

# Attachment B

## NOTICES OF FINAL EXEMPT RULEMAKING

This section of the *Arizona Administrative Register* contains Notices of Final Exempt Rulemaking.

The Office of the Secretary of State is the filing office and publisher of these rules.

Questions about the interpretation of the final exempt rule should be addressed to the agency proposing them. Refer to Item #5 to contact the person charged with the rulemaking.

### NOTICES OF FINAL EXEMPT RULEMAKING TITLE 2. ADMINISTRATION CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

[R16-279]

#### PREAMBLE

1. **Article, Part or Section Affected (as applicable)**  
R2-20-101
- Rulemaking Action**  
Amend
2. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
 Authorizing statute: A.R.S. § 16-940, et seq.  
 Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C)  
 The Citizens Clean Elections Commission is exempt from Executive Order 16-01
3. **The effective date of the rule and the agency's reason it selected the effective date:**  
 December 15, 2016
4. **A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
 Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3016, October 21, 2016
5. **The agency's contact person who can answer questions about 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 **An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**  
 R2-20-101. Definitions  
 Updates definitions to remove unnecessary or antiquated cross-references, clarifies rule definition of "unopposed." The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms.
7. **A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:  
Not applicable
10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):  
Not applicable
11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:  
The Commission solicits public comment throughout the rulemaking process.
12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:
  - 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:  
Not applicable
  - b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than the federal law and if so, citation to the statutory authority to exceed the requirements of the federal law:  
Not applicable
  - 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:  
Not applicable
13. A list of any incorporated by reference material and its location in the rules:  
Not applicable
14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:  
The rule was not previously made, amended, repealed, or renumbered as an emergency rule.
15. The full text of the rules follows:

## TITLE 2. ADMINISTRATION

### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

#### ARTICLE 1. GENERAL PROVISIONS

Section  
R2-20-101. Definitions

#### ARTICLE 1. GENERAL PROVISIONS

##### **R2-20-101. Definitions**

In addition to the definitions provided in A.R.S. §§ ~~16-901~~ and 16-961, the following shall apply to the Chapter, unless the context otherwise requires:

1. No change
2. No change
3. "Campaign account" means an account at a financial institution designated by a political committee that is used solely for political campaign purposes ~~as required in A.R.S. § 16-902(C).~~
4. No change
5. No change
6. No change
7. No change
8. No change
9. No change
10. No change
11. No change
12. No change
13. No change
14. No change
15. No change
16. No change
17. No change
18. No change
19. No change
20. No change
21. No change



22. No change
23. No change
24. No change
25. “Unopposed” means in reference to state senate candidates and statewide candidates other than corporation commission, that the candidate is opposed by no candidates who will appear on the ballot. In reference to candidates for the House of Representatives and corporation commission, “unopposed” means that no more candidates will appear on the ballot than the number of seats available for the office sought.
  - a. ~~For purposes of funding pursuant to A.R.S. § 16-951, “unopposed means that the candidate is unopposed for both the primary election and the general election.~~
  - b. ~~For purposes of equal funding allocations pursuant to A.R.S. § 16-952(A), “unopposed” means that the candidate is unopposed in the party primary.~~
  - c. ~~For purposes of equal funding allocations pursuant to A.R.S. § 16-952(B), “unopposed” means that the candidate is unopposed in the general election~~

**NOTICES OF FINAL EXEMPT RULEMAKING**  
**TITLE 2. ADMINISTRATION**  
**CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

[R16-280]

## PREAMBLE

- 1. Article, Part or Section Affected (as applicable)**  
R2-20-104
- Rulemaking Action**  
Amend
- 2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
Authorizing statute: A.R.S. § 16-940, et seq.  
Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).  
The Citizens Clean Elections Commission is exempt from Executive Order 15-01 because it is not an agency whose head is appointed by the Governor and is, therefore, exempt.
- 3. The effective date of the rule and the agency's reason it selected the effective date:**  
December 15, 2016
- 4. A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3018, October 21, 2016
- 5. The agency's contact person who can answer questions about 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 agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**  
R2-20-104. Certification as a Participating Candidate  
Removes unnecessary or antiquated cross-references. Adds clarifying language regarding qualifying for participating status. The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms.



7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:  
Not applicable
10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):  
Not applicable
11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:  
The Commission solicits public comment throughout the rulemaking process.
12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:
  - 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:  
Not applicable
  - b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than the federal law and if so, citation to the statutory authority to exceed the requirements of the federal law:  
Not applicable
  - 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:  
Not applicable
13. A list of any incorporated by reference material and its location in the rules:  
Not applicable
14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:  
The rule was not previously made, amended, repealed, or renumbered as an emergency rule.
15. The full text of the rules follows:

