STATE OF ARIZONA

Application for Serial Number
Initiative Petition
A.R.S. § 19-111

The undersigned intends to circulate and file an initiative petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Attached hereto is the full title and text, in no less than eight point type, of the measure or constitutional amendment intended to be initiated at the next general election.

This amendment to the Arizona Constitution would prohibit the state and local governments from increasing, limiting, setting or otherwise regulating the price of goods, services, loans and credit, or the method or timing of payment, in transactions between private parties. The amendment contains exceptions for government contracts; minimum wage laws in effect on December 31, 2019; utility rates; tuition at public universities and colleges; payday loans (which the government would still be able to limit or ban); generally applicable taxes and fees; and public emergencies. Existing or future laws that are inconsistent with the amendment would be invalid.

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By submitting this Application for Serial Number and checking all boxes below, I acknowledge the following:

✓ That I have received and will review the accompanying Instructions for Statewide Initiatives, including the Secretary of State’s recommended best practices for printing copies of the Statewide Initiative Petition to be circulated.

✓ That at the time of filing, I was provided instructions regarding accurate completion of the Statewide Initiative Petition form.

Applicant Signature: [Signature]
Date: 9/27/19

Office of the Secretary of State
1700 W. Washington Street
Phoenix, Arizona 85007
Rev. 03/04/2019
OFFICIAL TITLE

THE ECONOMIC FREEDOM ACT

A CONSTITUTIONAL AMENDMENT INITIATIVE MEASURE

AMENDING THE ARIZONA CONSTITUTION BY ADDING ARTICLE XXXI, SECTION 1; RELATING TO PROHIBITING MANDATORY PRICE TERMS

TEXT OF PROPOSED AMENDMENT

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

Section 1 Title

This constitutional amendment shall be known and may be cited as the Economic Freedom Act.

Section 2 Findings and Intent

(a) Economic freedom is what unleashes the ingenuity of the American spirit to strive to grow and prosper.

(b) The hallmark of a free society is the ability of autonomous individuals to decide for themselves whether and on what terms they wish to transact goods, services, or money.

(c) America’s economic prosperity has always been grounded in the principle that prices should be determined by the voluntary decisions of buyers and sellers in a free market, not the whims of politicians and government bureaucrats beholden to special interests.

(d) This initiative safeguards the fundamental freedom of contract by amending the Arizona Constitution to prohibit the government from dictating price terms in transactions between private persons. At the same time, however, the initiative preserves state and local governments’ flexibility to negotiate public contracts, enforce minimum wage laws, and regulate important public goods and services, such as utilities and tuition at state universities and community colleges.

Section 3 The Arizona Constitution is amended by adding Article XXXI, Section 1 as follows:

ARTICLE XXXI. ECONOMIC FREEDOM

Article XXXI, Section 1. PROHIBITION ON MANDATORY PRICE TERMS

(1) THE STATE, OR ANY COUNTY, CITY, TOWN, MUNICIPAL CORPORATION, OR OTHER POLITICAL SUBDIVISION OF THE STATE SHALL NOT PRESCRIBE, REQUIRE, DIRECT, REDUCE, CAP, INCREASE, LIMIT, MAINTAIN, OR OTHERWISE REGULATE A PRICE FOR ANY PRIVATE TRANSACTION IN THIS STATE.

(2) THIS ARTICLE SHALL HAVE NO APPLICATION TO ANY OF THE FOLLOWING:
A. LAWS OR REGULATIONS PRESCRIBING A MINIMUM WAGE FOR EMPLOYEES, IF IN EFFECT AS OF DECEMBER 31, 2019;

B. TAXES, FEES OR ASSESSMENTS IMPOSED BY A GOVERNMENTAL ENTITY, UNLESS LIABILITY FOR THE TAX, FEE OR ASSESSMENT OR THE RATE OR AMOUNT OF THE TAX, FEE OR ASSESSMENT IS CONDITIONED UPON A PARTY TO THE TRANSACTION CONTRACTING FOR, AGREETING TO, PAYING, OR RECEIVING AN AMOUNT GREATER OR LESS THAN A SPECIFIED PRICE;

C. PAYDAY LOANS OR DEFERRED PRESENTMENT LOANS; OR

D. ANY LAW OR REGULATION THAT OTHERWISE IS INCONSISTENT WITH THIS SECTION BUT IS REASONABLY NECESSARY TO REMEDY A PUBLIC EMERGENCY, PROVIDED THAT SUCH LAW OR REGULATION MUST BE NARROWLY TAILORED TO THE PUBLIC EMERGENCY AND ITS SCOPE AND DURATION MAY BE NO GREATER THAN REASONABLY NECESSARY TO REMEDY THE PUBLIC EMERGENCY.

