

\$\$\$ FREQUENTLY ASKED QUESTIONS ABOUT CAMPAIGN FINANCE REPORTING \$\$\$

WHAT IS A POLITICAL COMMITTEE?

A political committee is any association or combination of persons that is organized, conducted or combined for the primary purpose of influencing the result of any election and knowingly receives contributions or makes expenditures of more than \$500 in connection with any election during a calendar year. A candidate or candidate's campaign committee is also a political committee. The definition of what constitutes a political committee can be found in A.R.S. §16-901(20). All political committees must register with each jurisdiction in which they are active.

HOW DO I REGISTER MY COMMITTEE?

Each political committee must file either a Statement of Organization or a \$500 Threshold Exemption Statement with the City Clerk before accepting contributions, making expenditures, distributing any campaign literature or circulating petitions. If the committee intends to accept contributions or make expenditures of more than five hundred dollars, the committee must file a Statement of Organization and file campaign finance reports; if the committee does not intend to accept contributions or make expenditures in excess of \$500, the committee may file the \$500 Threshold Exemption Statement. If you file the \$500 Threshold Exemption Statement, you do not need to file any Campaign Finance Reports unless you later receive or spend more than \$500. If you do receive or spend more than \$500, you must file a Statement of Organization within five business days of the day you first received or spent more than \$500, and you will have to start filing Campaign Finance Reports. If any information reported on the Statement of Organization changes, the political committee shall file an amended Statement of Organization reporting the change within five business days after the change. A.R.S. §§16-902.01 and 16-903.

WHAT IS A STANDING POLITICAL COMMITTEE?

Committees active in more than one jurisdiction in this state that meet the requirements of A.R.S. §16-901 and §16-902.01 may file a Statement of Organization with the Secretary of State and apply for status as a standing political committee. This designation allows a committee to centrally file campaign finance reports with the Secretary of State's office electronically rather than with every jurisdiction in which they are active.

A standing political committee shall file a Statement of Organization with the Secretary of State **and** in each jurisdiction in which the committee is active, and only the Secretary of State shall issue an identification number for the committee. The Statement of Organization shall include a statement with the notarized signature of the chairman or treasurer of the standing political committee that declares the committee's status as a standing political committee. The Secretary of State may charge an annual fee for the filing. A.R.S. §16-902.01(F).

DO I HAVE TO REPORT CONTRIBUTIONS AND EXPENDITURES? IF SO, WHEN ARE THEY DUE?

In any calendar year during which there is a regularly scheduled election at which any candidates, measures, questions or propositions appear or may appear on the

ballot, the political committee shall file each of the campaign finance reports required by A.R.S. §16-913. Following are the reporting and filing periods for the City of Phoenix for the remainder of 2016.

PRE-ELECTION REPORT (PRIMARY ELECTION)

Reporting Period: September 15, 2015 thru August 18, 2016
Filing Period: August 19, 2016 thru August 26, 2016

POST-ELECTION REPORT (PRIMARY ELECTION)

Reporting Period: August 19 thru September 19, 2016
Filing Period: September 20 thru September 29, 2016

PRE-ELECTION REPORT (SPECIAL ELECTION)

Reporting Period: September 20 thru October 27, 2016
Filing Period: October 28 thru November 4, 2016

POST-ELECTION REPORT (SPECIAL ELECTION)

Reporting Period: Start Date TBD* thru December 31, 2016
Filing Period: January 1, 2017 thru January 15, 2017

**State Law will be changing on November 5, 2016 regarding filing dates. The City Clerk is seeking clarification regarding this start date and will provide further information as soon as it is available.*

***If a Runoff Election is necessary, the reporting deadlines will be provided at that time.*

WHEN MUST I START FILING CAMPAIGN FINANCE REPORTS? WHEN CAN I STOP?

Your first Campaign Finance Report will be the required report for the reporting period during which you filed your Statement of Organization. Even if your committee was only in existence for a few days in a reporting period you still must file the next report. The law sets the time periods—you cannot change them for your own convenience. A.R.S. §16-913.

When you can stop filing Campaign Finance Reports depends on the date you file your Termination Statement. You must file Campaign Finance Reports that cover every day between the date your Statement of Organization was filed and the date your Termination Statement is filed. Your committee is not terminated by filing a report with a zero balance or by losing an election.

HOW DO I FILE MY REPORT?

You must use the web-based reporting system provided by the City Clerk. All contributions and expenditures must be entered into the system, using the appropriate schedules.

WHO HAS TO COMPLETE THE CAMPAIGN FINANCE REPORT? WHO CAN SIGN IT?

The treasurer is legally responsible for the accuracy of the report, and the treasurer must sign it, following the appropriate instructions for the web-based system. The treasurer who signs must be the treasurer listed on the most recent Statement of Organization.

