it is interesting that this issue got such a media blitz [a copy of the development project is incorporated into these Minutes as Attachment 3]. Granted, it is California law versus Arizona law. But the way they are attempting to engage the voters, and the simplification of the voting process, and the concept of no spoiled ballots because they are being printed at the polling place is interesting. She doesn't know about how applicable this system is in this market, but any opportunity to not have to reinvent the wheel down the road is a good thing. She likes the flexibility of the system being tablet- and scanner-based to accommodate language and physical challenges. Beth will continue to research this and update the Team. Chris said that it is a good idea, but as always, he worries about the integrity of it and the ability to hack the system. Beth responded that in the CBS segment on this, the highlight of the system is the pre-polling place engagement of the voter and utilizing technology that they probably have. The voter can predetermine who they want to vote on their phone, and nothing happens with the information until they get to the voting booth where they can upload the data and receive a printed ballot to verify and then cast.

Tom Ryan encouraged Beth to keep tracking this. Tom had two reactions to the system. Conceptually it seems very similar to the Automark system, which Graham County still uses, and which Cochise County has recently retired. It is similar except for the concept of converting iPhone data. His second reaction is that 75% of voters vote early, and how does a system like this help them? Perhaps in the future, the system will address the issue. Beth said the system is striking to her because the last time she voted in Ventura County, it was with a punch card.

Brad's understanding of how the system works is the voter receives something similar to a sample ballot. When choices are made on a smart phone, a barcode is assigned, which is what the system reads and displays as the ballot on the screen. Changes can still be made on-screen at the polling booth. A paper ballot is printed. That's what is going to happen in Cochise County in 2016. They will use the ExpressVote with the barcode reader. Brad said that if Pima County ever goes to vote centers, that is something he would like to do. But with 75% of voters not going to the polls, he is not ready to invest millions of dollars in a device that is only going to be used for 20 to 25% of voters. Tom added that it is not as if one per polling place would be sufficient. There would need to be as many of these systems as there are voting booths.

Barbara is hearing some predictions of disaster in 2016 in some states as jurisdictions are using old voting systems. Bill Beard commented that in conversations with state legislators about the age of some equipment, some of them get it, but it will be a steep learning curve for some as to why these changes are important. Brad added they will get it when there is a failure.

ITEM 12. UPDATE ON NEW TABULATING EQUIPMENT – Brad Nelson

The Elections Department has received the training, and they have laid out the new artwork and sent it off for printing. City of Tucson uses the same ballot printer that Pima County uses, so we weren't their "first rodeo" with this new system. City of Tucson ballots worked just fine. Pima County receives two ballots of every style before running all the ballots. Every other ballot is left totally blank and the other is fully voted. Those are run through the machine to ensure that all XY coordinates are being read, and also that it is reading blank ballots. That process is being done right now and all is going very smoothly. On the Elections Department events calendar the first Logic and Accuracy test on the accessible voting devices will occur on October 6th; the official Logic and Accuracy test will be October 27th. Counting of early ballots will probably begin on October 28th. Early ballot processing after being received from the Recorder's office is scheduled to begin October 16th. These dates are subject to change if the Recorder has a larger or smaller volume of ballots. The bulk of early ballots will go out on October 8th; there are approximately 305,000 ballots, predominantly voters on the Permanent Early Voting List. After that, when voters request an early ballot, their ballots must go out within 48 hours.

Again, ES&S will be coming back to talk to the Elections Department about printing reports. Also, more training is needed for Election Night reporting, how to prepare canvasses, etc. Everything is going smoothly. The Elections Department's biggest problem was getting everything to fit in the publicity pamphlet. The publicity pamphlets have been going out in batches of 50 thousand, with the last batch being delivered to the postal service today.

Beth asked Brad about "Plan B" in the event of a system failure, and the compatibility of software between the different jurisdictions. Brad explained that in every election there has to be a contingency plan in the case of a disaster. Because the City of Tucson has the exact same hardware and software, that is one of Pima County's backups, though they have the 5.0 version of the software. The next closest with the 5.2 version of the software (which is the same version used in

Pima County) is Pinal County. That contingency plan needs to be filed. It became readily apparent for the need of a contingency plan when Pinal County's warehouse burned down.

ITEM 13. SELFIES IN THE VOTING BOOTH – Arnie Urken

Arnie Urken sent an article concerning this subject [a copy of the article is incorporated into these Minutes as Attachment 4]. Arnie was not able to be present at the meeting, but Tom wanted to elaborate a bit because of a change to Arizona law this session. A.R.S. §16-1018 which covers unlawful acts begins "A person who commits any of the following acts is guilty of a class 2 misdemeanor:" §16-1018.4 prior to the change reads:

4. Shows the voter's ballot or the machine on which the voter has voted to any person after it is prepared for voting in such a manner as to reveal the contents, except to an authorized person lawfully assisting the voter.

The change to this subsection adds:

A voter who makes available an image of the voter's own ballot by posting on the internet or in some other electronic medium is deemed to have consented to retransmittal of that image and that retransmittal does not constitute a violation of this section.

[A copy of A.R.S. §16-1018 is incorporated into these Minutes as Attachment 5.]

So in Arizona it is legal to take pictures of your ballot anywhere, and post them anywhere on the internet. This came out of a case where a constituent of Representative Boyer was hassled by the police for posting a picture of his ballot on Facebook. Barbara Tellman remarked that she didn't understand how selfies in the voting booth raise the possibility of collusion at the polls, when there is a much greater chance of collusion in early voting.

ITEM 14. FUTURE AGENDA ITEMS

Brian Bickel asked to have the Bylaws on the next Agenda. Tom asked to leave Items 5, 6, 7, 9, 10 and 12 from this Agenda on the next Agenda. Bill Beard suggested adding the Hand Count Audit issue since it will have been presented to the Board by the next meeting.

ITEM 15. NEXT MEETING DATES

The next meeting date will be October 16, 2015.

ITEM 16. ADJOURNMENT

It was moved by Bill Beard and seconded by Barbara Tellman and unanimously carried to adjourn the meeting. The meeting adjourned at 11:35 a.m.

ES&S SECURITY QUESTIONS FOR VENDOR

Revised 07/15/15

Answers provided as of 08/11/15

Karen Schutte:

- My question was whether or not the communication software and hardware is installed regardless, since we are not using it? If yes, can we deactivate it?

DS200 communications is performed using an optionally installed hardware module and requires a different DS200 software/firmware version to be installed as well. If both of these are not installed, then communications is not possible. In addition, the election definition must be configured with the correct option enabled, an additional security password defined, and the appropriate configuration data defined. If all of these are not configured and defined, then communications is not possible. In addition, the system does not allow communications during the scanning and tabulation processes. Communications is only enabled and possible for a very short window of time after polls are closed.

Arnie Urken:

- ES&S told us they hire an outside company to test security by trying to break into their system. I recall that they said that they employ the same company used by Lockheed Martin. What is the name of the company?

One of the initial security assessments of design and development of our voting systems was performed by an independent third party, Continuum Security Solutions. See reply below for ongoing testing activities.

- Is such "red team" testing done continuously or periodically? Does it include social engineering as well as attempts to break encryption systems? How would ES&S know if an encryption code had been broken?

The ES&S systems allow a county to canvass and audit the results on their own. Paper ballots are available to compare against the tabulated results at the scanner. Scanner reports are available to double-validate results reported at the central results reporting systems. Each and every release is submitted to a federally accredited voting systems laboratory, who will perform source code, security reviews and extensive testing.

- Does ES&S monitor the social and financial activities of engineers and others who might be vulnerable to outside manipulation?

ES&S performs a security background check and screening of each and every person as they are hired into the Company. ES&S does not monitor the ongoing social and financial activities of our personnel. ES&S maintains a strict separation of duties with regard to creation, build, and distribution of products and product versions. While engineers are able to change and enhance functionality for new products and versions, that is all they can do. Engineers cannot build production level products and cannot distribute products to the field. Different staff performs product builds, code is further reviewed by external parties, who then perform independent trusted builds of such code from the ground up, and products versions are then distributed by entirely separate parts of the organization.

ES&S and its Associates are strictly forbidden from engaging in politics, endorsing political candidates or parties, or making any political contributions for or on behalf of the Company. In addition, subject to applicable law, any Associates in the position of Vice President or above are strictly forbidden from directly or indirectly endorsing political candidates or parties, or making political contributions to any candidates, political parties, or election issues, or causes.

- How are updates handled to enhance security? What media and protocols are used to preserve code integrity?

Updates to enhance security or functionality are all internally tested by the ES&S Quality Assurance department and the ES&S Pre-Certification department. Then all such updates are reviewed by a federally accredited voting systems test laboratory (VSTL). The VSTL performs code reviews and then creates a trusted build using the reviewed code. Using the trusted build, the VSTL then performs rigorous functionality, load, stress, accuracy and security testing. All tests must be passed successfully before the release is provided to states and county customers, whereupon additional testing or evaluation may occur per each state's certification policies and practices.

- Does ES&S collect systems performance metrics that include aggregated statistics by voter type (mail ballot, precinct number)?

ES&S does not collect this type of information.

- If these types of data are collected, does ES&S destroy the data once users have completed an election? Are backups of election reports saved on disk or remotely that enable ES&S to compare elections over time, say Pima County school elections or Presidential elections?

This is not a service that ES&S performs. While the ES&S voting systems do create a wealth of log data, log files, and reports, such data is retained by customers and not typically sent to ES&S unless assistance in the review of the information is requested.

- Are users (voters or governments) protected by a statement of user rights?

ES&S provides an initial warranty and additional maintenance and support services that can be optionally purchased in support of our equipment.

- What happens if machine or system failure requires the County to rerun an election?

The ES&S systems are very reliable and extremely accurate. Customers can optionally purchase spare equipment that can be used and swapped in quickly if under a very rare circumstance that there is a failure of a specific machine in an election.

- Who pays?

We have not seen such an occurrence and do not expect this in the future.

- Does ES&S hold or offer insurance to deal with system failures?

ES&S does not offer insurance. ES&S is in the business of working with our customer base to conduct successful elections. We make things right for our customers.

- How does ES&S inform systems users about best practices, alerts, current challenges, and future security goals?

ES&S provides initial training and refresher training services. Best practices are documented and published in Product Advisory Notices (PANs). These PANs are provided to customers as necessary. ES&S also maintains a Customer Portal where product documentation and PANs can be accessed by our customers. ES&S also has Customer Service personnel who work with customers on site, as well as a Customer Service Help Desk that our customers can use to get advice and best practice information.

- How does ES&S integrate ideas for security into product/service development?

New ideas are continuously woven into product roadmaps and development plans. ES&S creates new version and upgrades in product releases periodically, but typically around once a year. These releases must go through

the federal and state certification processes before they would be released in a particular state. ES&S has on staff security trained and credentialed experts, who are involved in the design and development of the voting systems.

Tom Ryan:

- Is it possible for a central count computer user (county employee) to modify the election database manually?

No. It is not possible for a central count scanner operator to modify the election data on the system.

- If so, under what conditions? And is the action logged?

The central results reporting system, Election Results Manager (ERM), does have a facility to enter data manually. Access to this feature requires user authentication and only those users who have been given rights to this application can use it. This ERM manual entry facility has an integrated audit log built into it. All entries and changes using the ERM manual entry facility would be logged into the immutable, time stamped event log.

- What is the format of the election database? Is there any database file encryption? Other than the EMS, what software products would be capable of accessing the database?

