

REPLY IN SUPPORT OF CAMPAIGN FINANCE COMPLAINT

SOS-CF-2026-015

June 9, 2026

Via Email (campaignfinance@azsos.gov)

Luke Douglas, Chief Legal Officer

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Arizona Secretary of State

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Complainant:

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I am a qualified Arizona voter registered in Maricopa County, submitting this reply as an individual.

Respondent: Fortify AZ (AZ Secretary of State Committee #102154)

This replies to the June 1, 2026 response filed by Thomas Basile on behalf of Fortify AZ.

The response does not dispute the underlying facts, because it cannot. On its 2026 Q1 report (Report ID 371224), Fortify AZ disclosed \$1,257,000.00 in disbursements: \$200,000.00 and \$1,050,000.00 to AZ Petition Partners, a professional signature-gathering firm, and \$7,000.00 to a media firm. It reported every dollar on Schedule E1 as "Professional Services - Consultants." It reported \$0.00 of ballot measure expenditures. The money was spent to circulate a statewide initiative petition that Fortify AZ is sponsoring for the November 2026 ballot.

The response offers four reasons to dismiss. None survives the statute.

I. Paid petition circulation is a ballot measure expenditure, and the statute requires it on a separate schedule.

A "ballot measure expenditure" is "an expenditure made by a person that expressly advocates the support or opposition of a clearly identified ballot measure." A.R.S. § 16-901(4). Paying a professional firm \$1,250,000 to gather the signatures needed to place a measure on the ballot is the most direct possible form of advocating that measure's passage.

A.R.S. § 16-926(B)(3) requires a committee to itemize its disbursements "in the following categories ... together with the total of all disbursements in each category." Two of those categories are at issue here:

- (a) "Disbursements for operating expenses."
- (m) "Expenditures to advocate the passage or defeat of a ballot measure, including identification of the ballot measure, ballot measure serial number, election date, mode of advertising and distribution or publication date."

These are separate, mandatory categories, and the Secretary's report form keeps them separate. On Fortify AZ's report, operating expenses are itemized on Schedule E1, and ballot measure expenditures belong on Schedule E2 (Independent & Ballot Measure Expenditures). Fortify AZ placed all \$1,257,000 on Schedule E1 and reported \$0.00 on Schedule E2.

The response's first argument is that the term "operating expense" is undefined and therefore broad enough to absorb these payments. That has the structure of the statute backwards. "Operating expenses" in (B)(3)(a) is the residual category. Ballot measure advocacy has its own specific category in (B)(3)(m). The specific governs the residual. An undefined catch-all line cannot absorb an expenditure the statute specifically requires to be itemized in its own category, any more than a candidate independent expenditure under (B)(3)(l) could be parked in operating expenses.

The response also invokes A.R.S. § 16-911 for the idea that "field activities analogous to petition circulation" are operating expenses. That citation does not hold up on any level. The language quoted is in subsection (B)(5), not (A)(5). The section is titled "Exemption from definition of contribution"; it does not define "operating expense" at all, it lists transactions that are not contributions. And it is expressly limited to "a political party's operating expenses or party-building activities," with examples like party staff, party conventions, and party buildings. Fortify AZ is a political action committee, not a political party. A.R.S. § 16-901(42). A contribution exemption written for political-party organizations does not tell a PAC how to categorize ballot measure spending.

Finally, the response argues that a ballot measure expenditure must be a public communication, like a mailer or an advertisement, because § 16-926(H) refers to "mode of advertising." But § 16-926(H) does not define what a ballot measure expenditure is. Section 16-901(4) does, and § 16-926(B)(3)(m) categorizes it. Subsection (H) is a supplemental reporting trigger for expenditures over \$1,000. That some of its disclosure fields read more naturally for an advertisement than for a circulator contract does not remove the expenditure from the category. The defining question is whether the payment expressly advocates a clearly identified ballot measure. Paying to circulate the petition does exactly that.

II. A measure in circulation is a "clearly identified ballot measure." Qualification is not required, and the statute proves it.