## TITLE 2. ADMINISTRATION

### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

#### ARTICLE 1. GENERAL PROVISIONS

Section

R2-20-104. Certification as a Participating Candidate

#### ARTICLE 1. GENERAL PROVISIONS

##### R2-20-104. Certification as a Participating Candidate

- A. A nonparticipating candidate who accepts contributions up to the limits authorized by A.R.S. § ~~16-905-16-941(B)~~, but later chooses to run as a participating candidate, shall:
  1. No change
  2. No change
  3. No change
  4. Not have ~~spent contributions made expenditures~~ exceeding the early contribution limit, or have spent any part of a contribution exceeding the early contribution limit;
  5. No change
  6. Return all contributions received from another candidate's candidate committee.
- B. No change
  1. Transferring money from the prior campaign account to the candidate's current election campaign account. The amount transferred shall not exceed the permitted personal monies, early contributions, and debt-retirement contributions, as defined in A.R.S. § 16-945(C), and shall contain contributions received from individuals only;
  2. Spending the money lawfully prior to April 30 of an election year in a way that does not constitute a direct campaign purpose and does not meet the definition of "expenditure" under A.R.S. § 16-901(824); and the event or item purchased is completed or otherwise used and depleted prior to April 30 of an election year;
  3. No change
  4. ~~Disposing of the money in accordance with A.R.S. § 16-915-01;~~ or
  45. No change

- C. Application for certification as a participating candidate. Pursuant to A.R.S. § 16-947, a candidate seeking certification shall file with the Secretary of State a Commission-approved application and a campaign finance report reflecting all campaign activity to date, ~~in accordance with A.R.S. § 16-915.~~ In the application, a candidate shall certify under oath that the candidate:
1. No change
  2. No change
  3. No change
  4. No change
  5. No change
  6. No change
  7. No change
  8. No change
  9. No change
  10. No change
  11. No change
- D. No change
1. No change
  2. No change
  3. No change
  4. No change
  5. No change
    - a. No change
    - b. No change
  6. No change
- E. ~~Personal loans~~Loans. A participating candidate may accept an individual contribution as a loan or may loan his or her campaign committee personal monies during the exploratory and qualifying periods only. The total sum of the contribution received or personal funds and loans shall not exceed the ~~personal monies~~ expenditure limits set forth in A.R.S. § 16-941(A)(1) and (2). If the loan is to be repaid, the loans shall be repaid promptly upon receipt of Clean Elections funds if the participating candidate qualifies for Clean Elections funding. Loans from a financial institution or bank, or other institution listed in A.R.S. § 16-901(5)(b)(vii) to a candidate used for the purpose of influencing that candidate's election shall be considered personal monies and shall not exceed the personal monies expenditure limits set forth in A.R.S. § 16-941(A)(2).
- F. No change
- G. No change

## NOTICES OF FINAL EXEMPT RULEMAKING

### TITLE 2. ADMINISTRATION

#### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

[R16-281]

#### PREAMBLE

1. **Article, Part or Section Affected (as applicable)** **Rulemaking Action**  
R2-20-105 Amend
2. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
Authorizing statute: A.R.S. § 16-940, et seq.  
Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).  
The Citizens Clean Elections Commission is exempt from Executive Order 15-01 because it is not an agency whose head is appointed by the Governor and is, therefore, exempt.
3. **The effective date of the rule and the agency's reason it selected the effective date:**  
January 1, 2017
4. **A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3021, October 21, 2016
5. **The agency's contact person who can answer questions about 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@azccleanelections.gov
6. **An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**  
R2-20-105. Certification for Funding



Updates rule to reflect expansion of electronic qualifying system, 2016 Ariz. Sess. Law, Chapter 176 (52d Legislature). The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:

Not applicable

10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):

Not applicable

11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:

The Commission solicits public comment throughout the rulemaking process.

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:

- 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:

Not applicable

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

Not applicable

- 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:

Not applicable

13. A list of any incorporated by reference material and its location in the rules:

Not applicable

14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:

The rule was not previously made, amended, repealed, or renumbered as an emergency rule.

15. The full text of the rules follows:

## TITLE 2. ADMINISTRATION

### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

#### ARTICLE 1. GENERAL PROVISIONS

Section

R2-20-105. Certification for Funding

#### ARTICLE 1. GENERAL PROVISIONS

R2-20-105. Certification for Funding

A. No change

B. No change

C. A candidate may accept electronic \$5 qualifying contributions up to a maximum of 50% of the minimum number required to qualify for funding for the elected office sought by the candidate. The Secretary of State's secured internet portal must be used to collect electronic \$5 qualifying. A \$5 contribution must accompany every \$5 qualifying contribution form and must be submitted via the Secretary of State's portal using a private electronic payment service, specified by the Secretary of State's Office, bank account, credit or

debit card. A non-refundable transaction fee may be assessed on electronic \$5 qualifying contribution transactions. The transaction fee is not a contribution to the candidate's campaign and is paid by the contributor. If excess funds are accumulated by the candidate's campaign based on the transaction fee then all excess funds must be given to the Commission and must be entered into the candidate's campaign finance report ~~as interest/dividend/other income in accordance with A.R.S. 16-915(3)(e)~~ in a manner that indicates the transaction fees have been accumulated and transferred.

D. No change

E. No change

1. No change

2. No change

3. No change

F. No change

G. No change

H. No change

1. No change

2. No change

3. No change

I. No change

J. Pursuant to A.R.S. § 16-956(F), the minimum number of qualifying contributions shall be as follows:

1. Legislature: 250

2. Mine Inspector: 650

3. Corporation Commissioner: 1,700

4. Superintendent of Public Instruction: 1,700

5. Treasurer: 1,700

6. Attorney General: 2,800

7. Secretary of State: 2,800

8. Governor: 4,500

**NOTICES OF FINAL EXEMPT RULEMAKING  
TITLE 2. ADMINISTRATION  
CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

[R16-282]

**PREAMBLE**

**1. Article, Part or Section Affected (as applicable)**

R2-20-107

**Rulemaking Action**

Amend

**2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**

Authorizing statute: A.R.S. § 16-940, et seq.

Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).

The Citizens Clean Elections Commission is exempt from Executive Order 15-01 because it is not an agency whose head is appointed by the Governor and is, therefore, exempt.

**3. The effective date of the rule and the agency's reason it selected the effective date:**

December 15, 2016

**4. A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**

Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3023, October 21, 2016

**5. The agency's contact person who can answer questions about 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@azccleanelections.gov

**6. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**

R2-20-107. Candidate Debates

Clarifies and simplifies debate related commission rules and removes antiquated cross-references.

The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee





adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:  
Not applicable
10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):  
Not applicable
11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:  
The Commission solicits public comment throughout the rulemaking process.
12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:
  - 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:  
Not applicable
  - b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than the federal law and if so, citation to the statutory authority to exceed the requirements of the federal law:  
Not applicable
  - 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:  
Not applicable
13. A list of any incorporated by reference material and its location in the rules:  
Not applicable
14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:  
The rule was not previously made, amended, repealed, or renumbered as an emergency rule.
15. The full text of the rules follows:

## TITLE 2. ADMINISTRATION

### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

#### ARTICLE 1. GENERAL PROVISIONS

Section  
R2-20-107. Candidate Debates

#### ARTICLE 1. GENERAL PROVISIONS

R2-20-107. Candidate Debates

- A. No change
- B. In the primary election period, the Commission shall sponsor political party primary election debates for every office in which:
  1. There are more candidates appearing on the ballot than there are seats available ~~at least two candidates of for~~ the political party's nomination for general election candidates, and
  2. No change
- C. No change
  1. No change
  2. No change
- D. In the event that there is no participating candidate in a primary or general election but there is an election involving candidates who are not unopposed, subject to invitation pursuant to this rule, the following apply:

1. ~~Primary Election. In the event that there is no participating candidate in a primary election, but the election includes two candidates who are subject to invitation pursuant to this rule, a candidate subject to invitation may request that the Commission sponsor a debate pursuant to this rule. If the requesting candidate is the sole participant in the debate the format shall be as prescribed in R2-20-107(K).~~
2. ~~General Election. In the event that there is no participating candidate in a general election, but the election includes two candidates who are subject to invitation pursuant to this rule, a candidate subject to invitation may request that the Commission sponsor a debate pursuant to this rule. If the requesting candidate is the sole participant in the debate the format shall be as prescribed in R2-20-107(K).~~
3. ~~1. No change~~
4. ~~2. No change~~
- E. No change
- F. No change
- G. No change
  1. No change
  2. No change
- H. After examining the request to be exempt, the Commission will exempt a candidate from participating in a debate if at least three Commissioners determine that the circumstances are:
  - a. Beyond the control of the candidate; or
  - b. Of such nature that a reasonable person would find the failure to attend justifiable or excusable; ~~or~~
  - e. ~~Good cause, as defined in A.R.S. § 16-918(E).~~
- I. No change
  1. No change
    - a. No change
    - b. No change
    - c. No change
  2. After examining the request for excused absence, the Commission may excuse a candidate from the penalties imposed if at least three Commissioners determine that the circumstances were:
    - a. Beyond the control of the candidate; or
    - b. Of such nature that a reasonable person would find the failure to attend justifiable or excusable; ~~or~~
    - e. ~~Good cause, as defined in A.R.S. § 16-918(E).~~
- J. No change
- K. No change

## NOTICES OF FINAL EXEMPT RULEMAKING

### TITLE 2. ADMINISTRATION

#### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

[R16-283]

#### PREAMBLE

1. **Article, Part or Section Affected (as applicable)** **Rulemaking Action**  
R2-20-109 Amend
2. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
Authorizing statute: A.R.S. §§ 16-940, 16-941, 16-942, 16-956, 16-958.  
Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).  
The Citizens Clean Elections Commission is exempt from Executive Order 15-01 because it is not an agency whose head is appointed by the Governor and is, therefore, exempt.
3. **The effective date of the rule and the agency's reason it selected the effective date:**  
January 1, 2017
4. **A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3025, October 21, 2016
5. **The agency's contact person who can answer questions about 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@azccleanelections.gov
6. **An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**  
R2-20-109. Independent Expenditure Reporting Requirements



Provides for the Executive Director to take steps to implement a substitute reporting process for independent expenditures when the system provided by the Secretary of State is unavailable or a portion is unavailable. Provides that campaign finance reports pursuant to A.R.S. 16-941(D) and 16-958 shall be filed by all persons who make independent expenditures and details statutory penalties for failure to file such reports. Clarifies that entities required to file campaign finance reports pursuant to Chapter 6 of Title 16 are subject to fine pursuant to Article 2 of Chapter 6 (the Clean Elections Act) unless the report is required of political committees and the entity is not a political committee. Specifically provides that an entity will not be determined to be a political committee if it is in compliance with certain federal tax and Arizona corporate laws, according to the Internal Revenue Service and the Arizona Corporation Commission, respectively. Removes sections related to exemptions from A.R.S. 16-941 and 16-958 because the basis for those exemptions, A.R.S. 16-914.02, has been repealed. The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms.