The EVS system uses two databases. PostgreSQL is used for ElectionWare where the election definition is created. The Liant RM/COBOL ISAM database is used for ERM, where election results are stored. Both systems are locked down in hardened configurations so access to these databases outside of the ElectionWare and ERM applications is not possible.

Chris Cole:

- Can the memory card be programed by the local people and if so can votes be switched?

Memory cards can be programmed by local elections staff. Votes cannot be switched. All data is only modifiable through the ES&S products, which all have integrated event audit logging facilities that cannot be worked around and are immutable.

Section 1. Title 16, chapter 6, Arizona Revised Statutes, is amended by adding article 1.1, to read:

ARTICLE 1.1. DEFINITIONS

16-901. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ADVERTISEMENT" MEANS A WRITTEN OR ORAL COMMUNICATION INTENDED TO INFLUENCE AN ELECTION THAT IS PUBLISHED, DISPLAYED, DELIVERED, OR BROADCAST.

2. "AFFILIATE" MEANS ANY ORGANIZATION THAT CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL OF A CORPORATION, LIMITED LIABILITY COMPANY, OR LABOR ORGANIZATION.

3. "AGENT" MEANS ANY PERSON WHO HAS ORAL OR WRITTEN AUTHORITY, EITHER EXPRESS OR IMPLIED, TO REPRESENT OR MAKE DECISIONS ON BEHALF OF ANOTHER PERSON.

4. "BEST EFFORT" MEANS THAT A COMMITTEE TREASURER OR TREASURER'S AGENT HAS MADE AT LEAST ONE WRITTEN EFFORT, OR ORAL EFFORT DOCUMENTED IN WRITING, TO IDENTIFY THE CONTRIBUTOR OF AN INCOMPLETE CONTRIBUTION. THE REQUEST SHALL CLEARLY ASK FOR IDENTIFICATION AND INFORM THE CONTRIBUTOR THE COMMITTEE IS REQUIRED BY LAW TO SEEK IDENTIFICATION.

5. "CALENDAR QUARTER" MEANS THE PERIOD OF THREE CONSECUTIVE CALENDAR MONTHS ENDING ON MARCH 31, JUNE 30, SEPTEMBER 30, OR DECEMBER 31.

6. "CANDIDATE" MEANS AN INDIVIDUAL WHO RECEIVES CONTRIBUTIONS OR MAKES EXPENDITURES, OR GIVES CONSENT TO ANOTHER PERSON TO RECEIVE CONTRIBUTIONS OR MAKE EXPENDITURES ON BEHALF OF SUCH INDIVIDUAL, IN CONNECTION WITH THE CANDIDATE'S NOMINATION, ELECTION, OR RETENTION IN OFFICE.

7. "CLEARLY IDENTIFIED CANDIDATE" MEANS THAT THE NAME, DESCRIPTION, IMAGE, PHOTOGRAPH OR DRAWING OF THE CANDIDATE APPEARS OR THE IDENTITY OF THE CANDIDATE IS OTHERWISE APPARENT BY UNAMBIGUOUS REFERENCE.

8. "COMMITTEE" MEANS A CANDIDATE COMMITTEE, POLITICAL ACTION COMMITTEE, OR POLITICAL PARTY.

9. "CONTRIBUTION" MEANS ANY MONEY, LOAN, ADVANCE, DEPOSIT OR ANYTHING OF VALUE MADE TO A PERSON FOR THE PURPOSE OF INFLUENCING AN ELECTION. A CONTRIBUTION INCLUDES:

(A) A CONTRIBUTION MADE TO RETIRE CAMPAIGN DEBT.

(B) THE VALUE OF ANYTHING PROVIDED OR LOANED TO AN ELECTED OFFICIAL FOR THE PURPOSE OF DEFRAYING THE EXPENSE OF COMMUNICATIONS WITH CONSTITUENTS.

(C) THE FULL PURCHASE PRICE OF ANY ITEM FROM A COMMITTEE.

10. "CONTROL" MEANS TO POSSESS, DIRECTLY OR INDIRECTLY, THE POWER TO DIRECT, OR CAUSE THE DIRECTION OF, THE MANAGEMENT OR POLICIES OF ANOTHER ORGANIZATION, WHETHER THROUGH VOTING POWER, OWNERSHIP, CONTRACT, OR OTHERWISE.

11. "COORDINATED PARTY EXPENDITURES" MEANS EXPENDITURES MADE BY A POLITICAL PARTY TO DIRECTLY PAY FOR GOODS OR SERVICES ON BEHALF OF ITS NOMINEE.

12. "EARMARKED CONTRIBUTION" MEANS A CONTRIBUTION:

(A) RECEIVED BY AN ORIGINAL RECIPIENT;

(B) THAT IS ACCOMPANIED BY A DESIGNATION, INSTRUCTION, OR RESTRICTION, WHETHER EXPRESS OR IMPLIED; AND

(C) THAT PURSUANT TO THE DESIGNATION, INSTRUCTION, OR RESTRICTION, IS INTENDED TO RESULT IN A CONTRIBUTION MADE TO, OR EXPENDITURE MADE ON BEHALF OF, ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT.

13. "ELECTION" MEANS AN ELECTION FOR ANY INITIATIVE, REFERENDUM OR OTHER BALLOT MEASURE, QUESTION OR PROPOSITION, OR A PRIMARY, GENERAL, RECALL, SPECIAL OR RUNOFF ELECTION FOR ANY OFFICE IN THIS STATE OTHER THAN PRECINCT COMMITTEEMAN OR FEDERAL OFFICE.

14. "ELECTION CYCLE" MEANS THE TWO-YEAR PERIOD BETWEEN SUCCESSIVE GENERAL ELECTIONS IN A PARTICULAR JURISDICTION.

15. "EMPLOYEE" MEANS AN INDIVIDUAL ENTITLED TO COMPENSATION FOR LABOR OR SERVICES PERFORMED FOR ANY EMPLOYER.

16. "EMPLOYER" MEANS ANY PERSON THAT PAYS COMPENSATION TO, AND DIRECTS THE LABOR OR SERVICES OF, ANY INDIVIDUAL IN THE COURSE OF EMPLOYMENT.

17. "ENFORCEMENT OFFICER" MEANS THE ATTORNEY GENERAL, COUNTY ATTORNEY, OR CITY OR TOWN ATTORNEY WITH AUTHORITY TO COLLECT FINES OR ISSUE PENALTIES.

18. "EXCLUSIVE INSURANCE CONTRACT" MEANS AN INSURANCE PRODUCER'S CONTRACT WITH AN INSURER THAT:

(A) PROHIBITS THE PRODUCER FROM SOLICITING INSURANCE BUSINESS FOR ANY OTHER INSURER; OR

(B) REQUIRES A FIRST RIGHT OF REFUSAL ON ALL LINES OF INSURANCE BUSINESS WRITTEN BY THE INSURER AND SOLICITED BY THE PRODUCER.

19. "EXPENDITURE" MEANS ANY PURCHASE, PAYMENT, OR ANYTHING OF VALUE MADE BY A PERSON FOR THE PURPOSE OF INFLUENCING AN ELECTION.

20. "EXPRESSLY ADVOCATES" MEANS:

(A) CONVEYING A COMMUNICATION CONTAINING A PHRASE SUCH AS "VOTE FOR," "ELECT," "REELECT," "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.

(B) 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) 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.

(C) A COMMUNICATION WITHIN THE SCOPE OF PARAGRAPH 20, SUBDIVISION B 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.

21. "FAMILY CONTRIBUTION" MEANS ANY CONTRIBUTION THAT IS PROVIDED TO A CANDIDATE'S COMMITTEE BY A PARENT, GRANDPARENT, AUNT, UNCLE, CHILD OR SIBLING OF THE CANDIDATE, INCLUDING THE SPOUSE OF ANY OF THOSE INDIVIDUALS.

22. "FILING OFFICER" MEANS THE OFFICER IN CHARGE OF ELECTIONS THAT ACCEPTS STATEMENTS AND REPORTS PURSUANT TO THIS ARTICLE.

23. "IDENTIFICATION" OR "IDENTIFY" MEANS:

(A) FOR AN INDIVIDUAL, OBTAINING THE INDIVIDUAL'S FIRST AND LAST NAME, PHYSICAL OR STREET ADDRESS, OCCUPATION, AND NAME OF THE INDIVIDUAL'S PRIMARY EMPLOYER.

(B) FOR ANY OTHER PERSON, OBTAINING THE PERSON'S FULL NAME AND PHYSICAL OR STREET ADDRESS.

24. "INCOMPLETE CONTRIBUTION" MEANS ANY CONTRIBUTION RECEIVED BY A COMMITTEE FOR WHICH THE CONTRIBUTOR'S COMPLETE IDENTIFICATION HAS NOT BEEN PROVIDED.

25. "INDEPENDENT EXPENDITURE" MEANS AN EXPENDITURE BY A PERSON, OTHER THAN A CANDIDATE COMMITTEE, THAT:

(A) EXPRESSLY ADVOCATES THE ELECTION OR DEFEAT OF A CLEARLY IDENTIFIED CANDIDATE; AND

(B) IS NOT MADE IN COOPERATION OR CONSULTATION WITH, OR AT THE REQUEST OR SUGGESTION OF, THE CANDIDATE OR AGENT OF THE CANDIDATE.

26. "IN-KIND CONTRIBUTION" MEANS A CONTRIBUTION OF GOODS, SERVICES OR ANYTHING OF VALUE PROVIDED WITHOUT CHARGE OR AT LESS THAN THE USUAL AND NORMAL CHARGE.

27. "INSURANCE PRODUCER" MEANS A PERSON:

(A) REQUIRED TO BE LICENSED TO SELL, SOLICIT, OR NEGOTIATE INSURANCE; AND

(B) HAS AN EXCLUSIVE INSURANCE CONTRACT WITH AN INSURER.

28. "ITEMIZED" MEANS THAT EACH CONTRIBUTION RECEIVED OR EXPENDITURE MADE IS SET FORTH SEPARATELY.

29. "LABOR ORGANIZATION" MEANS ANY EMPLOYEE REPRESENTATION ORGANIZATION THAT EXISTS FOR THE PURPOSE OF COMMUNICATING WITH EMPLOYERS CONCERNING GRIEVANCES, LABOR DISPUTES, WAGES, RATES OF PAY, HOURS OF EMPLOYMENT, OR OTHER CONDITIONS OF EMPLOYMENT.

30. "LEGISLATIVE OFFICE" MEANS THE OFFICE OF REPRESENTATIVE IN THE ARIZONA HOUSE OF REPRESENTATIVES OR SENATOR IN THE ARIZONA SENATE.

31. "LITERATURE OR ADVERTISEMENT" MEANS INFORMATION OR MATERIALS THAT ARE MAILED, EMAILED, POSTED, DISTRIBUTED OR PLACED IN A COMMUNICATION MEDIUM FOR THE PURPOSE OF INFLUENCING AN ELECTION.

32. "MACRO STATUS" MEANS OFFICIAL RECOGNITION THAT A POLITICAL ACTION COMMITTEE HAS RECEIVED CONTRIBUTIONS FROM FIVE HUNDRED OR MORE INDIVIDUALS IN AMOUNTS OF TEN DOLLARS OR MORE IN THE TWO-YEAR PERIOD IMMEDIATELY BEFORE APPLICATION TO THE SECRETARY OF STATE FOR MACRO STATUS.

33. "NOMINEE" MEANS A CANDIDATE THAT PREVAILS IN A PRIMARY ELECTION FOR PARTISAN OFFICE.

