

# State Law Resources

## Arizona: Lobbying Disclosure

### Disclosure

*These resources are current as of 10/2020. We do our best to periodically update these resources and welcome any comments or questions regarding new developments in the law. Please email us at [advocacy@afj.org](mailto:advocacy@afj.org).*

#### WHAT'S IN THIS GUIDE

The following changes/additions have been made since the previous version of this guide:

- The Secretary of State's office now allows all Lobbying filings to be done electronically. Directions for electronic filing have been updated.
- All forms that were formerly required to be notarized or filed under oath may now be signed under penalty of perjury instead.
- State agencies are now banned by statute, subject to certain exceptions, from contracting or paying for outside lobbying services.

This guide summarizes key aspects of laws and regulations governing lobbying at the *state* level. It is not intended to provide legal advice or to serve as a substitute for legal advice.

In some jurisdictions, city and/or county regulations may also apply to certain political activities. Check with the appropriate local jurisdiction before undertaking any activity.

Nonprofits may lobby state officials in Arizona to the extent permitted by law. However, an organization **MUST** register with the Secretary of State before sending an employee to lobby a legislator, state officer or state employee. Lobbying is defined as: communicating directly with a legislator to influence legislation; communicating with a state officer or employee in an attempt to influence formal rulemaking; or in some cases by certain people who attempt to influence the state's procurement of materials, services or construction. The nonprofit organization registers as a principal, and some employees must register as well. The details for registration, reporting, and identifying themselves as lobbyists are below.



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# Definitions

## Lobbying

Lobbying includes:

- Attempting to influence the passage or defeat of legislation by directly communicating with any legislator;
- Attempting to influence any formal rulemaking proceeding by directly communicating with any state officer or employee; or
- Attempting to influence the procurement of materials, services or construction by a state agency if the individual making the communication is either employed or supervised at any level of the organization's hierarchy by a registered lobbyist for compensation, or contracted with a person who is otherwise required to register as a lobbyist (e.g., an individual employed by a lobbying firm).<sup>1</sup>

Lobbying does not include:

- Interagency communications between state agency employees;
- Communications between a public official or employee or public lobbyist and any state officer, except a member of the legislature;
- Oral comments or questions regarding a proposed rule made during a public meeting or workshop;
- Grassroots lobbying;
- Lobbying local elected officials, including city councils, boards of supervisors and school; or
- Communications between a public body and a person regarding procurement unless the person is otherwise required to register or is employed by, supervised by at any level, or contracted with a person who is otherwise required to register as a lobbyist. This would include, for example, individuals who engage with the public body about their company's services in a traditional sales or marketing role.<sup>2</sup>

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1 A.R.S. § 41-1231(11).

2 A.R.S. § 41-1231(11)

## Types of Lobbyists

- Lobbyist – a person or entity who is employed by, retained by, or represents a person other than himself, with or without compensation, for the purpose of lobbying and who is listed as a lobbyist by a principal in the principal's registration. The term "lobbyist" includes designated and authorized lobbyists, but it does not include designated public lobbyists or authorized public lobbyists.<sup>3</sup>
  - Natural persons who appear before a governmental body or write to a government officer on their own behalf are exempt from registration as lobbyists.<sup>4</sup>
- Designated lobbyist – the one individual lobbyist designated by the principal as its single point of contact for the purpose of registration and reporting. The designated lobbyist signs all of the registration and reporting forms for the principal. A designated lobbyist need not be compensated for his or her lobbying activities.<sup>5</sup>
- Lobbyist for compensation – any lobbyist who is compensated by the principal for the primary purpose of lobbying.<sup>6</sup>
- Authorized lobbyists – all individuals other than the designated lobbyist who are employed by, retained by, or represent a principal for the purpose of lobbying, regardless of whether they receive compensation.<sup>7</sup> This category includes unpaid lobbyists and lobbyists (both paid and unpaid) whose primary purpose is not lobbying.

## Other Actors

- Principal – a person or entity that employs, retains, or uses a lobbyist, with or without compensation.<sup>8</sup>

## Grassroots Lobbying

- Grassroots lobbying – encouraging citizens to contact the government to urge official action, rather than the lobbyist directly contacting the government – does not fall within Arizona's statutory definition of lobbying and therefore does not require registration.