The response's central argument is that neither a "ballot measure" nor an "election" yet exists, because the petition has not qualified for the ballot. The statute forecloses that reading.

Start with the text. Chapter 6 does not define "ballot measure" at all. Section 16-901(4) requires only a "clearly identified" ballot measure, not a qualified one. The response reads a ballot-placement requirement into a term the Legislature left undefined.

Then look at what § 16-926(B)(3)(m) requires a committee to disclose for a ballot measure expenditure: the "ballot measure serial number." A serial number is assigned by the Secretary of State during the petition phase, before circulation begins, and must appear on every petition sheet. A.R.S. § 19-111. A

measure that has qualified and reached the ballot has a proposition number, not a petition serial number. The disclosure field that the ballot-measure category requires is therefore the one that exists precisely during circulation. The statute's ballot-measure-expenditure category is built around the pre-qualification, signature-gathering phase. The response's reading would make the "ballot measure serial number" requirement meaningless.

Title 19 confirms the measure is clearly identified from the first day of circulation. A proponent must apply to the Secretary of State for an official serial number before printing or circulating a petition, and the Secretary assigns that number. A.R.S. § 19-111. A full and correct copy of the measure's title and text must be attached to every signature sheet during circulation. A.R.S. § 19-112. And paid circulators for a statewide initiative must register with the Secretary of State and identify the specific petition they are circulating. A.R.S. § 19-118. From the moment circulation begins, there is an officially numbered, fully drafted, state-identified measure, and Fortify AZ paid \$1,250,000 to advance that specific measure.

The expenditure also satisfies the general definition the response itself relies on. An "expenditure" is any payment "made by a person for the purpose of influencing an election." A.R.S. § 16-901(25). An "election" includes "any election for any ballot measure in this state." A.R.S. § 16-901(17). There is no purpose to paying professional circulators except to influence the eventual ballot-measure election. The money is spent to create that election and to win it.

III. The 2016 amendment did not exempt petition spending. The same statute regulates it.

The response argues that a pre-2016 version of the "expenditure" definition once referred to "the circulation of a petition," that the phrase was later removed, and that the Legislature thereby intended to exclude petition spending from reporting.

That inference collapses against the current code. The 2016 legislation (Laws 2016, Chapter 79) was a wholesale repeal and replacement of the entire campaign finance article. It repealed dozens of sections at once and re-enacted consolidated definitions, collapsing many specific enumerated examples into short general formulas. Petition circulation was not singled out for removal. It disappeared alongside the recall, in-kind, and extension-of-credit examples, because the drafting style changed from enumerated lists to general definitions.

More to the point, the same body of law that supposedly deregulated petition spending expressly regulates it. Section 16-928(A)(1) makes the Secretary of State the filing officer for "committees that support or oppose a statewide initiative or referendum or other statewide ballot measure, question or

proposition or the circulation of a petition for a statewide initiative or referendum." The Legislature did not deregulate the very activity for which it designated a filing officer. A committee that finances the circulation of a statewide initiative petition reports to the Secretary of State, and it has something to report only because its petition-circulation spending is a reportable expenditure.

IV. "Another committee did the same thing" is not a defense.

The response points to a second committee, Protect Education, Accountability Now, and argues that because that committee also reported its spending as operating expenses, Fortify AZ's treatment must be acceptable. It then asks the Secretary, if reasonable cause is found here, to pursue that committee too.

This is not a legal argument. The Secretary of State adjudicates the report of the respondent actually before it, against the statute. Whether some other committee categorized its disbursements correctly or incorrectly has no bearing on whether Fortify AZ categorized its own correctly. If Fortify AZ's counsel believes another committee has violated the reporting requirements, the same complaint process I used is available to them, and they are free to file it. A demand that the agency either ignore both reports or chase a committee of the respondent's choosing is not a defense to Fortify AZ's own misreport.

If anything, a second committee making the same categorization choice shows that the question is real and recurring, and worth resolving, not that it is insignificant.

V. The complaint is not insignificant, and the Office has already deemed it sufficient.

The response's final argument is that the 2025 Elections Procedures Manual permits dismissal for "the insignificance of the alleged violation."

