



KEN BENNETT
SECRETARY OF STATE
STATE OF ARIZONA



Candidate Contributions and Committee Information

In 2013, the Arizona Legislature passed H.B. 2593 (Laws 2013, Ch. 98), which increased candidate campaign contribution limits and separated the primary and general election thereby requiring separate political committees for each election. The bill's effective date was September 13, 2013. The law was challenged and while the superior court denied an injunction, the Arizona Court of Appeals reversed and issued a preliminary injunction on the bill in October. On December 17, 2013, the Arizona Supreme Court vacated the opinion of the Court of Appeals and lifted the injunction.

In 2014, the Arizona Legislature passed H.B. 2665, which amends the two-committee requirement. The law requires one committee for the primary and general election but separate accounting methods to distinguish the transactions. H.B. 2665 contained an emergency clause and was effective April 25, 2014.

Frequently Asked Questions (FAQs)

1. Q: I am a candidate for statewide or legislative office for the 2014 election. Do I need two candidate committees?

A: No. You do not need to establish separate candidate committees for the 2014 election cycle.

2. Q: If I have already established a primary committee and/or a general committee, do I need to re-name the committee(s)?

A: No. The Secretary of State's Office will remove the description of "primary" or "general" from the committees.

3. Q: If I have one committee, why are "primary account" and "general account" being displayed on your website?

A: The campaign finance system allows your transactions to be sorted by multiple categories (i.e. name, office, party, income, expenses). In order to properly view your transactions by these categories, your *accounts* must be separately listed. The display of your primary and general accounts does not affect your reporting requirements. You only have one committee and one committee report that must be submitted.

4. Q: What if I already created two candidate committees for the same office. Do I need to terminate one of the committees?

A: No. H.B. 2665 directs the Secretary of State to modify the campaign finance system to combine separate committees created for the primary and general elections into one committee for the 2014 election cycle.

5. Q: If I have two committees, what committee ID, user name and password do I use to log into the system?

A: If you have two committees, the committee ID number, user name and password defaults to the current primary committee's information. If you only created one committee (primary or general), the committee ID, user name and password are the same ID you created for that committee.

6. Q: Once the committee is combined, what changes will I see when I login to the campaign finance system?

A: The format of the campaign finance system will remain the same. There will be an additional drop down button that allows you to select the primary *account* or general *account*.

7. Q: How will I view the transactions I entered as primary and general if they are combined into one committee?

A: The Secretary of State's Office will create one committee with two separate accounts: primary and general. The transactions entered for the primary committee will appear under the primary account and the transactions entered for the general committee will appear under the general account. When entering transactions in the future, you must select if you are entering them in the primary account or general account.

8. Q: Do I need to select the primary or general account for *each* transaction I enter?

A: No. Once you select the account from the drop-down on the menu, it will remain on that account until you change it. Any transactions you input will be entered into the selected primary account or general account.

9. Q: Now that I have two separate accounts, will I still have to file two separate reports?

A: No. H.B. 2665 establishes one committee for both the primary election and the general election so only one report is due for the committee.

10. Q: Will the committee report distinguish the transactions between the primary and general accounts?

A: Yes. When you file a committee report, the system will automatically generate separate reports for the primary account and the general account.

11. Q: I entered a transaction into the general account that was really intended for the primary account. How do I fix this?

A: You will have to delete the transaction from the general account and re-enter the transaction into the primary account. If the transaction was on a previously filed report, you will also need to amend the affected reports. The system will tell you when amendments are required.

12. Q: Since the law says I only have to have one committee, why do I have to separate the transactions? Can I report all the transactions in one account?

A: No. According to A.R.S. § 16-902(D), “the committee must use an acceptable accounting method to distinguish between contributions received for the primary election and contributions received for the general election. Acceptable accounting methods include designating separate accounts for each election or establishing separate books and records for each election.” The campaign finance system follows this guidance precisely and you will have to report *contributions in* and *expenses out* for the primary election and *contributions in* and *expenses out* for the general election.

13. Q: I had a single exploratory committee and did not create a primary committee until after I filed my January 31st campaign finance report. How will my primary and general transactions be separated in order to comply with the law?

