Senate Engrossed

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 156

SENATE BILL 1238

AN ACT

AMENDING SECTION 16-921, ARIZONA REVISED STATUTES; RELATING TO CAMPAIGN CONTRIBUTIONS AND EXPENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 16-921, Arizona Revised Statutes, is amended to read:

16-921. Unlawful contributions by corporations and labor organizations from a fund; procedures; definitions

A. It is unlawful under any fund established by a corporation or labor organization pursuant to section 16-920, subsection A, paragraph 3:

1. For such a fund to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals or the threat of force, job discrimination or financial reprisal or by dues, fees or other monies required as a condition of membership in a labor organization or as a condition of employment or by monies obtained in any commercial transaction.

2. For any person soliciting an employee for a contribution to such a fund to fail to inform such employee of the political purposes of such fund at the time of such solicitation.

3. For any person soliciting an employee for a contribution to such a fund to fail to inform such employee, at the time of such solicitation, of his right to refuse to so contribute without any reprisal.

B. Except as provided in subsections C, ~~and~~ D AND E of this section it is unlawful for a corporation, or a separate segregated fund established by a corporation, to solicit contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families and for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions to such a fund from any person other than its members and their families.

C. A corporation or a separate segregated fund established by such corporation may make no more than two written solicitations for contributions during the calendar year from any employee who is not a stockholder or executive or administrative personnel of such corporation or the families of such persons. A solicitation under this subsection may be made only by mail addressed to employees who are not stockholders or executive or administrative personnel at their residence.

D. AN INSURER THAT IS LICENSED IN THIS STATE OR A SEPARATE SEGREGATED FUND ESTABLISHED BY SUCH INSURER MAY MAKE NO MORE THAN TWO WRITTEN SOLICITATIONS FOR CONTRIBUTIONS DURING THE CALENDAR YEAR FROM PERSONS WHO ARE LICENSED INSURANCE PRODUCERS AND WITH WHOM IT HAS A CONTRACT TO PRODUCE INSURANCE BUSINESS. THOSE SOLICITATIONS ARE LAWFUL ONLY IF THE INSURANCE PRODUCER HAS AN EXCLUSIVE CONTRACT WITH THE INSURER. THIS SUBSECTION DOES NOT CHANGE AN INSURANCE PRODUCER'S STATUS AS AN INDEPENDENT CONTRACTOR.

~~D.~~ E. A labor organization or a separate segregated fund established by such labor organization may make no more than two written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel or employee of a corporation who is not a union

member, or the families of such persons, if such labor organization represents members working for such corporation. A solicitation under this subsection may be made only by mail addressed to such stockholders, executive or administrative personnel or employees who are not union members at their residences.

~~E.~~ F. This section shall not prevent a membership organization, cooperative or corporation without capital stock, or a separate segregated fund established by a membership organization, cooperative or corporation without capital stock, from soliciting contributions to such a fund from members of such organization, cooperative or corporation without capital stock.

~~F.~~ G. This section shall not prevent a trade association, or a separate segregated fund established by a trade association, from soliciting contributions from the stockholders and executive or administrative personnel of the member corporations of such trade association and the families of such stockholders or personnel.

~~G.~~ H. Notwithstanding any provision of law to the contrary, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members.

~~H.~~ I. Any corporation, including its subsidiaries, branches, divisions and affiliates, that utilizes a method of soliciting voluntary contributions or facilitating the making of voluntary contributions shall make available such method, on written request and at a cost sufficient only to reimburse the corporation for the expenses incurred thereby, to a labor organization representing any members working for such corporation~~,~~ AND its subsidiaries, branches, divisions and affiliates.

~~I.~~ J. For THE purposes of this section~~, the term~~:

1. "EXCLUSIVE CONTRACT" MEANS EITHER:

(a) AN INSURANCE PRODUCER'S CONTRACT WITH AN INSURER THAT PROHIBITS THE PRODUCER FROM SOLICITING INSURANCE BUSINESS FOR ANY OTHER INSURER.

(b) AN INSURANCE PRODUCER'S CONTRACT WITH AN INSURER THAT REQUIRES A FIRST RIGHT OF REFUSAL ON ALL LINES OF INSURANCE BUSINESS WRITTEN BY THE INSURER AND SOLICITED BY THE PRODUCER.

2. "Executive or administrative personnel" means individuals who are employed by a corporation and who are paid on a salary, rather than hourly, basis and who have policymaking, managerial, professional or supervisory responsibilities.

3. "INSURANCE PRODUCER" HAS THE SAME MEANING AS PRESCRIBED IN SECTION 20-281.

APPROVED BY THE GOVERNOR APRIL 23, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 23, 2004.