- 7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:**

Not applicable

- 10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):**

Not applicable

- 11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:**

The Commission solicits public comment throughout the rulemaking process.

- 12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:**

- 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:**

Not applicable

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

Not applicable

- 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:**

Not applicable

- 13. A list of any incorporated by reference material and its location in the rules:**

Not applicable

- 14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:**

The rule was not previously made, amended, repealed, or renumbered as an emergency rule.

- 15. The full text of the rules follows:**

## TITLE 2. ADMINISTRATION

### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

#### ARTICLE 1. GENERAL PROVISIONS

Section

R2-20-109. Independent Expenditure Reporting Requirements



## ARTICLE 1. GENERAL PROVISIONS

### R2-20-109. Independent Expenditure Reporting Requirements

- A. In accordance with A.R.S. § 16-958(E), all persons obligated to file any campaign finance report under any provisions of Chapter 6, Article 2 of the Arizona Revised Statutes shall file such reports using the Secretary of State's Internet-based finance-reporting system, except if:
  - (1) ~~expressly~~ Expressly provided otherwise by another Commission rule; or
  - (2) ~~That system, or the necessary function on the system, is unavailable, in which case the executive director shall implement a substitute process.~~
- B. No change
  1. No change
  2. Any person who fails to file: ~~a~~ a timely campaign finance report pursuant to A.R.S. § 16-941(D), A.R.S. § 16-958, shall be subject to a civil penalty as prescribed in A.R.S. § 16-942(B). Subsection R2-20-109(B)(4) does not apply to reports pursuant to A.R.S. §§ 16-941(D) and -958 or this subsection. Any expenditure advocating against one or more candidates shall be considered an expenditure on behalf of any opposing candidate(s). Penalties shall be assessed as follows:
    - a. For an election involving a candidate for statewide office, the civil penalty shall be \$300 per day.
    - b. For an election involving a legislative candidate, the civil penalty shall be \$100 per day.
    - c. The penalties in (a) and (b) shall be doubled if the amount not reported for a particular election cycle exceeds ten (10%) percent of the applicable adjusted primary election spending limit or adjusted general election spending limit.
    - d. The dollar amounts in items (a) and (b), and the spending limits in item (c) are subject to adjustment of A.R.S. § 16-959.
    - e. Penalties imposed pursuant to this subsection shall not exceed twice the amount of expenditures not reported.
    - b. ~~A timely campaign finance report pursuant A.R.S. § 16-913, shall be subject to a civil penalty as prescribed in A.R.S. § 16-942(B), except as provided in A.R.S. 16-922(2).~~
  3. A.R.S. § 16-942(B) applies to any entity including political committees that accepts contributions or makes expenditures on behalf of any candidate regardless of any other contributions taken or expenditures made and fails to timely file a campaign finance report under Chapter 6 of Title 16, Arizona Revised Statutes. Any expenditure advocating against one or more candidates shall be considered an expenditure on behalf of any opposing candidate(s). Penalties shall be assessed as follows:
    - a. No change
    - b. No change
    - c. No change
    - d. No change
    - e. No change
  4. ~~Any corporation, limited liability company, or labor organization that is both (a) not registered as a political committee and (b) in compliance with or intends to comply with A.R.S. § 16-920(A)(6) and A.R.S. § 16-914.02(A)(2) may seek an exemption from the reporting requirements of A.R.S. § 16-941(D) and A.R.S. § 16-958(A) and (B) for an election cycle by applying to the Commission for an exemption using a form specified by the Commission's Executive Director.~~
  5. ~~The form shall contain, at a minimum, a sworn statement by a natural person authorized to bind the corporation, limited liability company, or labor organization certifying that the corporation, limited liability company, or labor organization:~~
    - a. ~~is in compliance with, and intends to remain in compliance with, the reporting requirements of A.R.S. § 16-914.02(A)-(J); and~~
    - b. ~~has or intends to spend more than the applicable threshold prescribed by A.R.S. § 16-914.02(A)(1) and (A)(2).~~
  6. ~~A corporation, limited liability company, or labor organization that does not receive an exemption from the Commission must file the Clean Elections Act independent expenditure reports specified by A.R.S. § 16-941(D) and A.R.S. § 16-958(A)-(B).~~
  7. ~~Unless the request for an exemption is incomplete or the Executive Director is aware that any required statement is untrue or incorrect, the Executive Director shall grant the exemption. Civil penalties shall not accrue during the pendency of a request for exemption:~~
    - a. ~~If the Executive Director deems the application for exemption is incomplete the person may reapply within two weeks of the Executive Director's decision by filing a completed application for exemption.~~
    - b. ~~The denial of an exemption pursuant to this subsection is an appealable agency action. The Executive Director shall draft and serve notice of an appealable agency action pursuant to A.R.S. § 41-1092.03 and § 41-1092.04 on the respondent. The notice shall identify the following:~~
      - i. ~~The specific facts constituting the denial;~~
      - ii. ~~A description of the respondent's right to request a hearing and to request an informal settlement conference; and~~
      - iii. ~~A description of what the respondent may do if the respondent wishes to remedy the situation without appealing the Commission's decision.~~
  8. ~~A corporation, limited liability company, or labor organization that has received an exemption is exempt from the filing requirements of A.R.S. § 16-941(D) and A.R.S. § 16-958 and the civil penalties outlined in A.R.S. § 16-942, provided that the exempt entity, during the election cycle (a) remains in compliance with the reporting requirements of A.R.S. § 16-914.02 (A)-(J) and (b) remains in compliance with section part (2) of this subsection (F). All Commission rules and statutes related to enforcement apply to exempt entities. The Commission may audit these entities.~~
  9. ~~Any person may file a complaint with the Commission alleging that (a) any corporation, limited liability company, or labor organization that has applied for or received an exemption under this subsection has provided false information in an application or violated the terms of the exemption stated in part (8) of this subsection (F); or (b) any person that has not applied for or received an exemption has violated A.R.S. § 16-941(D), § 16-958, or parts (1), (2), or (6) of this subsection (F). Complaints shall be processed as prescribed in Article 2 of these rules. If the Commission finds that a complaint is valid, the person complained of shall be liable as outlined in A.R.S. § 16-942(B) and part (3) of this subsection (F), in addition to any other penalties applicable pursuant to rule or statute.~~