## Single Expenditure

- A "single expenditure" is an "expenditure that provides a benefit of more than \$20 to an individual state officer or state employee and that is incurred by or on behalf of" one or more principals or lobbyists.<sup>9</sup>

3 Designated public lobbyists and authorized public lobbyists are lobbyists who fit the definition of designated lobbyist or authorized lobbyist and who lobby on behalf of a public body. A.R.S. §§ 41-1231(2), (4).

4 A.R.S. § 41-1232.04.

5 A.R.S. § 41-1231(3).

6 A.R.S. § 41-1231(13).

7 A.R.S. § 41-1231(1).

8 A.R.S. § 41-1231(16).

9 A.R.S. § 41-1231(19).

# Registration

## Forms

Registration forms are available for download at the Secretary of State's website at <https://azsos.gov/elections/lobbyists>.

## Registration of Principals

- Any person or entity that sends representatives to lobby the governor, state legislature, state agencies, boards or commissions or their staffs is a “principal” and must register as such with the Secretary of State.<sup>10</sup>
- Timing: A principal must register before it causes any lobbying to occur on its behalf, or if it is not practical to register in advance, it must do so no later than five business days after the first lobbying attempt or activity.<sup>11</sup>
- Disclosures: A principal must disclose to following information on the registration form:
  - The name and address of both the principal and of its “designated lobbyist,” as well as any other lobbyists for compensation or authorized lobbyists who will lobby on behalf of the principal;
  - For any lobbyist that is not an individual, the names and addresses of all employees who lobby on the principal's behalf;
  - The nature of the primary business or purpose of the principal;
  - The duration of any lobbyist's engagement by the principal;
  - A description of the types of expenses for which each lobbyist is to be reimbursed by the principal; and
  - A listing of the state governmental bodies to be targeted by the lobbyist, including the legislature and state agencies, boards, commissions, and councils, including agencies contacted regarding the procurement of materials, services, or construction by a state agency.<sup>12</sup>
- Notice to Lobbyists: The principal must provide notice to each listed lobbyist,

<sup>10</sup> A.R.S. §§ 41-1231; 1232.

<sup>11</sup> A.R.S. § 41-1232(A), (B).

<sup>12</sup> A.R.S. § 41-1232(A).

informing the lobbyist that it has disclosed the individual as a lobbyist and that the lobbyist is therefore required to register and provide reports.<sup>13</sup>

- **Updating Registration:** Whenever any registration information changes, the principal must file an amended registration within five business days.<sup>14</sup>
- **Renewing Registration:** After the initial registration, the principal must re-register no later than 5:00 p.m. on the second Monday in January of each odd-numbered year (beginning of legislative session). Principals must continue to renew their registration until they no longer engage lobbyists.<sup>15</sup>
- **Fee:** With every registration and renewal, the principal must pay a \$25 registration fee.<sup>16</sup>
- **Penalty of Perjury:** The registration forms must be signed under penalty of perjury.<sup>17</sup>
- **Electronic Filing:** Principal registration forms may now be filed online at [lobbying.az.gov](http://lobbying.az.gov), or by email at [lobbyist@azsos.gov](mailto:lobbyist@azsos.gov). This is a change in Arizona practice.

## Registration of Lobbyists

- **Timing:** Within 30 days of being listed by a principal as a designated lobbyist or lobbyist for compensation, a person must file a lobbyist registration form with the Secretary of State.<sup>18</sup> Authorized lobbyists do not have to register.
- **Lobbyist Handbook:** The lobbyist must also certify that he or she has read the lobbyist handbook written by the Secretary of State's office.<sup>19</sup> The handbook is available at <http://www.azsos.gov/election/lobbyist/lobbyisthandbook.pdf>.
- **Renewing Registration:** The lobbyist must renew his or her registration by 5:00 p.m. of the second Monday of January in each even-numbered year.<sup>20</sup>
- **Fee:** Lobbyists do not pay a separate fee for registration.
- **Electronic Filing:** Lobbyist registration forms may now be filed online at [lobbying.az.gov](http://lobbying.az.gov), or by email at [lobbyist@azsos.gov](mailto:lobbyist@azsos.gov). This is a change in Arizona practice.

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13 A.R.S. § 41-1232(D).

