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Citizens Clean Elections Commission

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MEMORANDUM

To: Commissioners
From: Tom Collins
Date: 4/18/17
Subject: Update on circulating rule proposals

The current comment period for the proposed rules ends May 12. Currently, we have received very little public comment. However, as staff members, we have been reviewing and following up on reaction to certain aspects of the proposal. Based on that feedback, at the May meeting when the rules are eligible for adoption, we are likely to recommend the Commission forgo adopting to provisions of proposed R2-20-703.01. Specifically, we are likely to recommend *not adopting* the second sentence of proposed subsection 703.01(C)(2):

Only provide payment for such services as described in subsection (C)(1) of this rule upon receipt of an itemized, timely, invoice identifying the value of the services provided directly to that particular candidate. The invoice shall also identify the consultant's mark up, percentage or other additional charge above the actual cost of the service provided.

And refraining from adopting proposed subsection 703.01(E).

Any consultant engaged by a participating candidate shall provide the participating candidate and the Commission with a sworn affidavit identifying all other clients who are: candidates for any office in the state of Arizona, political committees, a person with tax exempt status under section 501(a) of the internal revenue code, or an unincorporated association, or corporations engaged independent expenditures in the state of Arizona. This affidavit shall be updated monthly beginning the first of the month of every month of the remaining election cycle. In the event the relationship is terminated a sworn affidavit so stating shall be provided to the participating candidate and the commission within 5 days.

While we think that these rule proposals are sound and comport with the anti-corruption principles animating the Act, we believe that the record keeping requirements already suggested are a better first step. We will continue to review our rules against legislation that has passed, consistent with past practice, and may consider additional audit-related rule changes in the future.

ITEM V