34. "PERSON" MEANS AN INDIVIDUAL, CANDIDATE, NOMINEE, COMMITTEE, CORPORATION, LIMITED LIABILITY COMPANY, LABOR ORGANIZATION, PARTNERSHIP, TRUST, ASSOCIATION, JOINT VENTURE, COOPERATIVE, OR ANY UNINCORPORATED ORGANIZATION.

35. "PERSONAL MONIES" MEANS ANY OF THE FOLLOWING:

(A) ASSETS TO WHICH THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE HAS EITHER LEGAL TITLE OR AN EQUITABLE INTEREST.

(B) SALARY AND OTHER EARNED INCOME FROM BONA FIDE EMPLOYMENT OF THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE.

(C) DIVIDENDS AND PROCEEDS FROM THE SALE OF INVESTMENTS OF THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE.

(D) BEQUESTS TO THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE.

(E) INCOME TO THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE FROM TRUSTS FOR WHICH THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE IS A BENEFICIARY.

(F) GIFTS OF A PERSONAL NATURE TO THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE THAT WOULD HAVE BEEN GIVEN REGARDLESS OF WHETHER THE INDIVIDUAL BECAME A CANDIDATE.

(G) THE PROCEEDS OF LOANS OBTAINED BY THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE WHICH ARE SECURED BY COLLATERAL OR SECURITY PROVIDED BY THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE.

(H) FAMILY CONTRIBUTIONS.

36. "POLITICAL PARTY" MEANS A COMMITTEE THAT MEETS THE REQUIREMENTS FOR RECOGNITION AS A POLITICAL PARTY PURSUANT TO CHAPTER 5.

37. "RETENTION" MEANS THE ELECTORAL PROCESS BY WHICH A SUPERIOR COURT JUDGE, APPELLATE COURT JUDGE, OR SUPREME COURT JUSTICE IS RETAINED IN OFFICE.

38. "SEPARATE SEGREGATED FUND" MEANS A POLITICAL ACTION COMMITTEE ESTABLISHED BY A CORPORATION, LIMITED LIABILITY COMPANY, LABOR ORGANIZATION OR PARTNERSHIP.

39. "SOCIAL MEDIA MESSAGES" MEANS FORMS OF COMMUNICATION, SUCH AS INTERNET SITES FOR SOCIAL NETWORKING OR BLOGGING, THROUGH WHICH USERS CREATE A PERSONAL PROFILE AND PARTICIPATE IN ONLINE COMMUNITIES TO SHARE INFORMATION, IDEAS, AND PERSONAL MESSAGES.

40. "SPONSOR" MEANS ANY PERSON THAT ESTABLISHES, ADMINISTERS OR CONTRIBUTES FINANCIAL SUPPORT TO THE ADMINISTRATION OF, OR THAT HAS COMMON OR OVERLAPPING MEMBERSHIP OR OFFICERS WITH, A POLITICAL ACTION COMMITTEE.

41. "STANDING COMMITTEE" MEANS A POLITICAL ACTION COMMITTEE OR POLITICAL PARTY THAT IS ACTIVE IN MORE THAN ONE REPORTING JURISDICTION IN THIS STATE FOR MORE THAN ONE YEAR AND FILES A STATEMENT OF ORGANIZATION IN A FORMAT PRESCRIBED BY THE SECRETARY OF STATE.

42. "STATEWIDE OFFICE" MEANS THE OFFICE OF GOVERNOR, SECRETARY OF STATE, STATE TREASURER, ATTORNEY GENERAL, SUPERINTENDENT OF PUBLIC INSTRUCTION, CORPORATION COMMISSIONER OR MINE INSPECTOR.

43. "SURPLUS MONIES" MEANS THOSE MONIES OF A COMMITTEE REMAINING AFTER ALL OF THE COMMITTEE'S EXPENDITURES HAVE BEEN MADE AND ITS DEBTS HAVE BEEN EXTINGUISHED.

Section 2. Title 16, chapter 6, Arizona Revised Statutes, is amended by adding article 1.2, to read:

ARTICLE 1.2. ESTABLISHING A COMMITTEE

16-902. QUALIFICATION AS A COMMITTEE

A. A CANDIDATE FOR ELECTION OR RETENTION SHALL REGISTER AS A CANDIDATE COMMITTEE IF THE CANDIDATE RECEIVES CONTRIBUTIONS OR MAKES EXPENDITURES OF AT LEAST ONE THOUSAND DOLLARS IN CONNECTION WITH HIS OR HER CANDIDACY.

B. A PERSON, OTHER THAN AN INDIVIDUAL, SHALL REGISTER AS A POLITICAL ACTION COMMITTEE IF:

1. THE PERSON IS ORGANIZED, CONDUCTED OR COMBINED FOR THE PRIMARY PURPOSE OF INFLUENCING THE RESULT OF ANY ELECTION; AND
2. THE PERSON KNOWINGLY RECEIVES CONTRIBUTIONS OR MAKES EXPENDITURES OF AT LEAST ONE THOUSAND DOLLARS IN CONNECTION WITH ANY ELECTION DURING A CALENDAR YEAR.

C. A FUND ESTABLISHED BY A CORPORATION, LIMITED LIABILITY COMPANY, LABOR ORGANIZATION OR PARTNERSHIP FOR THE PURPOSE INFLUENCING AN ELECTION SHALL REGISTER AS A POLITICAL ACTION COMMITTEE.

D. A PERSON SHALL REGISTER AS A POLITICAL PARTY AS PRESCRIBED IN CHAPTER 5, ARTICLE 1.

E. NOTWITHSTANDING ANY OTHER LAW, A RELIGIOUS ORGANIZATION, INCLUDING A NON-PROFIT CHURCH, RELIGIOUS ASSEMBLY OR RELIGIOUS INSTITUTION, SHALL NOT QUALIFY AS A COMMITTEE IF IT SPENDS AN INSUBSTANTIAL AMOUNT OF ITS TIME OR ASSETS, WITHIN THE MEANING OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, ON INFLUENCING ANY LEGISLATION OR BALLOT MEASURE. •

16-903. STATEMENT OF ORGANIZATION

A. A COMMITTEE SHALL FILE A STATEMENT OF ORGANIZATION WITH THE FILING OFFICER WITHIN FIVE BUSINESS DAYS OF QUALIFYING AS A COMMITTEE.

B. A STATEMENT OF ORGANIZATION SHALL INCLUDE THE FOLLOWING COMMITTEE INFORMATION:

1. THE COMMITTEE NAME, MAILING ADDRESS, EMAIL ADDRESS, WEBSITE IF ANY, TELEPHONE NUMBER IF ANY, AND TYPE OF COMMITTEE.

(A) FOR A CANDIDATE COMMITTEE, THE COMMITTEE NAME SHALL INCLUDE THE CANDIDATE'S FIRST AND LAST NAME AND OFFICE SOUGHT.

(B) FOR A POLITICAL ACTION COMMITTEE THAT IS SPONSORED, THE NAME OF THE COMMITTEE SHALL INCLUDE THE SPONSOR'S NAME.

2. THE NAME, MAILING ADDRESS, EMAIL ADDRESS, WEBSITE IF ANY, AND TELEPHONE NUMBER OF ANY SPONSOR.

3. THE NAME, PHYSICAL OR STREET ADDRESS, EMAIL ADDRESS, TELEPHONE NUMBER, OCCUPATION, AND EMPLOYER OF THE COMMITTEE'S CHAIRMAN AND TREASURER. FOR A CANDIDATE COMMITTEE, THE CANDIDATE MAY SERVE AS BOTH CHAIRMAN AND TREASURER.

4. FOR A CANDIDATE COMMITTEE, THE CANDIDATE'S FIRST AND LAST NAME, MAILING ADDRESS, OFFICE SOUGHT, AND PARTY AFFILIATION IF ANY.

5. A LISTING OF ALL BANKS OR OTHER FINANCIAL DEPOSITORIES USED BY THE COMMITTEE.

6. A STATEMENT THAT THE CANDIDATE IF ANY, COMMITTEE CHAIRMAN, AND COMMITTEE TREASURER HAVE READ THE FILING OFFICER'S CAMPAIGN FINANCE AND REPORTING GUIDE, AGREE TO COMPLY WITH ALL APPLICABLE LAWS IN ARTICLE 1, AND AGREE TO ACCEPT ALL NOTIFICATIONS AND SERVICE OF PROCESS VIA THE EMAIL ADDRESS PROVIDED BY THE COMMITTEE.

C. A COMMITTEE SHALL FILE AN AMENDED STATEMENT OF ORGANIZATION WITHIN FIVE BUSINESS DAYS OF ANY CHANGE IN COMMITTEE INFORMATION.

D. THE FILING OFFICER SHALL ISSUE AN IDENTIFICATION NUMBER TO THE COMMITTEE.

E. A STANDING COMMITTEE SHALL FILE A STATEMENT OF ORGANIZATION WITH THE SECRETARY OF STATE AND IN EACH JURISDICTION IN WHICH THE COMMITTEE IS ACTIVE, BUT ONLY THE SECRETARY OF STATE SHALL ISSUE AN IDENTIFICATION NUMBER.

F. A CANDIDATE MAY HAVE ONLY ONE COMMITTEE IN EXISTENCE FOR THE SAME OFFICE DURING THE SAME ELECTION CYCLE.

16-904. RECORD KEEPING

A. A COMMITTEE TREASURER IS THE CUSTODIAN OF THE COMMITTEE'S BOOKS AND ACCOUNTS. NO EXPENDITURE MAY BE MADE BY A COMMITTEE WITHOUT THE AUTHORIZATION OF THE TREASURER OR THE TREASURER'S DESIGNATED AGENT.

B. ALL COMMITTEE MONIES SHALL BE DEPOSITED IN ONE OR MORE ACCOUNTS HELD BY THE FINANCIAL INSTITUTIONS LISTED IN THE COMMITTEE'S STATEMENT OF ORGANIZATION. COMMITTEE ACCOUNTS SHALL BE SEGREGATED AS FOLLOWS:

1. COMMITTEE MONIES SHALL BE SEGREGATED FROM PERSONAL MONIES.

2. CONTRIBUTIONS FROM INDIVIDUALS AND COMMITTEES SHALL BE SEGREGATED FROM CONTRIBUTIONS FROM CORPORATIONS, LIMITED LIABILITY COMPANIES AND LABOR ORGANIZATIONS.

C. A COMMITTEE SHALL EXERCISE ITS BEST EFFORT TO OBTAIN THE REQUIRED INFORMATION FOR ANY INCOMPLETE CONTRIBUTION RECEIVED THAT IS REQUIRED TO BE ITEMIZED AND REPORTED. ANY CONTRIBUTOR IDENTIFICATION OBTAINED BY THE COMMITTEE AFTER THE CONTRIBUTION HAS BEEN DISCLOSED ON A CAMPAIGN FINANCE REPORT SHALL BE UPDATED IN AN AMENDED REPORT.

D. A COMMITTEE TREASURER SHALL KEEP AN ACCOUNT OF THE FOLLOWING:

1. ALL CONTRIBUTIONS MADE OR RECEIVED BY OR ON BEHALF OF THE COMMITTEE.

2. THE IDENTIFICATION OF ANY CONTRIBUTOR THAT CONTRIBUTES IN THE AGGREGATE AT LEAST FIFTY DOLLARS TO THE COMMITTEE DURING AN ELECTION CYCLE, THE DATE AND AMOUNT OF EACH CONTRIBUTION, AND THE DATE OF DEPOSIT INTO THE COMMITTEE'S ACCOUNT.