Dismissal on that ground is discretionary, not mandatory. The Manual provides that a filing officer "may" dismiss "a matter that does not merit further use of government resources," and lists insignificance as one of seven factors a filing officer "may consider." Among the listed factors is "whether there is a small dollar amount at issue." The amount here is \$1,257,000. A seven-figure misclassification is not a small-dollar matter, and it is not a candidate for a resource-saving dismissal.

The Office has, in any event, already moved this complaint past the threshold the response invokes. Under the Manual, a filing officer forwards a complaint to the respondent for a response only after deeming the complaint sufficient and within jurisdiction. The Secretary accepted this complaint,

assigned it number SOS-CF-2026-015, and forwarded it to Fortify AZ, which is the reason the response exists. A complaint the Office docketed and sent out for an adversary response is not facially insignificant.

The operative question now is the one the statute sets: whether there is reasonable cause to believe a violation occurred. A.R.S. § 16-938(C). A treasurer-certified report that books \$1,257,000 of ballot-measure signature-gathering to the operating-expense line, and zero to the ballot-measure line, meets that standard.

VI. Requested Action

I respectfully renew my requests and ask that the Secretary of State:

- 1.** Find reasonable cause to believe Fortify AZ violated A.R.S. § 16-926 by reporting \$1,257,000 of ballot measure expenditures as operating expenses.
- 2.** Require Fortify AZ to file an amended 2026 Q1 report moving these disbursements to the ballot measure expenditure category, with the identifying information A.R.S. § 16-926(B)(3)(m) requires, including the ballot measure serial number and election date.
- 3.** Direct Fortify AZ to categorize all ballot measure expenditures correctly in its current and subsequent reports for this election cycle.
- 4.** Refer the matter to the Attorney General under A.R.S. § 16-938(C)(1) if Fortify AZ does not cure.

Respectfully submitted,

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Sources

- **A.R.S. § 16-901(4)**: definition of "ballot measure expenditure" ("expressly advocates the support or opposition of a clearly identified ballot measure").
- **A.R.S. § 16-901(17), (25)**: definitions of "election" (includes "any election for any ballot measure") and "expenditure" ("for the purpose of influencing an election").
- **A.R.S. § 16-901(42)**: definition of "political party" (distinguishing it from a political action committee).
- **A.R.S. § 16-911(B)(5)**: "Exemption from definition of contribution"; the "operating expenses or party-building activities" language is limited to "a political party's" activities.
- **A.R.S. § 16-926(B)(3)**: itemization "in the following categories," including (a) "Disbursements for operating expenses" and (m) "Expenditures to advocate the passage or defeat of a ballot measure, including identification of the ballot measure, ballot measure serial number, election date, mode of advertising and distribution or publication date"; (B)(5) treasurer certification under penalty of perjury; (H) ballot measure expenditure reporting trigger.
- **A.R.S. § 16-928(A)(1)**: the Secretary of State is the filing officer for committees that support or oppose "the circulation of a petition for a statewide initiative or referendum."
- **A.R.S. § 16-938(C)**: reasonable-cause standard.
- **A.R.S. §§ 19-111, 19-112, 19-118**: serial number assigned before circulation and printed on every sheet; title and text attached to every signature sheet; paid circulators must register with the Secretary of State and identify the petition they circulate.
- **Laws 2016, Chapter 79 (S.B. 1516)**: wholesale repeal and replacement of the campaign finance article.
- **2025 Elections Procedures Manual**: dismissal for "insignificance of the alleged violation" is discretionary and one of seven listed factors, which also include "whether there is a small dollar amount at issue"; a complaint is forwarded to the respondent only after being deemed sufficient.
- **Fortify AZ 2026 Q1 report (Report ID 371224)**: \$200,000.00 and \$1,050,000.00 to AZ Petition Partners and \$7,000.00 to a media firm, all on Schedule E1; \$0.00 of ballot measure expenditures. Source: seethemoney.az.gov, Filer ID 102154.