

CAMPAIGN FUNDS EXPENDITURE

RESTRICTIONS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tim M. Cosgrove

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Campaign and Financial Reporting Requirements by amending provisions related to personal use of campaign monies.

Highlighted Provisions:

This bill:

- ▶ defines "personal use expenditure" and provides a list of authorized and prohibited uses of campaign funds;
- ▶ provides for enforcement, investigation of complaints, and assessment of administrative penalties by the lieutenant governor;
- ▶ prohibits a candidate, a judge, or an officeholder from using campaign contributions for a personal use expenditure; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

20A-11-101, as last amended by Laws of Utah 2009, Chapters 60 and 361



- 28 **20A-11-201**, as last amended by Laws of Utah 2009, Chapters 227 and 361
- 29 **20A-11-301**, as last amended by Laws of Utah 2009, Chapters 227 and 361
- 30 **20A-11-402**, as last amended by Laws of Utah 2009, Chapter 227
- 31 **20A-11-1301**, as last amended by Laws of Utah 2009, Chapters 227 and 361
- 32 **20A-12-303**, as enacted by Laws of Utah 2001, Chapter 166

33 ENACTS:

34 **20A-11-104**, Utah Code Annotated 1953



36 *Be it enacted by the Legislature of the state of Utah:*

37 Section 1. Section **20A-11-101** is amended to read:

38 **20A-11-101. Definitions.**

39 As used in this chapter:

40 (1) "Address" means the number and street where an individual resides or where a
41 reporting entity has its principal office.

42 (2) "Ballot proposition" includes initiatives, referenda, proposed constitutional
43 amendments, and any other ballot propositions submitted to the voters that are authorized by
44 the Utah Code Annotated 1953.

45 (3) "Candidate" means any person who:

46 (a) files a declaration of candidacy for a public office; or

47 (b) receives contributions, makes expenditures, or gives consent for any other person to
48 receive contributions or make expenditures to bring about the person's nomination or election
49 to a public office.

50 (4) "Chief election officer" means:

51 (a) the lieutenant governor for state office candidates, legislative office candidates,
52 officeholders, political parties, political action committees, corporations, political issues
53 committees, and state school board candidates; and

54 (b) the county clerk for local school board candidates.

55 (5) "Continuing political party" means an organization of voters that participated in the
56 last regular general election and polled a total vote equal to 2% or more of the total votes cast
57 for all candidates for the United States House of Representatives.

58 (6) (a) "Contribution" means any of the following when done for political purposes:

59 (i) a gift, subscription, donation, loan, advance, or deposit of money or anything of
60 value given to the filing entity;

61 (ii) an express, legally enforceable contract, promise, or agreement to make a gift,
62 subscription, donation, unpaid or partially unpaid loan, advance, or deposit of money or
63 anything of value to the filing entity;

64 (iii) any transfer of funds from another reporting entity or a corporation to the filing
65 entity;

66 (iv) compensation paid by any person or reporting entity other than the filing entity for
67 personal services provided without charge to the filing entity;

68 (v) remuneration from any organization or its directly affiliated organization that has a
69 registered lobbyist to compensate a legislator for a loss of salary or income while the
70 Legislature is in session;

71 (vi) salaries or other remuneration paid to a legislator by any agency or subdivision of
72 the state, including school districts, for the period the Legislature is in session; and

73 (vii) goods or services provided to or for the benefit of the filing entity at less than fair
74 market value.

75 (b) "Contribution" does not include:

76 (i) services provided without compensation by individuals volunteering a portion or all
77 of their time on behalf of the filing entity;

78 (ii) money lent to the filing entity by a financial institution in the ordinary course of
79 business; or

80 (iii) goods or services provided for the benefit of a candidate or political party at less
81 than fair market value that are not authorized by or coordinated with the candidate or political
82 party.

83 (7) "Coordinated with" means that goods or services provided for the benefit of a
84 candidate or political party are provided:

85 (a) with the candidate's or political party's prior knowledge, if the candidate or political
86 party does not object;

87 (b) by agreement with the candidate or political party;

88 (c) in coordination with the candidate or political party; or

89 (d) using official logos, slogans, and similar elements belonging to a candidate or

90 political party.

91 (8) (a) "Corporation" means a domestic or foreign, profit or nonprofit, business
92 organization that is registered as a corporation or is authorized to do business in a state and
93 makes any expenditure from corporate funds for:

94 (i) the purpose of expressly advocating for political purposes; or

95 (ii) the purpose of expressly advocating the approval or the defeat of any ballot
96 proposition.