3. CUMULATIVE TOTALS CONTRIBUTED BY EACH CONTRIBUTOR.

4. THE NAME AND ADDRESS OF EVERY PERSON TO WHOM ANY CONTRIBUTION OR EXPENDITURE IS MADE, THE DATE AND AMOUNT OF ANY CONTRIBUTION OR EXPENDITURE, AND PURPOSE OF ANY EXPENDITURE.

E. A COMMITTEE MAY ACCEPT A CONTRIBUTION BY WRITTEN OR ELECTRONIC INSTRUMENT, SUCH AS A CHECK, CREDIT CARD, PAYROLL DEDUCTION OR ONLINE PAYMENT, ONLY IF THE CONTRIBUTOR IS THE ACCOUNT HOLDER OF THE INSTRUMENT. UNLESS OTHERWISE SPECIFIED, A CONTRIBUTION SHALL BE

ATTRIBUTED TO THE ACCOUNT HOLDER THAT SIGNS THE INSTRUMENT OR AUTHORIZES THE TRANSACTION.

F. THE COMMITTEE TREASURER SHALL PRESERVE ALL RECORDS REQUIRED TO BE KEPT BY THIS SECTION FOR THREE YEARS AFTER THE FILING OF THE CAMPAIGN FINANCE REPORT COVERING THE RECEIPTS AND DISBURSEMENTS EVIDENCED BY THE RECORDS.

G. ON REQUEST OF THE FILING OFFICER OR ENFORCEMENT OFFICER, THE COMMITTEE TREASURER SHALL PROVIDE ANY OF THE RECORDS REQUIRED TO BE KEPT PURSUANT TO THIS SECTION.

H. FOR ANY PERSON OTHER THAN AN INDIVIDUAL THAT INFLUENCES AN ELECTION, BUT HAS NOT QUALIFIED AS A COMMITTEE OR FILED A STATEMENT OF ORGANIZATION, THE PERSON SHALL PRESERVE ANY OF THE RECORDS REQUIRED TO BE KEPT PURSUANT TO THIS SECTION.

16-905. QUALIFICATION FOR MACRO STATUS

A. A POLITICAL ACTION COMMITTEE MAY APPLY TO THE SECRETARY OF STATE FOR MACRO STATUS.

B. A POLITICAL ACTION COMMITTEE QUALIFIES FOR MACRO STATUS IF IT RECEIVES AT LEAST TEN DOLLARS IN CONTRIBUTIONS FROM AT LEAST FIVE HUNDRED INDIVIDUALS IN THE TWO YEAR PERIOD IMMEDIATELY BEFORE APPLICATION TO THE SECRETARY OF STATE FOR ADVANCED STATUS.

C. IF THE APPLICANT DEMONSTRATES IT HAS MET THE REQUIREMENTS FOR MACRO STATUS, THE SECRETARY OF STATE SHALL PROVIDE WRITTEN CERTIFICATION TO THE POLITICAL ACTION COMMITTEE, WHICH SHALL BE VALID FOR FOUR YEARS.

Section 3. Title 16, chapter 6, Arizona Revised Statutes, is amended by adding article 1.3, to read:

ARTICLE 1.3. CONTRIBUTIONS

16-906. EXEMPTIONS FROM DEFINITION OF CONTRIBUTION

A. THE FOLLOWING ARE NOT CONTRIBUTIONS:

1. THE VALUE OF AN INDIVIDUAL'S VOLUNTEER SERVICES PROVIDED WITHOUT COMPENSATION OR REIMBURSEMENT, INCLUDING THE INDIVIDUAL'S:

- (A) TRAVEL EXPENSES.
- (B) USE OF REAL OR PERSONAL PROPERTY.
- (C) COST OF INVITATIONS, FOOD OR BEVERAGES.
- (D) USE OF EMAILS, INTERNET ACTIVITY OR SOCIAL MEDIA.

2. THE VALUE OF ANY NEWS STORY, COMMENTARY, OR EDITORIAL BY ANY BROADCASTING STATION, CABLE TELEVISION OPERATOR, PROGRAMMER OR PRODUCER, NEWSPAPER, MAGAZINE, WEBSITE OR OTHER PERIODICAL PUBLICATION THAT IS NOT OWNED OR OPERATED BY A CANDIDATE, CANDIDATE'S SPOUSE, OR COMMITTEE.

3. THE PAYMENT BY ANY PERSON TO DEFRAY THE EXPENSE OF AN ELECTED OFFICIAL MEETING WITH CONSTITUENTS OR ATTENDING AN INFORMATIONAL TOUR OR PRESENTATION, PROVIDED THAT THE ELECTED OFFICIAL IS ENGAGED IN THE PERFORMANCE OF OFFICIAL DUTIES AND THE PAYMENT IS REPORTED PURSUANT TO TITLE 38, CHAPTER 3.1, ARTICLE 1 AND TITLE 41, CHAPTER 7, ARTICLE 8.1.

4. THE PAYMENT BY A POLITICAL PARTY FOR:

(A) THE PRINTING, DISTRIBUTION, OR POSTAGE EXPENSES FOR VOTER GUIDES, SAMPLE BALLOTS, PINS, BUMPER STICKERS, HANDBILLS, BROCHURES, POSTERS, YARD SIGNS AND OTHER SIMILAR MATERIALS DISTRIBUTED THROUGH THE PARTY.

(B) COORDINATED PARTY EXPENDITURES.

5. THE PAYMENT BY ANY PERSON TO DEFRAY A POLITICAL PARTY'S OPERATING EXPENSES OR PARTY-BUILDING ACTIVITIES, INCLUDING:

(A) PARTY STAFF AND PERSONNEL.

(B) PARTY WEBSITES.

(C) STUDIES AND REPORTS.

(D) VOTER REGISTRATION, RECRUITMENT, POLLING, AND TURNOUT EFFORTS.

(E) PARTY CONVENTIONS AND PARTY MEETINGS.

(F) CONSTRUCTION, PURCHASE OR LEASE OF PARTY BUILDINGS OR FACILITIES.

6. THE VALUE OF ANY OF THE FOLLOWING TO A COMMITTEE:

(A) INTEREST EARNED ON THE COMMITTEE'S DEPOSITS, OR INVESTMENTS.

(B) TRANSFERS BETWEEN COMMITTEES TO REIMBURSE EXPENSES AND DISTRIBUTE MONIES RAISED THROUGH A JOINT FUND-RAISING EFFORT.

(C) PAYMENT OF A COMMITTEE'S LEGAL OR ACCOUNTING EXPENSES.

(D) AN EXTENSION OF CREDIT FOR GOODS AND SERVICES ON A COMMITTEE'S BEHALF BY A CREDITOR IF THE TERMS ARE SUBSTANTIALLY SIMILAR TO EXTENSIONS OF CREDIT TO NONPOLITICAL DEBTORS THAT ARE OF SIMILAR RISK AND SIZE OF OBLIGATION. THE CREDITOR MUST MAKE A COMMERCIALY REASONABLE ATTEMPT TO COLLECT THE DEBT, EXCEPT THAT ANY EXTENSION OF CREDIT THAT REMAINS UNSATISFIED BY THE COMMITTEE

AFTER SIX MONTHS SHALL BE DEEMED RECEIPT OF A CONTRIBUTION BY THE COMMITTEE BUT NOT A CONTRIBUTION BY THE CREDITOR.

7. THE VALUE OF NONPARTISAN ACTIVITY INTENDED TO ENCOURAGE VOTER REGISTRATION AND TURNOUT EFFORTS.

8. PAYMENT TO A FILING OFFICER FOR ARGUMENTS IN A PUBLICITY PAMPHLET.

16-907. INDIVIDUAL CONTRIBUTIONS

A. AN INDIVIDUAL MAY CONTRIBUTE NO MORE THAN THE FOLLOWING AMOUNTS PER ELECTION CYCLE:

1. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR CITY, TOWN, COUNTY, OR DISTRICT OFFICE.

2. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR LEGISLATIVE OFFICE.

3. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR STATEWIDE OFFICE.

B. AN INDIVIDUAL IS NOT LIMITED IN MAKING CONTRIBUTIONS TO PERSONS OTHER THAN CANDIDATES.

C. AN INDIVIDUAL SHALL MAKE CONTRIBUTIONS USING PERSONAL MONIES.

16-908. CANDIDATE CONTRIBUTIONS

A. A CANDIDATE MAY CONTRIBUTE NO MORE THAN THE FOLLOWING AMOUNTS TO ANOTHER CANDIDATE PER ELECTION CYCLE:

1. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR CITY, TOWN, COUNTY, OR DISTRICT OFFICE.

2. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR LEGISLATIVE OFFICE.

3. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR STATEWIDE OFFICE.

B. A CANDIDATE MAY TRANSFER UNLIMITED CONTRIBUTIONS TO ANOTHER CAMPAIGN COMMITTEE AUTHORIZED BY THE SAME CANDIDATE IF BOTH CAMPAIGN COMMITTEES:

1. ARE REGISTERED WITH A FILING OFFICER IN CHARGE OF CITY, TOWN, COUNTY, OR DISTRICT ELECTIONS; OR

2. ARE REGISTERED WITH THE SECRETARY OF STATE.

C. A CANDIDATE COMMITTEE IS NOT LIMITED IN MAKING CONTRIBUTIONS TO A PERSON OTHER THAN A CANDIDATE.

16-909. POLITICAL ACTION COMMITTEE CONTRIBUTIONS

A. A POLITICAL ACTION COMMITTEE WITHOUT MACRO STATUS MAY CONTRIBUTE NO MORE THAN THE FOLLOWING AMOUNTS PER ELECTION CYCLE:

1. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR CITY, TOWN, COUNTY, OR DISTRICT OFFICE.

2. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR LEGISLATIVE OFFICE.

3. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR STATEWIDE OFFICE.

B. A POLITICAL ACTION COMMITTEE WITH MACRO STATUS MAY CONTRIBUTE TWICE THE AMOUNTS SPECIFIED IN SUBSECTION A PER ELECTION CYCLE IF IT PROVIDES THE RECIPIENT CAMPAIGN COMMITTEE A COPY OF ITS CERTIFICATION OF ADVANCED STATUS.

C. A POLITICAL ACTION COMMITTEE SHALL NOT CONTRIBUTE TO A CANDIDATE USING MONIES CONTRIBUTED BY A CORPORATION, LIMITED LIABILITY COMPANY, OR LABOR ORGANIZATION.

D. A POLITICAL ACTION COMMITTEE IS NOT LIMITED IN MAKING CONTRIBUTIONS TO PERSONS OTHER THAN CANDIDATES.

16-910. POLITICAL PARTY CONTRIBUTIONS

A. A POLITICAL PARTY MAY CONTRIBUTE NO MORE THAN THE FOLLOWING AMOUNTS PER ELECTION CYCLE:

1. TEN THOUSAND DOLLARS TO THE PARTY'S NOMINEE FOR CITY, TOWN, COUNTY, OR DISTRICT OFFICE.
2. TEN THOUSAND DOLLARS TO THE PARTY'S NOMINEE FOR LEGISLATIVE OFFICE.
3. ONE HUNDRED THOUSAND DOLLARS TO THE PARTY'S NOMINEE FOR STATEWIDE OFFICE.

B. A POLITICAL PARTY SHALL NOT CONTRIBUTE TO NOMINEES USING MONIES CONTRIBUTED BY A CORPORATION, LIMITED LIABILITY COMPANY, OR LABOR ORGANIZATION.