A: If a committee report contains both primary and general transactions, the committee must re-enter transactions into the primary account and general account. According to A.R.S. § 16-902 (D), you will have to report *contributions in* and *expenses out* for each election, which means that transactions must be entered into the appropriate primary or general account. A single report listing all of the contributions is insufficient since the two elections are tracked and accounted for distinctly. If a candidate wins the primary, then unexpended and unencumbered monies can be moved over to the general election account.

14. Q: I am a legislative candidate and I received \$2,500 from a single contributor for the primary election. If I win the primary election, how much more am I able to accept from that same contributor for the general election?

A: Pursuant to A.R.S. §§ 16-905(I)(6)(b)(i) and 16-941(B), you have accepted over the contribution limit for an election since the maximum amount you can receive from a contributor is \$2,000. You would have to allocate the overage of \$500 to the general election in that contributor’s name. That particular contributor would only have the capacity to give an additional \$1,500 for the general election.

15. Q: How much money can I transfer between the primary election and the general election?

A: A contribution must be applied to the primary election unless 1) the contributor has designated otherwise, 2) the contribution limits have been exceeded for the primary election, or 3) the contribution was received after the primary election and is not used to

retire primary election debt. If the contribution limit has been exceeded for the primary election, the committee may apply the excess to the general election (subject to contribution limits) or refund the excess amount. After the primary election, if you prevail, there is no transfer limit.

16. Q: If I have committees for two different offices, can I transfer funds from one committee to another in the same election cycle?

A: Yes, subject to contribution limits *per contributor*. For example, you may transfer your monies from a county office to a legislative office in the aggregate as long as you do not exceed the contribution limits. If a contributor gave you \$2,200 for your county committee and \$300 for your legislative committee, you cannot transfer more than \$1,700 from the county committee for that contributor because you are only authorized to receive a maximum amount of \$2,000 per contributor for the legislative office. While the law allows you to transfer in the aggregate, you are responsible for abiding by the contribution limits in A.R.S. § 16-905.

17. Q: Am I able to utilize general election contributions before the primary?

A: No. According to A.R.S. § 16-905(I)(7), “if the candidate prevailed in the primary election or if the candidate filed pursuant to A.R.S. § 16-341, unexpended or unencumbered primary election contributions may be combined *after* [emphasis added] the primary election with *all* [emphasis added] of the general election contributions that were received for use in the general election.” Therefore, on the date of the primary election, the entire amount of general election contributions must remain untouched.

18. Q: How do I handle the contributions that I received between September 13, 2013 and the effective date of H.B. 2665?

A: Candidates who received contributions from individuals or committees between September 13, 2013 and the effective date of this act and who allocated those contributions to the general election may reallocate to the primary election up to the individual contribution limits. Contributions allocated in this manner may not be credited to another individual contributor or committee.

19. Q: Does H.B. 2665 affect candidates in a county, city, or town?

A: The Secretary of State’s Office manages the campaign finance system for statewide and legislative races. For local jurisdictions, we recommend contacting your county, city or town elections department for guidance.

20. Q: Where can I find the contribution limits?

A: The contribution limits can be found here:

- http://azsos.gov/election/2014/info/campaign_contribution_limits.pdf

21. Q: Where can I get additional information regarding this new legislation and court action?

A: Please see—

- **H.B. 2665**
http://azsos.gov/cfs/HB_2665_Senate_Engrossed_Version.pdf
- **Attorney General Opinion Number I13-007**
[http://azsos.gov/cfs/AZ_AG_Op_I13-007-Amended_\(Oct_2013\).pdf](http://azsos.gov/cfs/AZ_AG_Op_I13-007-Amended_(Oct_2013).pdf)
- **Arizona Supreme Court Order**
[http://azsos.gov/cfs/CCEC_v.Brain_Bennett_AZ_Supreme_Court_Order_\(12-17-13\).pdf](http://azsos.gov/cfs/CCEC_v.Brain_Bennett_AZ_Supreme_Court_Order_(12-17-13).pdf)
- **Opinion**
[http://azsos.gov/cfs/CCEC_v.Brain_Bennett_AZ%20Supreme_Court_Opinion_\(04-02-14\).pdf](http://azsos.gov/cfs/CCEC_v.Brain_Bennett_AZ%20Supreme_Court_Opinion_(04-02-14).pdf)