14 A.R.S. § 1232(C).

15 A.R.S. § 41-1232(C).

16 A.R.S. § 41-1232(E).

17 A.R.S. § 41-1232(A).

18 A.R.S. § 41-1232.05(A).

19 A.R.S. § 41-1232.05(A).

20 A.R.S. § 41-1232.05(A).

# Reporting

## Reporting by Principals – Annually

- By March 1 of each year, a principal must report all “single expenditures” (defined above) during the prior calendar year, regardless of whether it was made in the course of lobbying.<sup>21</sup>
- All single expenditures must be itemized. The disclosure must include the date, amount, name of the officer or employee who received the benefit, and the name of the person who made the expenditure.<sup>22</sup>
- The report must also include the aggregate of all expenditures of \$20 or less received by or benefiting a state officer or employee, even if not made in the course of lobbying, and reporting of expenditures on “special events” to which all members of the legislature (either house) or a legislative committee are invited.<sup>23</sup>
- Principals who make no expenditures must file a report under penalty of perjury that they made no expenditures.<sup>24</sup>
- Electronic Filing: The annual reports filed by principals may now be filed online at [lobbying.az.gov](http://lobbying.az.gov) or by email to [lobbyist@azsos.gov](mailto:lobbyist@azsos.gov). This is a change in Arizona practice.

## Reporting by Lobbyists – Quarterly

- Reporting is required quarterly for all designated lobbyists and all lobbyists for compensation. The report is due on the last day of the month following each calendar quarter. Each filer must report all single expenditures (defined above), whether or not made in the course of lobbying, made in the prior calendar quarter.<sup>25</sup> Filers must also report expenditures of twenty dollars or less in the aggregate.<sup>26</sup> Authorized lobbyists do not file reports. Authorized lobbyists report their expenditures through their principals’ designated lobbyist. Multiple lobbyists working for the same principal must decide among themselves how to allocate and report any shared expenditures.

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21 A.R.S. § 41-1232.02(A).

22 A.R.S. § 41-1232.02(A).

23 A.R.S. § 41-1232.02 (A), (F).

24 A.R.S. § 41-1232.02(H).

25 A.R.S. § 41-1232.02(B), (C).

26 A.R.S. § 41-1232.02(C).

- Lobbyists who make no expenditures must file a report under penalty of perjury that they made no expenditures.<sup>27</sup>
- Reports may be filed electronically at [lobbying.az.gov](http://lobbying.az.gov), by email to [lobbyist@azsos.gov](mailto:lobbyist@azsos.gov)

Note: Principals and their lobbyists do not have to report the lobbyist's office expenses, filing fees, legal fees, employees' compensation, lodging, or travel.

## Reporting by Public Officials

- Public officials must also file annual financial disclosures containing information about assets, compensation and gifts received, including lawful gifts received from individuals, regardless of whether the gift is from a lobbyist or principal.<sup>28</sup>

## Electronic Filing

- Both principals and lobbyists may file their required reports via the Secretary of State's Electronic Lobbyist Filing system. The system can be accessed at <https://Lobbying.az.gov>

## Lobbying Regulations

### TIME RESTRICTIONS ON LOBBYING

None.

### IDENTIFICATION OF LOBBYISTS

A lobbyist must disclose to any legislator he or she is lobbying for the first time – and upon any legislator's subsequent request – that he or she is a registered lobbyist. A lobbyist must similarly disclose that he or she is a registered lobbyist to any public official or employee of a public body that the person is lobbying for the procurement of materials, services or construction.<sup>29</sup>

Lobbyists are not required to wear a badge or other identification.

### GIFTS

- No principal, lobbyist, or person acting on behalf of a principal or lobbyist may give to a state officer, legislator, legislative employee, agency employee or any other state employee:

<sup>27</sup> A.R.S. § 41-1232.02(H).

<sup>28</sup> A.R.S. §§ 18-444; 38-541.

<sup>29</sup> A.R.S. § 41-1233.01.



1. Gifts with a total value of more than \$10 during any calendar year; or
2. Gifts that are designed to influence the state officer's or employee's official conduct.<sup>30</sup>
  - o Exclusions – Certain gifts are permitted, including:
    - Properly reported expenditures for:
      - speaking engagements;
      - food and beverages;
      - travel and lodging; and
      - flowers;
  - o Expenses relating to a special event to which all members of the legislature, either house, or any legislative committee are invited;
  - o A plaque or other form of recognition of a service or accomplishment;
  - o Informational material such as books or pamphlets;
  - o Properly reported campaign contributions; and
  - o Certain personal gifts.<sup>31</sup>

Note that many states' rules on gifts, travel and other benefits provided to public officials are extremely complex. The laws outlined below are only summaries of some of the more commonly encountered issues; organizations and lobbyists are advised to consult with legal counsel for a complete analysis of their proposed activities before giving gifts or other benefits to officials.