C. A POLITICAL PARTY SHALL NOT CONTRIBUTE TO CANDIDATES OTHER THAN NOMINEES.

C. A POLITICAL PARTY IS NOT LIMITED IN MAKING CONTRIBUTIONS TO PERSONS OTHER THAN CANDIDATES AND NOMINEES.

16-911. CORPORATION, LIMITED LIABILITY COMPANY, AND LABOR ORGANIZATION CONTRIBUTIONS

A. A CORPORATION, LIMITED LIABILITY COMPANY, OR LABOR ORGANIZATION SHALL NOT MAKE CONTRIBUTIONS TO A CANDIDATE.

B. A CORPORATION, LIMITED LIABILITY COMPANY, OR LABOR ORGANIZATION IS NOT LIMITED IN MAKING CONTRIBUTIONS TO PERSONS OTHER THAN CANDIDATES.

C. A CORPORATION, LIMITED LIABILITY COMPANY, OR LABOR ORGANIZATION MAY SPONSOR A SEPARATE SEGREGATED FUND TO WHICH THEIR EMPLOYEES, MEMBERS, EXECUTIVES, STOCKHOLDERS, RETIREES AND THEIR FAMILIES MAY MAKE CONTRIBUTIONS, SUBJECT TO THE FOLLOWING:

1. THE SEPARATE SEGREGATED FUND SHALL REGISTER AS A POLITICAL ACTION COMMITTEE.
2. THE SPONSOR MAY PAY THE ADMINISTRATIVE, PERSONNEL, AND FUNDRAISING EXPENSES OF ITS SEPARATE SEGREGATED FUND, WHICH SHALL NOT BE DEEMED CONTRIBUTIONS TO THE FUND.
3. THE SPONSOR OR ITS SEPARATE SEGREGATED FUND MAY SOLICIT CONTRIBUTIONS FROM THE SPONSOR'S EMPLOYEES, MEMBERS, EXECUTIVES, STOCKHOLDERS, RETIREES AND THEIR FAMILIES. WITH RESPECT TO AN INSURER, AN INSURER OR ITS SEPARATE SEGREGATED FUND MAY ALSO SOLICIT CONTRIBUTIONS FROM AN INSURANCE PRODUCER'S EMPLOYEES, MEMBERS, EXECUTIVES, STOCKHOLDERS, RETIREES AND THEIR FAMILIES.

4. A SPONSOR MAY FACILITATE THE MAKING OF CONTRIBUTIONS TO ITS SEPARATE SEGREGATED FUND BY ESTABLISHING A PAYROLL DEDUCTION SYSTEM OR OTHER SIMILAR PAYMENT TRANSFER METHOD.

5. IF OTHERWISE CONSISTENT WITH THIS ARTICLE, A SPONSOR OR SEPARATE SEGREGATED FUND MAY RELY ON THE FEDERAL ELECTION COMMISSION'S WRITTEN GUIDANCE INTERPRETING 52 UNITED STATES CODE SECTION 30118(b) WHEN INTERPRETING THIS SUBSECTION.

16-912. PARTNERSHIP CONTRIBUTIONS

A. A PARTNERSHIP MAY CONTRIBUTE NO MORE THAN THE FOLLOWING AMOUNTS PER ELECTION CYCLE:

1. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR CITY, TOWN, COUNTY, OR DISTRICT OFFICE.

2. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR LEGISLATIVE OFFICE.

3. SIX THOUSAND TWO HUNDRED FIFTY DOLLARS TO A CANDIDATE FOR STATEWIDE OFFICE.

B. A PARTNERSHIP IS NOT LIMITED IN MAKING CONTRIBUTIONS TO PERSONS OTHER THAN CANDIDATES.

C. PARTNERSHIP CONTRIBUTIONS ARE SUBJECT TO THE FOLLOWING:

1. PARTNERSHIP CONTRIBUTIONS SHALL BE ATTRIBUTED TO EACH CONTRIBUTING PARTNER, AS DESIGNATED BY THE PARTNERSHIP. THE PARTNERSHIP SHALL PROVIDE THE RECIPIENT COMMITTEE WRITTEN NOTICE LISTING THE NAME OF THE CONTRIBUTING PARTNERS AND THE AMOUNT ATTRIBUTED TO EACH.

2. PARTNERSHIP CONTRIBUTIONS SHALL COUNT AGAINST BOTH THE PARTNERSHIP'S AND THE INDIVIDUAL PARTNERS' CONTRIBUTION LIMITS. THE PORTION ATTRIBUTED TO EACH PARTNER SHALL NOT EXCEED THE INDIVIDUAL PARTNER'S CONTRIBUTION LIMIT.

3. THE PARTNERSHIP SHALL NOT ATTRIBUTE ANY CONTRIBUTION TO A PARTNER THAT IS A CORPORATION, LIMITED LIABILITY COMPANY, OR LABOR ORGANIZATION.

4. PARTNERSHIP CONTRIBUTIONS NEED NOT BE ACCOMPANIED BY THE SIGNATURE OF EACH CONTRIBUTING PARTNER.

16-913. EARMARKING PROHIBITED

A CONTRIBUTOR SHALL NOT GIVE, AND A RECIPIENT SHALL NOT ACCEPT, AN EARMARKED CONTRIBUTION.

Section 4. Title 16, chapter 6, Arizona Revised Statutes, is amended by adding article 1.4, to read:

ARTICLE 1.4. EXPENDITURES

16-914. EXEMPTIONS FROM DEFINITION OF EXPENDITURE

A. THE FOLLOWING ARE NOT EXPENDITURES:

1. THE VALUE OF AN INDIVIDUAL'S VOLUNTEER SERVICES PROVIDED WITHOUT COMPENSATION OR REIMBURSEMENT, INCLUDING THE INDIVIDUAL'S:

- (A) TRAVEL EXPENSES.
- (B) USE OF REAL OR PERSONAL PROPERTY.
- (C) COST OF INVITATIONS, FOOD OR BEVERAGES.
- (D) USE OF EMAILS, INTERNET ACTIVITY OR USE OF SOCIAL MEDIA.

2. THE VALUE OF ANY NEWS STORY, COMMENTARY, OR EDITORIAL BY ANY BROADCASTING STATION, CABLE TELEVISION OPERATOR, PROGRAMMER OR PRODUCER, NEWSPAPER, MAGAZINE, WEBSITE OR OTHER PERIODICAL PUBLICATION THAT IS NOT OWNED OR OPERATED BY A CANDIDATE, CANDIDATE'S SPOUSE, OR COMMITTEE.

3. THE PAYMENT BY ANY PERSON TO DEFRAY A POLITICAL PARTY'S OPERATING EXPENSES OR PARTY-BUILDING ACTIVITIES, INCLUDING:

- (A) PARTY STAFF AND PERSONNEL.
- (B) PARTY WEBSITES.
- (C) STUDIES AND REPORTS.
- (C) VOTER REGISTRATION, RECRUITMENT, POLLING, AND TURNOUT EFFORTS.
- (D) PARTY CONVENTIONS AND PARTY MEETINGS.
- (E) CONTRUCTION, PURCHASE OR LEASE OF PARTY BUILDINGS OR FACILITIES.

4. THE VALUE OF ANY OF THE FOLLOWING TO A COMMITTEE:

- (A) INTEREST EARNED ON THE COMMITTEE'S DEPOSITS, OR INVESTMENTS.
- (B) TRANSFERS BETWEEN COMMITTEES TO REIMBURSE EXPENSES AND DISTRIBUTE MONIES RAISED THROUGH A JOINT FUND-RAISING EFFORT.
- (C) PAYMENT OF A COMMITTEE'S LEGAL OR ACCOUNTING EXPENSES.
- (D) AN EXTENSION OF CREDIT FOR GOODS AND SERVICES ON A COMMITTEE'S BEHALF BY A CREDITOR IF THE TERMS ARE SUBSTANTIALLY SIMILAR TO EXTENSIONS OF CREDIT TO NONPOLITICAL DEBTORS THAT ARE OF SIMILAR RISK AND SIZE OF OBLIGATION. THE CREDITOR MUST MAKE A COMMERCIALY REASONABLE ATTEMPT TO COLLECT THE DEBT, EXCEPT THAT ANY EXTENSION OF CREDIT THAT REMAINS UNSATISFIED BY THE COMMITTEE AFTER SIX MONTHS SHALL BE DEEMED RECEIPT OF A CONTRIBUTION BY THE COMMITTEE BUT NOT A CONTRIBUTION BY THE CREDITOR.

5. THE VALUE OF NONPARTISAN ACTIVITY INTENDED TO ENCOURAGE VOTER REGISTRATION AND TURNOUT EFFORTS.

16-915. INDEPENDENT AND COORDINATED EXPENDITURES

A. ANY PERSON MAY MAKE INDEPENDENT EXPENDITURES.

B. AN EXPENDITURE IS NOT INDEPENDENT IF THE EXPENDITURE IS COORDINATED WITH A CANDIDATE.

1. COORDINATION MAY BE INFERRED IF ANY OF THE FOLLOWING APPLY:

- (A) ANY AGENT OF THE PERSON MAKING THE EXPENDITURE IS ALSO 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 OR THE PERSON'S AGENT.

(C) IN THE SAME ELECTION CYCLE FOR THE OFFICE SOUGHT, THE PERSON MAKING THE EXPENDITURE OR THE PERSON'S AGENT IS OR HAS BEEN:

(I) AUTHORIZED TO RAISE OR EXPEND MONIES ON BEHALF OF THE CANDIDATE;

(II) RECEIVING ANY FORM OF COMPENSATION OR REIMBURSEMENT FROM THE CANDIDATE OR THE CANDIDATE'S AGENT.

(D) THE EXPENDITURE IS BASED ON INFORMATION ABOUT THE CANDIDATE'S PLANS, PROJECTS OR NEEDS PROVIDED TO THE EXPENDING PERSON BY THE CANDIDATE OR THE CANDIDATE'S AGENT WITH A VIEW TOWARD HAVING THE EXPENDITURE MADE.

(E) IN THE SAME ELECTION CYCLE FOR THE OFFICE SOUGHT, THE CANDIDATE IS OR HAS BEEN AUTHORIZED TO RAISE MONEY OR SOLICIT CONTRIBUTIONS ON BEHALF OF THE PERSON MAKING THE EXPENDITURE.

2. NOTWITHSTANDING SUBPARAGRAPH 1, COORDINATION CANNOT BE INFERRED:

(A) IF THE PERSON MAKING THE EXPENDITURE MAINTAINS SEPARATION FROM THE PERSON'S AGENT, WHICH REQUIRES:

(I) THE AGENT DID NOT PARTICIPATE IN DECIDING TO MAKE THE EXPENDITURE OR IN DECIDING THE CONTENT, TIMING OR TARGETING OF THE EXPENDITURE; AND

(II) THE PERSON HAS A WRITTEN POLICY DESCRIBING THE REQUIRED SEPARATION FROM AN AGENT; AND

(III) THE PERSON AND THE AGENT FOLLOWED THE WRITTEN POLICY REGARDING SEPARATION.

(B) SOLELY BASED ON THE FACT AN AGENT OF A PERSON MAKING THE EXPENDITURE SERVES OR HAS SERVED ON A CANDIDATE'S HOST COMMITTEE FOR A FUND-RAISING EVENT.

C. AN EXPENDITURE THAT IS COORDINATED WITH A CANDIDATE, OTHER THAN A COORDINATED PARTY EXPENDITURE, SHALL BE CONSIDERED AN IN-KIND CONTRIBUTION TO THE CANDIDATE.