10. Neither a form filed seeking an exemption pursuant to this subsection (F) nor a Clean Elections Act independent expenditure report filed as specified by A.R.S. § 16-9958 constitutes an admission that the filer is or should be considered a political committee. The grant of an exemption pursuant to this subsection (F) does not constitute a finding or determination that the filer is or should be considered a political committee.
114. For purposes of this rule A.A.C. R2-20-109(B)(3):
- An entity shall not be found to have the predominant purpose of influencing elections be a political committee under A.R.S. §16-901(210)(f) unless, a preponderance of the evidence establishes that during a two-year legislative election cycle, the total reportable contributions made by the entity plus the total reportable expenditures made by the entity, in any combination, in a calendar year exceeds \$1,000 exceeds both \$500 and is more than fifty percent (50%) of the entity's total spending during the election cycle.
    - No change
    - No change
    - No change
      - No change
      - No change
    - No change
    - No change
      - No change
      - No change
  - Notwithstanding subsection a(a), the commission may nonetheless determine that an entity is not a political committee if, taking into account all the facts and circumstances of grants made by an entity, it is not persuaded that the preponderance of the evidence establishes that the entity is a political committee as defined in title 16 of Arizona Revised Statutes.

## NOTICES OF FINAL EXEMPT RULEMAKING

### TITLE 2. ADMINISTRATION

#### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

[R16-284]

#### PREAMBLE

- Article, Part or Section Affected (as applicable)** **Rulemaking Action**  
R2-20-110 Amend
- Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
Authorizing statute: A.R.S. § 16-940, et seq.  
Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).  
The Citizens Clean Elections Commission is exempt from Executive Order 15-01 because it is not an agency whose head is appointed by the Governor and is, therefore, exempt.
- The effective date of the rule and the agency's reason it selected the effective date:**  
January 1, 2017
- A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3096, October 28, 2016
- The agency's contact person who can answer questions about 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@azccleanelections.gov
- An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**  
R2-20-110. Participating Candidate Reporting Requirements  
Updates rule to remove antiquated cross-references. Reorganizes section on certain expenses into this section from R2-20-703. Provides for a post-general election report for participating candidates to ensure monies owed to the Clean Elections Fund are returned and properly used. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage con-

sistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, § 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms. The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:  
Not applicable
10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):  
Not applicable
11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:  
The Commission solicits public comment throughout the rulemaking process.
12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:
  - 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:  
Not applicable
  - b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than the federal law and if so, citation to the statutory authority to exceed the requirements of the federal law:  
Not applicable
  - 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:  
Not applicable
13. A list of any incorporated by reference material and its location in the rules:  
Not applicable
14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:  
The rule was not previously made, amended, repealed, or renumbered as an emergency rule.
15. The full text of the rules follows:

## TITLE 2. ADMINISTRATION

### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

#### ARTICLE 1. GENERAL PROVISIONS

Section  
R2-20-110. Participating Candidate Reporting Requirements

#### ARTICLE 1. GENERAL PROVISIONS

R2-20-110. Participating Candidate Reporting Requirements

- A. No change
  1. No change
  2. No change
  3. No change
    - a. No change
    - b. No change
    - c. No change
  4. No change
    - a. Joint expenditures must be authorized in advance by all candidates sharing in the expenditure and allocated fairly among candidates. An allocated share of a joint expenditure paid by one candidate pursuant to such an agreement must be reimbursed within seven days.
    - b. No change
    - c. No change
    - d. No change