WHAT IF I HAVE NOTHING TO REPORT?

If you filed a Statement of Organization for your political committee, but you did not receive any contributions and did not spend any money during the reporting period, you may file a No Activity Statement. A.R.S. §16-913(D).

WHAT IF A CANDIDATE OR POLITICAL COMMITTEE IS NOT INVOLVED IN THE REGULARLY SCHEDULED ELECTION?

All reports required by A.R.S. §16-913 must be filed by each active (not terminated) political committee even if the candidate/committee is not involved in the scheduled election. A no Activity Statement can be filed if applicable.

WHAT IF A CANDIDATE OR POLITICAL COMMITTEE FAILS TO FILE A REQUIRED REPORT?

There are certain penalties that are prescribed in A.R.S. §16-918 that will apply if there is a failure to file a required report. "Failure to File" exists if any of the following occurs:

1. The report is not **filed** by the due date set by A.R.S. §16-913.
2. The report is not **signed** by the committee treasurer **or**, if the treasurer is unavailable, by the candidate (for a candidate committee) **or** designating individual (for an exploratory committee).
3. A **good faith effort** is not made to substantially complete the report as required by A.R.S. §16-915.

The City Clerk, or the Secretary of State in the case of a standing political committee, must send a notice to the committee and candidate or designating individual (exploratory committee) by certified mail within 15 days after the due date stating with "reasonable particularity" the nature of the failure and a statement of the penalties provided by A.R.S. §16-918.

A political committee and the candidate, in the case of a candidate's campaign committee, or the designating individual, in the case of an exploratory committee, are subject to the penalty prescribed in A.R.S. §16-918. Penalties include, but are not limited to, **a mandatory penalty for late filing of \$10 for each business day the report is late** (not including weekends and holidays) up to a maximum of \$450. The report should be filed as soon as possible to minimize the penalties owed.

WHAT HAPPENS IF I DON'T FILE AFTER RECEIVING THE NOTICE FROM THE CITY CLERK?

If the report is not filed within 15 days after receiving the notice, the penalty may increase to \$25 per day, up to a maximum of \$1000. This penalty is assessed by the City Attorney pursuant to A.R.S. §16-924, which provides for notice and hearing. In addition to the enforcement actions prescribed by A.R.S. §16-918, a person who was a candidate for nomination or election who after written notice failed to make and file a campaign finance report may not be eligible to be a candidate for nomination or election to any local or state office for five years after the last failure to make and file a campaign finance report.

WHAT IF CIRCUMSTANCES PREVENT A CANDIDATE OR POLITICAL COMMITTEE FROM FILING A REPORT WHEN IT WAS DUE OR AFTER THE WRITTEN NOTICE OF DELINQUENCY WAS DELIVERED?

A candidate or committee required to file, who files late, may present a "good cause" defense in writing to the City Clerk. "Good cause" is defined in A.R.S. §16-918(E).

The City Attorney will determine if "good cause" exists pursuant to A.R.S. §16-918(E). The City Clerk does not make this determination. If it is determined that "good cause" exists, the penalties will be waived.

AFTER THE ELECTION MUST I CONTINUE TO FILE CAMPAIGN FINANCE REPORTS?

Yes. Each committee must continue to file all reports as scheduled or required unless a Termination Statement has been filed. All \$500 Threshold Exemption Committees **MUST** terminate at the end of the election cycle or shall be subject to civil penalties. *A.R.S. §16-904.*

WHEN MAY A COMMITTEE FILE A TERMINATION STATEMENT?

A political committee may terminate only when the committee chairman and treasurer sign and file a Termination Statement with the City Clerk certifying under penalty of perjury that it will no longer receive any contributions or make any disbursements, that the committee has no outstanding debts or obligations and that any surplus monies have been disposed of pursuant to A.R.S. §16-915.01. *A.R.S. §16-904(F) §16-914(A).*

A political committee, including a standing political committee, may terminate its activities in the City of Phoenix and remain active in other jurisdictions by attesting to the intent to remain active in other jurisdictions. The attestation must contain a statement that the committee's remaining monies shall be used for activities in other jurisdictions. *A.R.S. §16-914(C)*

AFTER FILING A TERMINATION STATEMENT, DO I HAVE TO FILE ANY MORE REPORTS?

No. After filing an appropriate Termination Statement, a political committee is not required to file any subsequent reports. However, the committee is no longer eligible to accept contributions or make expenditures without filing a new Statement of Organization.

WHERE IS THERE MORE INFORMATION ABOUT CAMPAIGN FINANCE REPORTING?

For additional information, please refer to A.R.S. Title 16, Chapter 6.

Note: Materials provided by the Secretary of State are intended to assist in meeting the requirements of candidacy; however, it is the candidate's responsibility to see that all legal requirements have been met.