## ENTERTAINMENT

- No principal, lobbyist, or person acting on behalf of a principal or lobbyist may pay for entertainment for a state officer or employee, corporation commissioner, county supervisor, city or town council member, school district governing board member, or person involved in the procurement of materials, services or construction. While the Arizona lobbying laws do not generally apply to local officials, the entertainment ban applies to these local officials.<sup>32</sup>
- “Entertainment” is defined as any expenditure paid or incurred for admission to or participation in any sporting or cultural event.<sup>33</sup> The ban does not allow an organization to pay for an entertainment expense and later seek reimbursement from the official.<sup>34</sup>
- This prohibition does not apply to entertainment in connection with a properly reported special event or that is incidental to a speaking engagement, though these expenses must still be disclosed on the annual and/or quarterly reports.<sup>35</sup>

<sup>30</sup> A.R.S. § 41-1232.02(J).

<sup>31</sup> A.R.S. § 41-1231(9).

<sup>32</sup> A.R.S. § 41-1232.08.

<sup>33</sup> A.R.S. § 41-1231(5).

<sup>34</sup> Ariz. Att’y Gen. Op. 100-031.

<sup>35</sup> A.R.S. § 41-1232.08(C).

## TRAVEL

- Travel is exempted from the ban on “gifts” to officials. All payments for travel over \$20 must be reported as single expenditures.<sup>36</sup>

## CAMPAIGN CONTRIBUTIONS

- Principals and lobbyists are prohibited from making campaign contributions to legislators while the legislature is in regular session, or to the governor while the legislature is in regular session or when regular session legislation is pending executive approval or veto.<sup>37</sup>
  - This ban also extends to promising to make a contribution, soliciting contributions and promising to solicit contributions.

## CONTINGENCY FEES

- Lobbyists may not be paid contingency fees based on securing passage or defeat of legislation.<sup>38</sup>

## REVOLVING DOOR

- No member of the Legislature may serve as a lobbyist during the year after leaving office.<sup>39</sup> Likewise, public officers and employees may not represent persons, for compensation, before the public agency by which they were employed during the year after leaving public employment.<sup>40</sup>
- Public officers and employees may not disclose confidential information learned in the course of their public employment for their personal profit during the two years after leaving public employment.<sup>41</sup>

## STATE LOBBYISTS

- Most state agencies, offices, departments, and boards and commissions or persons acting on their behalf are prohibited from contracting for lobbying services, or spending money for any person or entity to lobby on their behalf unless the person is a state employee.<sup>42</sup>
- Exemptions exist for agencies, offices, departments, boards, or commissions headed by one or more elected officials, or exempt from the Arizona procurement code. A.R.S. § 41-1234(B).
- State employees directly employed by a state governmental unit may act as a lobbyist if it is part of their job description. A.R.S. § 41-1231(C).

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36 A.R.S. § 41-1231(9).

37 A.R.S. § 41-1234.01.

38 A.R.S. § 41-1233(1).

39 A.R.S. § 41-1233(2).

40 A.R.S. § 38-504(A).

41 A.R.S. § 38-504(B).

42 A.R.S. § 41-1234(A).

# Contact Information for State and Local Agencies

**Arizona Secretary of State**

State Capitol, Executive Tower  
1700 West Washington Street  
Seventh Floor  
Phoenix, Arizona 85007-2888  
(602) 542-8683  
<https://Lobbying.az.gov>

The first edition of the Arizona Lobbying State Law Resource was written by Kim Demarchi and published by Alliance for Justice in 2007.

# For Further Assistance

**For assistance regarding these resources or for more information about federal law, please contact our attorney one-on-one counseling service:**

Email: [advocacy@afj.org](mailto:advocacy@afj.org)  
Telephone: 1-866-NPLOBBY  
(675-6229)

**For assistance regarding state law in Arizona, please contact:**

Josh Bendor, Mary O'Grady, or Emma Cone-Roddy  
Osborn Maledon, P.A.  
2929 North Central Avenue  
Telephone: 602-640-9000  
Suite 2100  
Phoenix, AZ 85012  
Email: [jbendor@omlaw.com](mailto:jbendor@omlaw.com)

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