D. A PERSON, OTHER THAN AN INDIVIDUAL OR COMMITTEE, THAT MAKES INDEPENDENT EXPENDITURES SHALL FILE INDEPENDENT EXPENDITURE REPORTS PURSUANT TO SECTION 16-917, SUBSECTION F.

Section 5. Title 16, chapter 6, Arizona Revised Statutes, is amended by adding article 1.5, to read:

ARTICLE 1.5. ADVERTISING AND FUNDRAISING DISCLOSURES

16-916. ADVERTISING AND FUNDRAISING DISCLOSURES

A. ANY ADVERTISEMENT OR FUNDRAISING SOLICITATION SHALL INCLUDE THE FOLLOWING DISCLOSURES:

1. THE WORDS "PAID FOR BY," FOLLOWED BY THE NAME OF THE PERSON MAKING THE EXPENDITURE FOR THE ADVERTISEMENT OR FUNDRAISING SOLICITATION.

2. WHETHER THE EXPENDITURE WAS AUTHORIZED BY ANY CANDIDATE, FOLLOWED BY THE IDENTITY OF THE CANDIDATE IF ANY.

B. A POLITICAL ACTION COMMITTEE THAT MAKES AN EXPENDITURE FOR AN ADVERTISEMENT SHALL INCLUDE, IN ADDITION TO THE DISCLOSURE REQUIRED BY SUBSECTION A, A DISCLOSURE STATING THE NAMES OF THE THREE PERSONS MAKING THE LARGEST AGGREGATE CONTRIBUTIONS DURING THE ELECTION CYCLE TO THE POLITICAL ACTION COMMITTEE MAKING THE EXPENDITURE, JUDGED AS OF THE TIME THE ADVERTISEMENT WAS DISTRIBUTED FOR PUBLICATION, DISPLAY, DELIVERY, OR BROADCAST.

C. IF A DISCLOSURE CONTAINS ANY ACRONYM, THE DISCLOSURE SHALL ALSO SPELL OUT THE ACRONYM.

D. IF THE ADVERTISEMENT IS:

1. BROADCAST ON RADIO, THE DISCLOSURE SHALL BE CLEARLY SPOKEN AT THE END OF THE ADVERTISEMENT.

2. DELIVERED BY HAND, MAIL, OR ELECTRONICALLY, THE DISCLOSURE SHALL BE CLEARLY READABLE.

3. DISPLAYED ON A SIGN OR BILLBOARD, THE DISCLOSURE SHALL BE DISPLAYED IN A HEIGHT THAT IS AT LEAST FOUR PERCENT OF THE VERTICAL HEIGHT.

4. BROADCAST ON TELEVISION OR IN A VIDEO OR FILM, THE FOLLOWING REQUIREMENTS APPLY:

(A) THE DISCLOSURE SHALL BE BOTH WRITTEN AND SPOKEN AT THE END OF THE ADVERTISEMENT, EXCEPT THAT IF THE WRITTEN DISCLOSURE STATEMENT IS DISPLAYED FOR AT LEAST ONE-SIXTH OF THE BROADCAST LENGTH, A SPOKEN DISCLOSURE STATEMENT IS NOT REQUIRED.

(B) THE WRITTEN DISCLOSURE STATEMENT SHALL BE PRINTED IN LETTERS THAT ARE DISPLAYED IN A HEIGHT THAT IS AT LEAST FOUR PERCENT OF THE VERTICAL HEIGHT.

E. THIS SECTION DOES NOT APPLY TO:

(1) SOCIAL MEDIA MESSAGES OR TEXT MESSAGES.

(2) BUMPER STICKERS, PINS, BUTTONS, PENS AND SIMILAR SMALL ITEMS ON WHICH THE STATEMENTS REQUIRED IN THIS SECTION CANNOT BE CONVENIENTLY PRINTED.

(3) A SOLICITATION OF CONTRIBUTIONS BY A SEPARATE SEGREGATED FUND.

(4) A COMMUNICATION BY A TAX-EXEMPT ORGANIZATION SOLELY TO ITS MEMBERS.

Section 6. Title 16, chapter 6, Arizona Revised Statutes, is amended by adding article 1.6, to read:

ARTICLE 1.6. REPORTING REQUIREMENTS

16-917. CONTENTS OF REPORTS

A. A COMMITTEE SHALL FILE CAMPAIGN FINANCE REPORTS WITH THE FILING OFFICER. THE FORMAT FOR ALL REPORTS AND STATEMENTS SHALL BE PRESCRIBED IN THE SECRETARY OF STATE'S PROCEDURES MANUAL.

B. A CAMPAIGN FINANCE REPORT SHALL SET FORTH:

1. THE AMOUNT OF CASH ON HAND AT THE BEGINNING OF THE REPORTING PERIOD.

2. TOTAL RECEIPTS DURING THE REPORTING PERIOD, INCLUDING:

(A) AN ITEMIZED LIST OF RECEIPTS IN THE FOLLOWING CATEGORIES, INCLUDING THE SOURCE, AMOUNT, AND DATE OF RECEIPT, TOGETHER WITH THE TOTAL OF ALL RECEIPTS IN EACH CATEGORY:

(I) CONTRIBUTIONS FROM INDIVIDUALS WHOSE CONTRIBUTIONS EXCEED FIFTY DOLLARS FOR THAT ELECTION CYCLE, INCLUDING IDENTIFICATION OF THE CONTRIBUTOR'S OCCUPATION AND EMPLOYER.

(II) CONTRIBUTIONS FROM CANDIDATE COMMITTEES.

(III) CONTRIBUTIONS FROM POLITICAL ACTION COMMITTEES.

(IV) CONTRIBUTIONS FROM POLITICAL PARTIES.

(V) CONTRIBUTIONS FROM PARTNERSHIPS.

(VI) FOR A POLITICAL ACTION COMMITTEE OR POLITICAL PARTY, CONTRIBUTIONS FROM CORPORATIONS AND LIMITED LIABILITY COMPANIES.

(VII) FOR A POLITICAL ACTION COMMITTEE OR POLITICAL PARTY, CONTRIBUTIONS FROM LABOR ORGANIZATIONS.

(VIII) FOR A CANDIDATE COMMITTEE, A CANDIDATE'S CONTRIBUTION OF PERSONAL MONIES.

(IX) ALL LOANS, INCLUDING IDENTIFICATION OF ANY ENDORSER OR GUARANTOR AND THE AMOUNT ENDORSED OR GUARANTEED BY EACH.

(X) REBATES AND REFUNDS.

(XI) INTEREST ON COMMITTEE MONIES.

(XII) THE FAIR MARKET VALUE OF IN-KIND CONTRIBUTIONS RECEIVED.

(XIII) EXTENSIONS OF CREDIT THAT REMAIN OUTSTANDING, INCLUDING IDENTIFICATION OF THE CREDITOR AND PURPOSE OF THE EXTENSION.

(B) THE AGGREGATE AMOUNT OF CONTRIBUTIONS FROM INDIVIDUALS WHOSE CONTRIBUTIONS DO NOT EXCEED FIFTY DOLLARS FOR THE ELECTION CYCLE.

3. AN ITEMIZED LIST OF ALL DISBURSEMENTS DURING THE REPORTING PERIOD IN THE FOLLOWING CATEGORIES, INCLUDING THE RECIPIENT, RECIPIENT'S ADDRESS, DESCRIPTION OF DISBURSEMENT, AMOUNT AND DATE OF DISBURSEMENT, TOGETHER WITH THE TOTAL OF ALL DISBURSEMENTS IN EACH CATEGORY:

(A) EXPENDITURES FOR OPERATING EXPENSES.

(B) CONTRIBUTIONS TO CANDIDATE COMMITTEES.

(C) CONTRIBUTIONS TO POLITICAL ACTION COMMITTEES.

(D) CONTRIBUTIONS TO POLITICAL PARTIES.

(E) CONTRIBUTIONS TO PARTNERSHIPS.

(F) FOR A POLITICAL ACTION COMMITTEE OR POLITICAL PARTY, CONTRIBUTIONS TO CORPORATIONS AND LIMITED LIABILITY COMPANIES.

(G) FOR A POLITICAL ACTION COMMITTEE OR POLITICAL PARTY, CONTRIBUTIONS TO LABOR ORGANIZATIONS.

(H) REPAYMENT OF LOANS.

(I) REFUNDS OF CONTRIBUTIONS.

(J) LOANS MADE.

(K) THE VALUE OF IN-KIND CONTRIBUTIONS PROVIDED.

(L) INDEPENDENT EXPENDITURES TO ADVOCATE THE ELECTION OR DEFEAT OF A CANDIDATE, INCLUDING IDENTIFICATION OF THE CANDIDATE, OFFICE SOUGHT BY THE CANDIDATE, ELECTION DATE, MODE OF ADVERTISING, AND DISTRIBUTION OR PUBLICATION DATE.

(M) EXPENDITURES TO ADVOCATE THE PASSAGE OR DEFEAT OF A BALLOT MEASURE, INCLUDING IDENTIFICATION OF THE BALLOT MEASURE, BALLOT MEASURE SERIAL NUMBER, ELECTION DATE, MODE OF ADVERTISING, AND DISTRIBUTION OR PUBLICATION DATE.

(N) EXPENDITURES TO ADVOCATE ISSUANCE OF A RECALL ELECTION ORDER, INCLUDING IDENTIFICATION OF THE OFFICER TO BE RECALLED, MODE OF ADVERTISING, AND DISTRIBUTION OR PUBLICATION DATE.

(O) ANY OTHER DISBURSEMENTS OR EXPENDITURES.

4. THE TOTAL SUM OF ALL RECEIPTS AND DISBURSEMENTS FOR THE REPORTING PERIOD.

5. A CERTIFICATION BY THE COMMITTEE TREASURER, ISSUED UNDER PENALTY OF PERJURY, THAT THE CONTENTS OF THE REPORT ARE TRUE AND CORRECT.

C. THE AMOUNT OF AN IN-KIND CONTRIBUTION SHALL BE EQUAL TO THE USUAL AND NORMAL VALUE ON THE DATE RECEIVED BY THE COMMITTEE.

D. CANDIDATE COMMITTEE REPORTS SHALL BE CUMULATIVE FOR THE ELECTION CYCLE FOR WHICH THEY RELATE. POLITICAL ACTION COMMITTEE AND POLITICAL PARTY REPORTS SHALL BE CUMULATIVE FOR A TWO-YEAR ELECTION CYCLE ENDING IN THE YEAR OF A GENERAL ELECTION. IF THERE HAS BEEN NO CHANGE DURING THE REPORTING PERIOD IN AN ITEM LISTED IN THE IMMEDIATE PREVIOUS REPORT, ONLY THE AMOUNT NEED BE CARRIED FORWARD.

E. IN THE CASE OF A POLITICAL ACTION COMMITTEE THAT RECEIVES INDIVIDUAL CONTRIBUTIONS THROUGH A PAYROLL DEDUCTION PLAN, THAT COMMITTEE IS NOT REQUIRED TO SEPARATELY ITEMIZE EACH CONTRIBUTION RECEIVED FROM THE CONTRIBUTOR DURING THE REPORTING PERIOD. IN LIEU OF ITEMIZATION, THE COMMITTEE MAY REPORT OF THE FOLLOWING:

1. THE AGGREGATE AMOUNT OF CONTRIBUTIONS RECEIVED FROM THE CONTRIBUTOR THROUGH THE PAYROLL DEDUCTION PLAN DURING THE REPORTING PERIOD.