- e. A candidate's payment for an advertisement, literature, material, campaign event or other activity shall be considered a joint expenditure including, but not limited to, the following criteria:
  - i. The activity includes express advocacy of the election or defeat of more than 2 candidates;
  - ii. The purpose of the material or activity is to promote or facilitate the election of a second candidate;
  - iii. The use and prominence of a second candidate or his or her name or likeness in the material or activity;
  - iv. The material or activity includes an expression by a second candidate of his or her view on issues brought up during the election campaign;
  - v. The timing of the material or activity in relation to the election of a second candidate;
  - vi. The distribution of the material or the activity is targeted to a second candidate's electorate; or
  - vii. The amount of control a second candidate has over the material or activity.
- 5. No change
- B. No change
  - 1. Except as set forth in subsection (BA)(2) above, a participating candidate shall report a contract, promise or agreement to make an expenditure resulting in an extension of credit as an expenditure, in an amount equal to the full future payment obligation, as of the date the contract, promise or agreement is made.
  - 2. In the alternative to reporting in accordance with subsection (BA)(1) above, a participating candidate may report a contract, promise or agreement to make an expenditure resulting in an extension of credit as follows:
    - a. No change
    - b. No change
    - c. No change
- C. No change
  - 1. In addition to the campaign finance reports any campaign finance report required by Chapter 6 of Title 16, Arizona Revised Statutes, filed pursuant to A.R.S. § 16-913, participating candidates shall file the following campaign finance reports and dispose of excess monies as follows:
    - a. No change
    - b. No change
      - i. No change
      - ii. No change
  - 2. No change
    - a. No change
    - b. The campaign finance report for the general election shall be considered filed upon the filing of the post-general campaign finance report filed in accordance with A.R.S. § 16-913(B)(3) filed within five days after the general election day and shall reflect all activity through the general election day.
  - 3. No change

**NOTICES OF FINAL EXEMPT RULEMAKING  
TITLE 2. ADMINISTRATION  
CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

[R16-285]

**PREAMBLE**

- 1. **Article, Part or Section Affected (as applicable)** **Rulemaking Action**  
R2-20-111 Amend
- 2. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
 Authorizing statute: A.R.S. §§ 16-940, 16-941, 16-942, 16-956, 16-957, 16-958.  
 Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).  
 The Citizens Clean Elections Commission is exempt from Executive Order 15-01 because it is not an agency whose head is appointed by the Governor and is, therefore, exempt.
- 3. **The effective date of the rule and the agency's reason it selected the effective date:**  
January 1, 2017
- 4. **A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3098, October 28, 2016
- 5. **The agency's contact person who can answer questions about 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@azccleanelections.gov

**6. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**

R2-20-111. Non-participating Candidate Reporting Requirements and Contribution Limits

Provides that the twenty percent reduction in A.R.S. § 16-941(B) applies to all campaign contributions limits on contributions that are permitted to be accepted by candidates. Provides that contribution limits as adjusted by A.R.S. § 16-931 shall be the base level contribution limits subject to reduction pursuant to A.R.S. § 16-941(B). These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms. The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956.

**7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:**

Not applicable

**10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):**

Not applicable

**11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:**

The Commission solicits public comment throughout the rulemaking process.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:**

**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:**

Not applicable

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

Not applicable

**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:**

Not applicable

**13. A list of any incorporated by reference material and its location in the rules:**

Not applicable

**14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:**

The rule was not previously made, amended, repealed, or renumbered as an emergency rule.

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

**TITLE 2. ADMINISTRATION**

**CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

**ARTICLE 1. GENERAL PROVISIONS**

Section

R2-20-111. Non-participating Candidate Reporting Requirements and Contribution Limits



## ARTICLE 1. GENERAL PROVISIONS

## R2-20-111. Non-participating Candidate Reporting Requirements and Contribution Limits

- A. No change  
B. No change  
1. No change  
2. No change  
3. No change  
4. No change  
C. No change  
D. No change  
E. The twenty percent reduction in A.R.S. § 16-941(B) applies to all campaign contributions limits on contributions that are permitted to be accepted by nonparticipating candidates.  
F. Contribution limits as adjusted by A.R.S. § 16-931 shall be the base level contribution limits subject to reduction pursuant to A.R.S. § 16-941(B).

## NOTICES OF FINAL EXEMPT RULEMAKING

## TITLE 2. ADMINISTRATION

## CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

[R16-286]

## PREAMBLE

1. **Article, Part or Section Affected (as applicable)**  
R2-20-112
  2. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
Authorizing statute: A.R.S. § 16-940, et seq.  
Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).  
The Citizens Clean Elections Commission is exempt from Executive Order 15-01 because it is not an agency whose head is appointed by the Governor and is, therefore, exempt.
  3. **The effective date of the rule and the agency's reason it selected the effective date:**  
January 1, 2017
  4. **A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3100, October 28, 2016
  5. **The agency's contact person who can answer questions about 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@azcanelections.gov
  6. **An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**  
R2-20-112. Political Party Exception  
Replaces political party exception with antiquated cross-reference with new section cross referencing statute effective November 5, 2016. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms. The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:  
Not applicable
10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):  
Not applicable
11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:  
The Commission solicits public comment throughout the rulemaking process.
12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:
  - 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:  
Not applicable
  - b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than the federal law and if so, citation to the statutory authority to exceed the requirements of the federal law:  
Not applicable
  - 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:  
Not applicable
13. A list of any incorporated by reference material and its location in the rules:  
Not applicable
14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:  
The rule was not previously made, amended, repealed, or renumbered as an emergency rule.
15. The full text of the rules follows:

## TITLE 2. ADMINISTRATION

### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

#### ARTICLE 1. GENERAL PROVISIONS

Section  
R2-20-112. Political Party Exception

#### ARTICLE 1. GENERAL PROVISIONS

##### R2-20-112. Political Party Exception

- A.** Pursuant to A.R.S. §§ 16-901(5)(b)(v) and (8)(c), payment by a political party of the costs of preparation, printing, display, mailing or other distribution for slate cards, sample ballots, other written materials or listings of candidates that substantially promote three or more candidates for any public office for which an election is held, and other election activities not related to a specific candidate, shall not be considered a contribution or an expenditure for purposes of the Act or Commission rules. This exception is subject to the following limitations:
1. "Slate card" is defined as a list that contains only:
    - a. The names, party affiliations and offices sought by the candidates;
    - b. Photographs of the candidates; and
    - c. General information regarding the date of the primary or general election; and
    - d. The location of the recipient's polling place.
  2. "Sample ballot" is defined as a facsimile of a ballot listing only the names, party affiliations and offices sought by the candidates, appearing substantially as they would on an actual ballot;
  3. "Other written materials or listings of candidates that substantially promote three or more candidates" are defined as materials that contain one or more of the elements of a slate card, in addition to statements and/or images describing the platform of the sponsoring party and the position of the party's candidates, and does not feature, mention, or depict a candidate or candidates of another party;
  4. "Other election activities not related to a specific candidate" includes invitations to party-sponsored events, issue canvassing, and voter registration efforts;
  5. "Billboards" are defined as outdoor signs that are larger than thirty-two square feet in size;
  6. The exception set forth in Subsection (A) shall not apply to materials defined in 1-3 above when distributed or displayed prior to the general election period unless each candidate featured is unopposed in the primary election.



7. The exception set forth in this Subsection (A) shall not apply to costs incurred with respect to a display of the listing of candidates made on telecommunications systems, billboards, or in newspapers, magazines or similar types of general circulation advertising.
- B. This Section is intended to establish, for purposes of the Act and Commission rules, circumstances under which the payment by a political party of certain costs described herein shall be excluded from the definition of contribution pursuant to A.R.S. § 16-901(5)(b)(v) or from the definition of expenditures pursuant to A.R.S. § 16-901(8)(c), as applicable. Nothing in this Section shall be construed to prohibit a political party from making any expenditure or contribution not otherwise prohibited by Arizona law.
- C. The Commission shall treat as an expenditure of de minimis value the payment by a political party of the costs of:
1. Preparation and display on the political party's website of a slate card, sample ballot or other printed listing of three or more candidates for any public office for which an election is held; or
  2. Preparation and distribution via email, to recipients who have subscribed to receive email from the political party and whose email addresses are not rented, purchased or otherwise obtained from a third-party source, of a slate card, sample ballot or other printed listing of three or more candidates for any public office for which an election is held. A political party that pays the costs of preparation, display and/or distribution of a slate card, sample ballot or other printed listing of three or more candidates, as described in this subsection, and which is otherwise required to file a campaign finance report in accordance with A.R.S. § 16-913, shall disclose such payment as an expenditure with a value of zero dollars.
- The provisions of A.R.S. § 16-911(B)(4) shall apply to a candidate, whether participating or nonparticipating, who becomes a nominee as defined in A.R.S. § 16-901(38).

**NOTICES OF FINAL EXEMPT RULEMAKING**  
**TITLE 2. ADMINISTRATION**  
**CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

[R16-287]

**PREAMBLE**

1. **Article, Part or Section Affected (as applicable)** **Rulemaking Action**  
R2-20-402.01 Amend
2. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
Authorizing statute: A.R.S. § 16-940, et seq.  
Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).  
The Citizens Clean Elections Commission is exempt from Executive Order 15-01 because it is not an agency whose head is appointed by the Governor and is, therefore, exempt.
3. **The effective date of the rule and the agency's reason it selected the effective date:**  
December 15, 2016
4. **A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3104, October 28, 2016
5. **The agency's contact person who can answer questions about 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@azcleanelections.gov
6. **An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**  
R2-20-402.01. Random Audits  
Limits random audits to participating legislative candidates, instead of both participating legislative candidates and participating statewide candidates. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the

statute, as well as the court interpretations which confirm its plain terms. The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:  
Not applicable
10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):  
Not applicable
11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:  
The Commission solicits public comment throughout the rulemaking process.
12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:
  - 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:  
Not applicable
  - b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than the federal law and if so, citation to the statutory authority to exceed the requirements of the federal law:  
Not applicable
  - 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:  
Not applicable
13. A list of any incorporated by reference material and its location in the rules:  
Not applicable
14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:  
The rule was not previously made, amended, repealed, or renumbered as an emergency rule.
15. The full text of the rules follows:

## TITLE 2. ADMINISTRATION

### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

#### ARTICLE 4. AUDITS

Section

R2-20-402.01. Random Audits of Participating Legislative Candidates

#### ARTICLE 4. AUDITS

##### R2-20-402.01. Random Audits of Participating Legislative Candidates

To ensure compliance with the Act and Commission rules, the Commission shall conduct random audits of participating legislative candidates after each primary election period and each general election period. Random audits shall include the review of campaign finance reports and related documentation in accordance with procedures established by the Commission. The Commission may hire independent accounting firms to carry out the random audits. The selection of statewide and legislative candidates for audit shall be determined by random lot at a Commission meeting. Candidates shall not be subject to selection for random audit for the general election period that were selected for random audit following the primary election period.

## NOTICES OF FINAL EXEMPT RULEMAKING

### TITLE 2. ADMINISTRATION

#### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

[R16-288]

#### PREAMBLE

1. Article, Part or Section Affected (as applicable) Rulemaking Action  
R2-20-402.02 New Section
2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:  
Authorizing statute: A.R.S. § 16-940, et seq.



Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).

The Citizens Clean Elections Commission is exempt from Executive Order 16-01.

