

**NOTICE OF RULEMAKING PROPOSED EXEMPT
TITLE 2. ADMINISTRATION
CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

PREAMBLE

1. **Article, Part or Sections Affected (as applicable)** **Rulemaking Action**
R2-20-702 Amend

2. **The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statute: A.R.S. § 16-940, *et seq.*
Implementing statute: A.R.S. § 16-956(C).

3. **The effective date of the rules:**
Not applicable

4. **A list of all previous notices appearing in the Register addressing the exempt rule:**
Not applicable

5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: Thomas M. Collins, Executive Director
Address: Citizens Clean Elections Commission
1616 W. Adams St., Suite 110
Phoenix, AZ 85007

Telephone: (602) 364-3477
Fax: (602) 364-3487
E-mail: thomas.collins@azcleelections.gov

6. **An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:**

At the January 2017 Commission meeting, several Commissioners raised concerns with the tightening of Commission rules regarding expenditures to political parties and /or consultants. On February 23, 2017, the Commission approved for publication three options (A, B, and C) for proposed amendments to Commission rule R2-20-702 and a proposed new rule. This publication contains the Option B version of the rule amendments to R2-20-702. Option A and the proposed new rule R2-20-703.01 were previously published in the Administrative Register and Option C of rule R2-20-702 will be published in a subsequent issue of the Administrative Register. The following are the proposed amendments to the rule at issue:

R2-20-702. Use of Campaign Funds
Amends R2-20-702(B) to prohibit participating candidates from using Clean Elections funds to make expenditures to political parties except for purchasing the party's voter list information and to attend a political event of not greater than \$200.

7. **A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not 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:**
Not applicable

8. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable

9. **The summary of the economic, small business, and consumer impact:**
Not applicable
10. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**
Not applicable
11. **A summary of the comments made regarding the rule and the agency response to them:**
On February 23, 2017, the Commission approved the proposed amendments publication on the Commission's website and in the Administrative Register. The Commission is soliciting public comment until May 12, 2017. No action has been taken on the proposed amendments.
12. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
Not applicable
13. **Incorporations by reference and their location in the rules:**
Not applicable
14. **Was this rule previously made as an emergency rule? If so, please indicate the Register citation:**
Not applicable
15. **The full text of the rules follows:**

**TITLE 2. ADMINISTRATION
CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

ARTICLE 7. USE OF FUNDS AND REPAYMENT

Section
R2-20-702. Use of Campaign Funds

ARTICLE 7. USE OF FUNDS AND REPAYMENT

R2-20-702. Use of Campaign Funds

- A. No change
- B. A participating candidate's payment from a campaign bank account to a political committee or civic organization including a person with tax exempt status under section 501(a) of the internal revenue code or an unincorporated association entity is not a contribution if the payment is reasonable in relation to the value received. Payment of customary charges for services rendered such as for printing and obtaining voter or telephone lists, and payment of not more than \$200 per person to attend a political event open to the public or to party members shall be considered reasonable in relation to the value received. No other payments are permitted to political parties with clean elections funding.
- C. No change
 1. No change
 2. No change
 3. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - i. No change
 - ii. No change

- e. No change
- f. No change
- g. No change
- h. No change
- 4. No change
- D.** No change
- E.** No change
 - 1. No change
 - 2. No change
- F.** No change
 - 1. No change
 - 2. No change
- G.** No change
 - 1. No change
 - 2. No change
 - a. No change
 - b. No change
 - 3. No change
 - a. No change
 - b. No change
 - 4. No change