

**Katie Hobbs**  
Governor

**Thomas M. Collins**  
Executive Director



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Chair

**Steve M. Titla**  
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**Galen D. Paton**  
**Christina Werther**  
Commissioners

**State of Arizona**  
**Citizens Clean Elections Commission**

**1110 W. Washington St. - Suite 250 - Phoenix, Arizona 85007 - Tel (602) 364-3477**  
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***MEMORANDUM***

**To: Commissioners**

**From: Tom Collins**

**Date: May 19, 2025**

**Subject: Rule proposal on participating candidate reporting**

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**Overview:**

Staff seeks to approval to publish two complementary rules for public comment. These rules will serve to enhance accountability and ensure timely reporting from participating candidates. Below is a summary of each rule for your review:

Rule 1 (Amendment to R2-20-106):

**Pre-Funding Sworn Statement Requirement**

Before Clean Elections funds may be disbursed, participating candidates must submit a sworn, notarized statement affirming the following:

All required campaign finance reports have been filed.

All reports are complete and accurate, including vendor and subcontractor disclosures.

All conditions related to the use of consultants have been satisfied.

**ITEM V**

The candidate understands that failure to file a campaign finance report within five days of a deadline may result in a rebuttable presumption that funds were not used for direct campaign expenses.

Rule 2 (New R2-20-706):

**Rebuttable Presumption for Late Reports**

After receiving public funding, if a participating candidate fails to file a campaign finance report within five days of its due date, the Commission may apply a rebuttable presumption that the candidate did not use the funds for direct campaign expenses.

These provisions reinforce the Commission's oversight responsibilities and strengthen compliance with public funding requirements. Staff recommends approval.



sure that the candidates will know that timely compliance with reporting obligations is critical to their agreement to participate. In parallel, the amendment to R2-20-106 provides candidates will have to attest to their compliance and understanding of their obligations once clean elections funding has been provided.

**7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

N/A

**8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**

N/A

**9. The preliminary summary of the economic, small business, and consumer impact:**

There is little to no economic, small business, or consumer impact, other than the cost to the Commission to prepare the rule package, because the rulemaking simply clarifies statutory requirements and processes that already exist. Thus, the economic impact is minimized

**10. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:**

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**11. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

The Commission will accept comments during business hours at the address listed in Item #5. Comments will also be accepted via email at the email address provided under Item #5. Mailed written comments shall be postmarked within 30 days of this published notice.

An oral proceeding regarding the proposed rules will be held as follows:

Date: July 17, 2025  
Time: 10:00 AM  
Location: Citizens Clean Elections Commission

1110 W. Washington St., suite 250  
Phoenix, Arizona 85007

**12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:**

None

**a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:**

N/A

**b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:**

N/A

**c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:**

N/A

**13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:**

None

**14. The full text of the rules follows:**

Rule text begins on the next page.

**TITLE 2. ADMINISTRATION**  
**CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**  
**ARTICLE 1. GENERAL PROVISIONS**

Section

R2-20-106. Distribution of Funds to Certified Candidates

**ARTICLE 7. USE OF FUNDS AND REPAYMENT**

R2-20-706. ~~Repealed~~ Rebuttable Presumption of Funds Used for Direct Campaign Expenses