2. THE INDIVIDUAL'S IDENTITY.

3. THE AMOUNT DEDUCTED PER PAY PERIOD.

F. A PERSON, OTHER THAN AN INDIVIDUAL OR COMMITTEE, THAT MAKES INDEPENDENT EXPENDITURES DURING A REPORTING PERIOD SHALL FILE AN INDEPENDENT EXPENDITURE REPORT WITH THE FILING OFFICER FOR THE APPLICABLE REPORTING PERIOD, INCLUDING IDENTIFICATION OF THE CANDIDATE AFFECTED, OFFICE SOUGHT BY THE CANDIDATE, ELECTION DATE, MODE OF ADVERTISING, AND DATE OF PUBLICATION, DISPLAY, DELIVERY, OR BROADCAST.

16-918. CAMPAIGN FINANCE REPORTING PERIOD

A. A COMMITTEE SHALL FILE A CAMPAIGN FINANCE REPORT COVERING EACH REPORTING PERIOD.

1. FOR A CALENDAR QUARTER WITHOUT A SCHEDULED ELECTION, A COMMITTEE SHALL FILE A QUARTERLY REPORT. THE QUARTERLY REPORT SHALL BE:

(A) FILED NO LATER THAN THE FIFTEENTH DAY AFTER THE CALENDAR QUARTER.

(B) COMPLETE THROUGH THE LAST DAY OF THE CALENDAR QUARTER.

2. FOR A CALENDAR QUARTER WITH A SCHEDULED ELECTION, A COMMITTEE SHALL FILE A PRE-ELECTION AND POST-ELECTION REPORT.

(A) A PRE-ELECTION REPORT SHALL BE:

(I) FILED NO LATER THAN _____ DAYS BEFORE THE ELECTION.

(II) COMPLETE FROM THE FIRST DAY OF THE APPLICABLE CALENDAR QUARTER THROUGH THE _____ DAY BEFORE THE ELECTION.

(B) A POST-ELECTION REPORT SHALL BE:

(I) FILED NO LATER THAN THE FIFTEENTH DAY AFTER THE APPLICABLE CALENDAR QUARTER.

(II) COMPLETE FROM THE _____ DAY BEFORE THE ELECTION THROUGH THE LAST DAY OF THE APPLICABLE CALENDAR QUARTER.

B. A COMMITTEE SHALL FILE CAMPAIGN FINANCE REPORTS UNTIL TERMINATED.

16-919. FILING OFFICER FOR STATEMENTS AND REPORTS

A. A PERSON WHO INFLUENCES THE RESULT OF AN ELECTION SHALL FILE ANY STATEMENTS AND REPORTS REQUIRED BY THIS ARTICLE WITH THE FILING OFFICER IN CHARGE OF THE ELECTION, AS FOLLOWS:

1. THE SECRETARY OF STATE IS THE FILING OFFICER FOR STATEWIDE AND LEGISLATIVE ELECTIONS, INCLUDING RETENTION ELECTIONS FOR SUPREME COURT JUSTICES AND COURT OF APPEALS JUDGES.

2. THE COUNTY OFFICER IN CHARGE OF ELECTIONS IS THE FILING OFFICER FOR COUNTY, SCHOOL DISTRICT, COMMUNITY COLLEGE DISTRICT, AND SPECIAL TAXING DISTRICT ELECTIONS, INCLUDING RETENTION ELECTIONS FOR SUPERIOR COURT JUDGES.

3. THE CITY OR TOWN CLERK IS THE FILING OFFICER FOR CITY AND TOWN ELECTIONS.

B. NOTWITHSTANDING SUBSECTION A, A STANDING COMMITTEE SHALL ONLY FILE REPORTS WITH THE SECRETARY OF STATE.

C. A FILING OFFICER SHALL PROVIDE THE OPTION FOR ELECTRONIC FILING AND SHALL MAKE ALL STATEMENTS AND REPORTS PUBLICLY AVAILABLE ON THE INTERNET. A FILING OFFICER MAY SATISFY THIS REQUIREMENT BY OPTING INTO THE SECRETARY OF STATE'S ELECTRONIC FILING SYSTEM AND PAYING A FEE DETERMINED BY THE SECRETARY OF STATE.

Section 7. Title 16, chapter 6, Arizona Revised Statutes, is amended by adding article 1.7, to read:

ARTICLE 1.7. TERMINATING A COMMITTEE

16-920. TRANSFER AND DISPOSAL OF COMMITTEE FUNDS

A. A COMMITTEE SHALL DISPOSE OF SURPLUS MONIES AS FOLLOWS:

1. RETURN SURPLUS MONIES TO THE CONTRIBUTOR; OR
2. CONTRIBUTE SURPLUS MONIES PURSUANT TO ARTICLE 1.3.

B. SURPLUS MONIES SHALL NOT BE USED FOR OR CONVERTED TO PERSONAL USE. NOTHING IN THIS SECTION PRECLUDES A LOAN REPAYMENT.

16-921. FILING TERMINATION STATEMENT

A. A COMMITTEE MAY TERMINATE ONLY WHEN THE COMMITTEE TREASURER FILES A TERMINATION STATEMENT WITH THE FILING OFFICER WITH WHOM THE COMMITTEE'S STATEMENT OF ORGANIZATION WAS FILED.

B. IN THE TERMINATION STATEMENT, THE COMMITTEE TREASURER SHALL CERTIFY UNDER PENALTY OF PERJURY THAT:

1. THE COMMITTEE WILL NO LONGER RECEIVE ANY CONTRIBUTIONS OR MAKE ANY EXPENDITURES;

2. THE COMMITTEE HAS NO OUTSTANDING DEBTS OR OBLIGATIONS;

3. ANY SURPLUS MONIES HAVE BEEN DISPOSED OF, SUCH THAT THE COMMITTEE HAS NO CASH ON HAND; AND

4. ALL CONTRIBUTIONS AND EXPENDITURES HAVE BEEN REPORTED, INCLUDING DISPOSAL OF SURPLUS MONIES.

C. THE FILING OFFICER MUST APPROVE THE TERMINATION STATEMENT BEFORE A COMMITTEE MAY TERMINATE.

D. AFTER A TERMINATION STATEMENT IS APPROVED, A COMMITTEE:

1. IS NOT REQUIRED TO FILE ANY SUBSEQUENT CAMPAIGN FINANCE REPORTS;

2. SHALL HAVE NO FURTHER RECEIPTS OR DISBURSEMENTS WITHOUT FILING A NEW STATEMENT OF ORGANIZATION.

E. A STANDING COMMITTEE MAY TERMINATE ITS ACTIVITIES IN A PARTICULAR REPORTING JURISDICTION, AND REMAIN ACTIVE IN OTHER REPORTING JURISDICTIONS, BY FILING A STATEMENT OF INTENT WITH THE FILING OFFICER IN EACH REPORTING JURISDICTION.

Section 8. Title 16, chapter 6, Arizona Revised Statutes, is amended by adding article 1.8, to read:

ARTICLE 1.8. ENFORCEMENT

16-922. FAILURE TO FILE PENALTIES

A. IF A COMMITTEE FAILS TO TIMELY FILE A COMPLETE REPORT REQUIRED BY THIS ARTICLE, THE FILING OFFICER SHALL SEND WRITTEN NOTICE TO THE COMMITTEE. THE NOTICE SHALL BE SENT TO BY EMAIL TO THE COMMITTEE WITHIN FIVE DAYS AFTER THE FILING DEADLINE. THE NOTICE SHALL IDENTIFY THE LATE REPORT, DESCRIBE HOW FINES ACCRUE, AND IDENTIFY METHODS OF PAYMENT.

B. A COMMITTEE THAT FAILS TO TIMELY FILE A REPORT SHALL PAY THE FILING OFFICER A DAILY FINE. THE FINE SHALL BE TEN DOLLARS PER DAY DURING THE FIRST FIFTEEN DAYS AFTER THE FILING DEADLINE, AND TWENTY FIVE DOLLARS FOR EACH SUBSEQUENT DAY. FINES SHALL ACCRUE UNTIL THE LATE REPORT IS FILED.

C. IF A COMMITTEE FAILS TO FILE A COMPLETE REPORT WITHIN THIRTY DAYS OF THE FILING DEADLINE, THE FILING OFFICER MAY NOTIFY THE ENFORCEMENT OFFICER.

D. FOR ANY POLITICAL ACTION COMMITTEE OR POLITICAL PARTY THAT HAS FAILED TO FILE THREE CONSECUTIVE COMPLETE REPORTS, THE FILING OFFICER SHALL EMAIL A NOTICE OF TEMPORARY SUSPENSION TO THE COMMITTEE.

1. UPON RECEIPT, THE COMMITTEE'S AUTHORITY TO OPERATE IN THE JURISDICTION SHALL BE TEMPORARILY SUSPENDED.

2. THE NOTICE SHALL STATE THAT FAILURE TO COMPLY WITH ALL FILING AND PAYMENT REQUIREMENTS WITHIN THIRTY DAYS OF THE DATE OF THE NOTICE SHALL RESULT IN PERMANENT SUSPENSION OF THE COMMITTEE'S AUTHORITY TO OPERATE IN THAT JURISDICTION.

3. UPON PERMANENT SUSPENSION, THE FILING OFFICER SHALL NOTIFY THE COMMITTEE BY EMAIL AND THEREAFTER IS NO LONGER REQUIRED TO PROVIDE ANY FURTHER NOTICES. SUSPENSION DOES NOT ELIMINATE A COMMITTEE'S CONTINUING OBLIGATION TO FILE LATE REPORTS AND PAY ANY OUTSTANDING OR ACCRUING FINES AND PENALTIES PROVIDED BY LAW.

16-923. ENFORCEMENT AUTHORITY

A. A FILING OFFICER SHALL INVESTIGATE VIOLATIONS OF THIS ARTICLE AS FOLLOWS:

1. THE FILING OFFICER SHALL LIMIT ITS INVESTIGATION TO VIOLATIONS WITHIN THE FILING OFFICER'S JURISDICTION.

2. THE FILING OFFICER SHALL PUBLISH GUIDELINES THAT OUTLINE THE PROCEDURES, TIMELINES, AND OTHER PROCESSES THAT GOVERN INVESTIGATIONS.

3. IF THE FILING OFFICER DECLARES A CONFLICT OF INTEREST, THE FILING OFFICER MAY REFER THE INVESTIGATION TO ANY OTHER FILING OFFICER IN THIS STATE.

C. IF, AFTER INVESTIGATION, THE FILING OFFICER HAS REASONABLE CAUSE TO BELIEVE A PERSON VIOLATED THIS ARTICLE, THE FILING OFFICER SHALL REFER THE MATTER TO THE ENFORCEMENT OFFICER AS FOLLOWS:

1. THE SECRETARY OF STATE SHALL NOTIFY THE ATTORNEY GENERAL.

2. A COUNTY FILING OFFICER SHALL NOTIFY THE COUNTY ATTORNEY.

3. A CITY OR TOWN FILING OFFICER SHALL NOTIFY THE CITY OR TOWN ATTORNEY.

D. UPON REFERRAL FROM THE FILING OFFICER, THE ENFORCEMENT OFFICER MAY:

1. COLLECT ANY FINES LEVIED BY THE FILING OFFICER.
2. IMPOSE A CIVIL PENALTY UP TO THREE TIMES THE AMOUNT OF MONEY OR VALUE THAT HAS BEEN RECEIVED, EXPENDED OR PROMISED IN VIOLATION OF THIS ARTICLE.