**3. The effective date of the rule and the agency's reason it selected the effective date:**

December 15, 2016

**4. A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**

Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3106, October 28, 2016

**5. The agency's contact person who can answer questions about 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 agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**

R2-20-402.02. Audits of Participating Statewide Candidates

Provides for audits of participating statewide legislative candidates. These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms. The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956.

**7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:**

Not applicable

**10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):**

Not applicable

**11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:**

The Commission solicits public comment throughout the rulemaking process.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:**

**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:**

Not applicable

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

Not applicable

**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:**

Not applicable

**13. A list of any incorporated by reference material and its location in the rules:**

Not applicable

- 14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:**  
The rule was not previously made, amended, repealed, or renumbered as an emergency rule.

- 15. The full text of the rules follows:**

**TITLE 2. ADMINISTRATION**

**CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

**ARTICLE 4. AUDITS**

Section

R2-20-402.02. Audits of Participating Statewide Candidates

**ARTICLE 4. AUDITS**

**R2-20-402.02. Audits of Participating Statewide Candidates**

All participating statewide candidates shall be audited after each primary election period and each general election period.

**NOTICES OF FINAL EXEMPT RULEMAKING**

**TITLE 2. ADMINISTRATION**

**CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

[R16-289]

**PREAMBLE**

- 1. Article, Part or Section Affected (as applicable)** **Rulemaking Action**  
R2-20-703 Amend
- 2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific) and the statute or session law authorizing the exemption:**  
Authorizing statute: A.R.S. § 16-940, et seq.  
Implementing statute and statute authorizing the exemption: A.R.S. § 16-956(C).  
The Citizens Clean Elections Commission is exempt from Executive Order 16-01.
- 3. The effective date of the rule and the agency's reason it selected the effective date:**  
January 1, 2017
- 4. A list of all notices published in the Register as specified in R9-1-409(A) that pertain to the record of the exempt rulemaking:**  
Notice of Proposed Exempt Rulemaking: 22 A.A.R. 3107, October 28, 2016
- 5. The agency's contact person who can answer questions about 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@azcleanelections.gov
- 6. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**  
R2-20-703. Documentation for direct campaign expenditures  
Removes language relating to certain expenditures that has been moved to R2-20-110 These rule amendments are primarily the result of SB1516 (2016). SB 1516 contains provisions that raise serious questions under the Arizona and U.S. Constitutions. Among other things, SB 1516 includes provisions that attempt to preempt the Commission's rulemaking authority (A.R.S. § 16-901(42)), narrow the definitions of expenditure and contribution and eliminate the definition of political committee adopted by the Clean Elections Act in 1998, raising serious constitutional questions under the Voter Protection Act of the Arizona Constitution. The Commission does not, by adopting these rules, waive any legal objection to the enactment of laws that violate the Voter Protection Act. Rather, it adopts these rules in the interest of harmonizing the Commission's rules with the existing statutes in order to avoid confusion within the regulated community and encourage consistency between the Commission's rules and the policies of other election-related offices. In addition to the VPA issues, the provisions of SB 1516 raise questions of equal protection regarding the treatment of corporations registered in Arizona that also have 501 status with the IRS and questions under Article 7, §. 16 of the Arizona Constitution regarding the publication of campaign contributions and expenditures. The Commission notes these issues for the record, but again, seeks as much as possible to harmonize its rules. The Commission retains its full authority to enforce Article 2 of Chapter 6 of Title 16 consistent with the terms of the statute, as well as the court interpretations which confirm its plain terms. The Commission's rulemakings are exempt from Title 41, Ch. 6, Article 3, pursuant to A.R.S. § 16-956.



7. A reference to any study relevant to the rule that the agency reviewed and either relied on 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 rulemaking 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, if applicable:  
Not applicable
10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and final rulemaking package, (if applicable):  
Not applicable
11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:  
The Commission solicits public comment throughout the rulemaking process.
12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:
  - 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:  
Not applicable
  - b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than the federal law and if so, citation to the statutory authority to exceed the requirements of the federal law:  
Not applicable
  - 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:  
Not applicable
13. A list of any incorporated by reference material and its location in the rules:  
Not applicable
14. Whether this rule previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:  
The rule was not previously made, amended, repealed, or renumbered as an emergency rule.
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

R2-20-703. Documentation for Direct Campaign Expenditures

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

R2-20-703. Documentation for Direct Campaign Expenditures

- A. No change
  1. No change
  2. No change
  3. No change
- B. No change
- C. ~~Joint expenditures.~~ Expenditures may be made in conjunction with other candidates, but each candidate shall pay his or her proportionate share of the cost. A candidate's payment for an advertisement, literature, material, campaign event or other activity shall be considered a joint expenditure including, but not limited to, the following criteria:
  1. The activity includes express advocacy of the election or defeat of more than 2 candidates;
  2. The purpose of the material or activity is to promote or facilitate the election of a second candidate;
  3. The use and prominence of a second candidate or his or her name or likeness in the material or activity;
  4. The material or activity includes an expression by a second candidate of his or her view on issues brought up during the election campaign;
  5. The timing of the material or activity in relation to the election of a second candidate;
  6. The distribution of the material or the activity is targeted to a second candidate's electorate; or
  7. The amount of control a second candidate has over the material or activity.
- D. No change