## ARTICLE 1. GENERAL PROVISIONS

### R2-20-106. Distribution of Funds to Certified Candidates

- A.** The Commission staff shall not authorize any disbursements to a participating candidate's campaign account until that candidate submits a sworn, notarized statement stating that under penalty of perjury:
1. All campaign finance reports have been filed.
  2. All campaign finance reports are complete and accurate including all reporting requirements related to vendors and subcontractors.
  3. All conditions related to the use consultants have been met.
  4. Stipulating that, once funding is authorized, the Commission may make a rebuttable presumption pursuant to R2-20-706 that a candidate has not used funds for direct campaign expenses within five days after the failure file a campaign finance report.
- B.** Before the initial disbursement of funds, the Commission shall review the candidate's funding application and all relevant facts and circumstances and:
1. Verify that the number of signatures on the candidate's nominating petitions equals or exceeds the number required pursuant to A.R.S. § 16-322 as follows:
    - a. If the application is submitted before the March 1 voter registration list is determined, the Commission shall verify that the number of signatures on the candidate's nominating petitions equals or exceeds 115 percent of the number required pursuant to A.R.S. § 16-322 based on the prior election voter registration list as determined by the Secretary of State; or
    - b. If the application is submitted after the current year March 1 voter registration list is determined, the Commission shall verify that the number of signatures on the candidate's nominating petitions is equal to or greater than the number required pursuant to A.R.S. § 16-322.
  2. Determine that the required number of qualifying contributions have been received and paid to the Secretary of State for deposit in the Fund; and
  3. Determine whether the candidate is opposed in the election.
- ~~B.C.~~** In making the determinations described in subsection ~~(A)(3)~~ (B)(3), the Commission shall consider all relevant facts and circumstances, and it shall not be bound by election formalities such as the filing of nominating petitions by others in determining whether an applicant is opposed. Among other evidence the Commission may consider is the existence of exploratory committees or filings made to organize campaign committees of opponents and other like indicia.
- ~~C.D.~~** The Commission may review and affirm or change its determination that the candidate is or is not opposed until the ballot for the election is established.

**D-E.** Within seven days after a primary election and before the Secretary of State completes the canvass, the Commission shall disburse funds for general election campaigns to the participating candidates who received the greatest number of votes at each primary election, provided that the candidate with the highest number of votes out of the total number of votes, has at least two percentage points greater than the candidate with the next highest votes based on the unofficial results as of that date. In a legislative race for the Arizona House of Representatives, the Commission shall disburse funds for general election campaigns to participating candidates with the highest or second highest number of votes cast, provided such candidate received votes totaling at least two percentage points, of the total ballots cast, larger than the vote total cast for the candidate with the third highest vote total.

**E-F.** Promptly after the Secretary of State completes the canvass, the Commission shall disburse funds for general election campaigns to all eligible participating candidates to whom payment has not been made. If a participating candidate has received funds from the Commission pursuant to subsection ~~(D)~~ (E) and the canvass or recount determines that the candidate is not eligible to appear on the general election ballot, the participating candidate shall return all unused funds to the Fund within 10 days after such determination is made. That candidate shall make no expenditures from general election funds from the date of the canvass.

**F-G.** The Commission may refuse to distribute funds to participating candidates in cases in which the Commission finds evidence of fraud or illegal activity committed by the participating candidate.

**G-H.** Pursuant to A.R.S. § 16-953, a participating candidate shall return to the Fund:

1. All primary election funds not committed to expenditures (1) during the primary election period; and (2) for goods or services directed to the primary election. A candidate shall not be deemed to have violated A.R.S. § 16-953(A) or this subsection on account of failure to use all materials purchased with primary election funds prior to the primary election, provided such candidate exercises good faith and diligent efforts to comply with the requirement that goods and services purchased with primary election funds be directed to the primary election. Subject to A.R.S. § 16-953(A) and this subsection, a candidate may continue to use goods purchased with primary election funds during the general election period.
2. All general funds not committed to expenditures (1) during the general election period; and (2) for goods or services directed to the general election.

**H-I.** All funds returned to the Commission pursuant to subsection ~~(G)~~ (H) of this rule, shall be returned to the Fund by a cashier's check drawn on the candidate's campaign bank account. Any fee associated with the issuance of a cashier's check shall be deemed a direct campaign expenditure and reported on the candidate's campaign finance report.

**I-J.** If a participating candidate does not account for any outstanding expenditures in the amount of the funds returned to the Commission, the participating candidate must reconcile the outstanding expenditures with personal monies. Once funds



have been returned to the Commission, no further reimbursements from the Clean Elections Fund shall be permitted.

Participating candidates may not exceed the primary or general election spending limits.

**J.K.** Commission staff may waive the return of funds if:

1. The Commission staff determines the amount to be returned is de minimus;
2. The Commission staff determines the cost of recovery exceeds the amount of the return;
3. The funds to be returned shall not exceed \$25; and
4. The Commission is notified of any waiver of the return of funds.

**R2-20-706. ~~Repealed~~ Rebuttable Presumption of Funds Used for Direct Campaign Expenses**

Once a participating candidate receives clean elections funding, the Commission may make a rebuttable presumption that the participating candidate has not used funds for direct campaign expenses within five days after the participating candidate fails to file a timely campaign finance report.