(3) DEFINITIONS

A. "GOVERNMENTAL ENTITY" MEANS THE GOVERNMENT OF THE UNITED STATES, THE GOVERNMENT OF A FOREIGN COUNTRY, A TRIBAL GOVERNMENT, ANY STATE, ANY COUNTY, CITY, TOWN, MUNICIPALITY, SPECIAL TAXING DISTRICT, OR OTHER POLITICAL SUBDIVISION OF ANY STATE, OR ANY DEPARTMENT, AGENCY, INSTRUMENTALITY, BOARD, COMMISSION, AUTHORITY, PUBLIC CORPORATION OR OTHER PUBLIC ENTITY OF ANY OF THE FOREGOING OR CONTROLLED BY ANY OF THE FOREGOING, AND INCLUDES PUBLIC UNIVERSITIES, COMMUNITY COLLEGES, AND PUBLIC UTILITIES IN THIS STATE.

B. "PAYDAY LOANS OR DEFERRED PRESENTMENT LOANS" MEANS A TRANSACTION PURSUANT TO A WRITTEN AGREEMENT INVOLVING THE FOLLOWING COMBINATION OF ACTIVITIES IN EXCHANGE FOR A FEE: (I) ACCEPTING A REQUIRED CHECK OR SIMILAR PAYMENT INSTRUMENT DATED ON THE DATE IT WAS WRITTEN; AND (II) HOLDING THE CHECK OR SIMILAR PAYMENT INSTRUMENT FOR A PERIOD OF TIME PRIOR TO PRESENTMENT FOR PAYMENT OR DEPOSIT.

C. "PRICE" MEANS THE AMOUNT OF MONEY OR OTHER CONSIDERATION ASKED FOR OR GIVEN IN EXCHANGE FOR SOMETHING ELSE, AND INCLUDES THE PRINCIPAL AMOUNT, RATE OF INTEREST, AND METHOD OR TIMING OF PAYMENT IN CONNECTION WITH, OR INCIDENT TO, A TRANSACTION OF GOODS, SERVICES, MONEY, OR EXTENSION OF CREDIT.

D. "PRIVATE TRANSACTION" MEANS ANY PURCHASE, SALE, LOAN, LEASE, FINANCING OR TRANSFER OF GOODS, SERVICES, MONEY OR EXTENSIONS OF CREDIT BETWEEN OR AMONG TWO OR MORE PERSONS THAT ARE NOT GOVERNMENTAL ENTITIES, AND EXCLUDES ANY TRANSACTION TO WHICH A GOVERNMENTAL ENTITY IS A DIRECT PARTY.
E. "PUBLIC EMERGENCY" MEANS A SUBSTANTIAL AND IMMEDIATE THREAT TO PUBLIC HEALTH, WELFARE OR SAFETY WITHIN THE TERRITORIAL LIMITS OF THIS STATE OR ANY COUNTY, CITY, TOWN, OR OTHER POLITICAL SUBDIVISION THEREOF CAUSED BY FLOOD, EARTHQUAKE, HURRICANE, TORNADO, EXPLOSION, FIRE OR OTHER CATASTROPHE.

F. "PUBLIC UTILITIES" MEANS PUBLIC SERVICE CORPORATIONS, MUNICIPALLY OWNED SYSTEMS AND DISTRICTS SUBJECT TO ARTICLE XIII, § 7 OF THIS CONSTITUTION, POWER DISTRICTS, ELECTRICAL DISTRICTS, AGRICULTURAL IMPROVEMENT DISTRICTS OR IRRIGATION AND WATER CONSERVATION DISTRICTS ESTABLISHED PURSUANT TO THE LAWS OF THIS STATE.

(4) THE PROVISIONS OF THIS SECTION ARE SELF-EXECUTING.

(5) ANY LAW, REGULATION, ORDINANCE, RESOLUTION, OR POLICY THAT IS CONTRARY TO OR INCONSISTENT WITH THE PROVISIONS OF THIS SECTION IS VOID AND WITHOUT LEGAL EFFECT, REGARDLESS OF WHETHER SUCH LAW, REGULATION, ORDINANCE, RESOLUTION OR POLICY WAS ADOPTED OR APPROVED PRIOR TO, CONCOMITANTLY WITH, OR SUBSEQUENT TO THE ADOPTION OF THIS SECTION.

Section 4 Severability

If a provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect any other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 5 Submission to the Electorate

The Secretary of State shall submit this initiative measure to the qualified electors of the State of Arizona at the next general election, as provided by Article IV, Part 1, Section 1 of the Arizona Constitution.

Section 6 Standing & Fee Shifting

(a) The People of the State of Arizona desire that this initiative measure, if approved by the voters and thereafter challenged in court, be defended by the State of Arizona. In the event that the Attorney General fails to defend this Act or fails to appeal an adverse judgment against its validity or application, in whole or in part, in any court, the political committee sponsoring the petition in support of the Act, or any of its designated officers, representatives or successors, shall have standing to initiate or intervene in any action or proceeding to defend Act.

(b) A court shall award costs and reasonable attorneys’ fees to any person who initiates or intervenes in, and prevails on the merits of, any action or proceeding to enforce the terms of this Act pursuant to this section.