E. AFTER REFERRAL FROM THE FILING OFFICER, IF THE ENFORCEMENT OFFICER HAS REASONABLE CAUSE TO BELIEVE A PERSON VIOLATED THIS ARTICLE, THE ENFORCEMENT OFFICER SHALL SERVE THE ALLEGED VIOLATOR WITH A COMPLIANCE ORDER. THE ORDER SHALL STATE WITH REASONABLE PARTICULARITY THE NATURE OF THE VIOLATION, SPECIFY THE FINE OR PENALTY IMPOSED, AND SHALL REQUIRE COMPLIANCE WITHIN TWENTY DAYS FROM THE DATE OF ISSUANCE OF THE ORDER.

F. THE ALLEGED VIOLATOR HAS TWENTY DAYS FROM THE DATE OF ISSUANCE OF THE ORDER TO REQUEST A HEARING PURSUANT TO TITLE 41, CHAPTER 6.

G. IF THE ALLEGED VIOLATOR REMAINS AGGRIEVED AT THE CONCLUSION OF THE APPEAL PROCESS OUTLINED IN TITLE 41, CHAPTER 6, THE ALLEGED VIOLATOR MAY APPEAL TO THE SUPERIOR COURT PURSUANT TO TITLE 12, CHAPTER 7, ARTICLE 6.

One Device For All

Designing a revolutionary new voting system for the people of Los Angeles

With nearly 5 million registered voters, Los Angeles County represents the largest voting jurisdiction in the United States. Guaranteeing every citizen the right to an accessible and intuitive voting experience has been the highest priority for the Los Angeles County Registrar-Recorder's office, which oversees the election process.

To revamp its antiquated voting system that dates back to the 1960s, L.A. County hired IDEO to build its next-generation replacement, a modular system that could adapt over time. And just as importantly, one that would be designed, developed and owned by the county.

Working closely with L.A. County staff, IDEO designers created a voting system that addresses the complexities unique to that voter base, including its vastly diverse population and its myriad election laws and policies. It was imperative for designers to build a system that would be useful and accessible to all types of voters: those who are vision and hearing impaired, in wheelchairs, have learning disabilities, are unfamiliar with technology, speak languages other than English – voters of all ages and backgrounds.

Their goals: to create one device for equal access, to define a voting process that feels familiar to voters, balancing both emotional and functional needs, and to build a system that's adaptable over time.

The resulting prototype, designed in collaboration with Digital Foundry and Cambridge Consultants, is a voting device that's customizable for different user experiences. A touchscreen allows any voter to easily navigate the ballot by advancing through different screens showing lists of candidates and ballot measures. For those with vision impairment or reading disabilities, an audio and controller experience guides voters through their options with a push of a few simple buttons. And voters who prefer to read the ballot in a different language – Spanish, Chinese, Korean, or any one of the 11 languages supported by the county – can choose their preference on the same machine. Once they've tapped in their selections on the device, they receive a printed paper ballot that goes in an integrated ballot box (the use of traceable paper ballot is still mandated by law).

Just as we're able to use our mobile devices to simplify our lives for everything from shopping online to fetching a taxi, the new prototype also allows voters to participate in the ultimate act of democracy with the same ease and accessibility. Mark your votes on your cell phone at your convenience, then go to a polling station to transfer your selections from your phone to a paper ballot, and cast your ballot in a ballot box.

It's this convenience factor that officials hope will ultimately make the act of voting more meaningful. "As an election administrator, I can't drive how exciting the candidates are or how controversial the measures are," said Dean Logan, L.A. County's Registrar-Recorder and County Clerk, whose vision has driven this project. "What I can do, though, is drive a voting experience that's appealing and that makes you feel the actual weight of the significance of casting a ballot. To be able to go to any location that's convenient to you, I think adds to that sense of intrinsic value to the voting process. It makes it feel like I'm participating in something that's meaningful and important, that's consistent with the way I do other things in my life."

L.A.'s new voting system has the potential to influence how other counties across the country update their outdated systems. The county's next move is to choose a manufacturer that will build the system through a request for proposal process. By 2020, Los Angeles County citizens should be exercising their right to vote with their future-forward system.



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POLITICS

Selfies in Voting Booths Raise Legal Questions on Speech and Secrecy

By ERIK ECKHOLM AUG. 24, 2015

People post selfies with their strawberry daiquiris and their calico kittens, with strangers and friends, with and without clothes. So it was inevitable, perhaps, that some might take photographs inside the voting booth to show off their completed ballots.

Excited first-time voters; those proud to show that they voted for or against, say, President Obama; and those so disgusted that they wrote in the name of their dead dog have all been known to post snapshots of their ballots on Twitter or Facebook.

Now, a legal fracas has erupted over whether the display of marked ballots is a constitutionally protected form of speech and political expression — as a federal court in New Hampshire declared this month, overturning a ban on such photographs — or a threat to the hallowed secret ballot that could bring a new era of vote-buying and voter intimidation.

The New Hampshire case is unlikely to be the last to grapple with what are commonly called ballot selfies, whether they include an image of the phone user or not. Numerous states have laws to protect voter secrecy, drafted in an earlier era, that could be construed to ban ballot photographs, said Gilles Bissonnette, the legal director of the American Civil Liberties Union of New Hampshire, which challenged the New Hampshire ban.

A new law in Indiana explicitly bans taking photographs in a voting booth, and rights advocates there are mulling a similar challenge. At the same time, Maine, Oregon and Utah have recently revised their laws, effectively permitting the posting of these images.

In New Hampshire, officials and legislators were so alarmed by the dangers of cellphone photos in voting booths that they outlawed them in 2014, setting a fine of up to \$1,000 for showing photographs of completed ballots to others or posting them on social media.

"It's a sacred area where you vote," said William M. Gardner, the secretary of state of New Hampshire, a Democrat and the chief proponent of the law.

Mr. Gardner cited the writings of Alexander Hamilton and James Madison, New Hampshire's history as the first colony to write its own constitution in 1776, and the state's "Live Free or Die" slogan. For good measure, in legal proceedings and in an interview, he also invoked the ominous specter of coercive elections run by Saddam Hussein and Hitler.

What ended the flagrant vote-buying and intimidation of the 19th century in America, Mr. Gardner and political historians note, was the advent of truly secret ballots, leaving would-be vote buyers and political bullies unable to verify if their instructions had been carried out. But with the ubiquity of cellphone cameras, the argument goes, that hard-won privacy and security for voters is in danger. Vote-buyers, or a boss demanding that you support a candidate, could demand a photograph of the completed ballot to prove how you voted.

Civil liberties advocates and some conservatives and libertarians in New Hampshire, in an unusual coalition, were quick to condemn the 2014 law as a chilling overreaction to a speculative threat — also summoning the "Live Free or Die" slogan to support their position.

"The problem with this law is that it was an outright ban on an innocent form of communication," Mr. Bissonnette of the A.C.L.U. said. "It didn't ban displays involved in vote buying or intimidation. It banned all displays, including ones that carried political messages."

"The best way to combat vote buying and coercion is to investigate and prosecute cases of vote buying and coercion," Mr. Bissonnette said.

The A.C.L.U. sued in Federal District Court. The plaintiffs included two Republican candidates for the State House of Representatives in 2014 who defiantly posted images of their own primary ballots. One of them, Brandon Ross, a lawyer who describes himself as a "small 'I' libertarian" and who lost his run, added the challenge, "Come at me, bro," to the ballot photograph posted on his Facebook page.

A third plaintiff, Andrew Langlois, was aware of the new law when he posted a photograph of his ballot on Facebook, writing that because he disliked all of the candidates, "I did a write-in of Akira," his recently deceased dog. All three plaintiffs received phone calls from the authorities.

These acts of civil disobedience prompted what The Concord Monitor called a "mini-movement," with dozens more ballot selfies appearing on social media after the November election, some on the site of a Facebook group, NH Ballot Selfies.

On Aug. 11, in a 42-page opinion that reviewed the history of ballot secrecy and voter intimidation, Judge Paul Barbadoro of Federal District Court in Concord struck down the law.

The state provided no evidence of "an actual or imminent problem with images of completed ballots being used to facilitate either vote buying or voter coercion," Judge Barbadoro said.

"The new law is invalid," he said, "because it is a content-based restriction on speech that cannot survive strict scrutiny," the most stringent standard for judging infringements on fundamental rights.

Many constitutional scholars praised the decision. So heads snapped last week when Richard L. Hasen, a prominent elections expert at the School of Law at the University of California, Irvine, called Judge Barbadoro's opinion misguided and said allowing the photography posed a real risk.

In "Why the Selfie is a Threat to Democracy," an article posted last Tuesday by Reuters and on the Election Law Blog he edits, Mr. Hasen wrote that the court decision "might seem like a victory for the American Way."

"But the judge made a huge mistake," he continued, "because without the ballot-selfie ban, we could see the re-emergence of the buying and selling of votes — and even potential coercion from employers, union bosses and others."

The author of the disputed law, Representative Timothy Horrigan, a Democrat, noted that courts had upheld other restrictions on activity inside polling places, like a ban on campaigning. Still, in a Twitter comment on Mr. Hasen's article, Michael McDonald, a specialist in American elections at the University of Florida, said that "reality is nowhere near your hysteria."

Erwin Chemerinsky, the dean of Mr. Hasen's law school, said in an email that he disagreed with Mr. Hasen. The New Hampshire law, he said, "is a content-based restriction on speech, and I don't think that there is sufficient evidence of harm to meet strict scrutiny."

Support for Mr. Hasen's position was voiced by Doug Chapin, the director of the program for excellence in election administration at the University of Minnesota. "I still think ballot selfies create a vulnerability in the election process that vastly outweighs any societal or personal benefit the selfie brings," he wrote in an email. "Perhaps that's generational, but I think it's something worth thinking — and worrying — about going forward."

Mr. Gardner, an ardent proponent of ballot-selfie controls, said he expected New Hampshire to appeal the ruling.

A version of this article appears in print on August 25, 2015, on page A10 of the New York edition with the headline: Secret Ballots Made Public Draw Questions of Free Speech .

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16-1018. [Additional unlawful acts by persons with respect to voting; classification](#)
A person who commits any of the following acts is guilty of a class 2 misdemeanor:

1. Knowingly electioneers on election day within a polling place or in a public manner within seventy-five feet of the main outside entrance of a polling place or on-site early voting location established by a county recorder pursuant to section 16-542, subsection A.
2. Intentionally disables or removes from the polling place, on-site early voting location or custody of an election official a voting machine or a voting record.
3. Knowingly removes an official ballot from a polling place before closing the polls.
4. Shows another voter's ballot or the machine on which another voter has voted to any person after it is prepared for voting in such a manner as to reveal the contents, except to an authorized person lawfully assisting the voter. A voter who makes available an image of the voter's own ballot by posting on the internet or in some other electronic medium is deemed to have consented to retransmittal of that image and that retransmittal does not constitute a violation of this section.
5. Knowingly solicits a voter to show the voter's ballot, or receives from a voter a ballot prepared for voting, unless the person is an election official or unless otherwise authorized by law.
6. Knowingly receives an official ballot from a person other than an election official having charge of the ballots.
7. Knowingly delivers an official ballot to a voter, unless the voter is an election official.
8. Except for a completed ballot transmitted by an elector by fax or other electronic format pursuant to section 16-543, knowingly places a mark on the voter's ballot by which it can be identified as the one voted by the voter.
9. After having received a ballot as a voter, knowingly fails to return the ballot to the election official before leaving the polling place or on-site early voting location.

 Trusted sites