97 (b) "Corporation" does not mean:

98 (i) a business organization's political action committee or political issues committee; or

99 (ii) a business entity organized as a partnership or a sole proprietorship.

100 (9) "Detailed listing" means:

101 (a) for each contribution or public service assistance:

102 (i) the name and address of the individual or source making the contribution or public
103 service assistance;

104 (ii) the amount or value of the contribution or public service assistance; and

105 (iii) the date the contribution or public service assistance was made; and

106 (b) for each expenditure:

107 (i) the amount of the expenditure;

108 (ii) the person or entity to whom it was disbursed;

109 (iii) the specific purpose, item, or service acquired by the expenditure; and

110 (iv) the date the expenditure was made.

111 (10) "Election" means each:

112 (a) regular general election;

113 (b) regular primary election; and

114 (c) special election at which candidates are eliminated and selected.

115 (11) (a) "Expenditure" means:

116 (i) any disbursement from contributions, receipts, or from the separate bank account
117 required by this chapter;

118 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money,
119 or anything of value made for political purposes;

120 (iii) an express, legally enforceable contract, promise, or agreement to make any

121 purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of
122 value for political purposes;

123 (iv) compensation paid by a corporation or filing entity for personal services rendered
124 by a person without charge to a reporting entity;

125 (v) a transfer of funds between the filing entity and a candidate's personal campaign
126 committee; or

127 (vi) goods or services provided by the filing entity to or for the benefit of another
128 reporting entity for political purposes at less than fair market value.

129 (b) "Expenditure" does not include:

130 (i) services provided without compensation by individuals volunteering a portion or all
131 of their time on behalf of a reporting entity;

132 (ii) money lent to a reporting entity by a financial institution in the ordinary course of
133 business; or

134 (iii) anything listed in Subsection (11)(a) that is given by a corporation or reporting
135 entity to candidates for office or officeholders in states other than Utah.

136 (12) "Filing entity" means the reporting entity that is filing a financial statement
137 required by this chapter.

138 (13) "Financial statement" includes any summary report, interim report, verified
139 financial statement, or other statement disclosing contributions, expenditures, receipts,
140 donations, or disbursements that is required by this chapter.

141 (14) "Governing board" means the individual or group of individuals that determine the
142 candidates and committees that will receive expenditures from a political action committee.

143 (15) "Incorporation" means the process established by Title 10, Chapter 2, Part 1,
144 Incorporation, by which a geographical area becomes legally recognized as a city or town.

145 (16) "Incorporation election" means the election authorized by Section 10-2-111.

146 (17) "Incorporation petition" means a petition authorized by Section 10-2-109.

147 (18) "Individual" means a natural person.

148 (19) "Interim report" means a report identifying the contributions received and
149 expenditures made since the last report.

150 (20) "Legislative office" means the office of state senator, state representative, speaker
151 of the House of Representatives, president of the Senate, and the leader, whip, and assistant

152 whip of any party caucus in either house of the Legislature.

153 (21) "Legislative office candidate" means a person who:

154 (a) files a declaration of candidacy for the office of state senator or state representative;

155 (b) declares himself to be a candidate for, or actively campaigns for, the position of
156 speaker of the House of Representatives, president of the Senate, or the leader, whip, and
157 assistant whip of any party caucus in either house of the Legislature; and

158 (c) receives contributions, makes expenditures, or gives consent for any other person to
159 receive contributions or make expenditures to bring about the person's nomination or election
160 to a legislative office.

161 (22) "Newly registered political party" means an organization of voters that has
162 complied with the petition and organizing procedures of this chapter to become a registered
163 political party.

164 (23) "Officeholder" means a person who holds a public office.

165 (24) "Party committee" means any committee organized by or authorized by the
166 governing board of a registered political party.

167 (25) "Person" means both natural and legal persons, including individuals, business
168 organizations, personal campaign committees, party committees, political action committees,
169 political issues committees, labor unions, and labor organizations.

170 (26) "Personal campaign committee" means the committee appointed by a candidate to
171 act for the candidate as provided in this chapter.

172 (27) "Personal use expenditure" has the same meaning as provided under Section
173 20A-11-104.

174 [~~(27)~~] (28) (a) "Political action committee" means an entity, or any group of
175 individuals or entities within or outside this state, a major purpose of which is to:

176 (i) solicit or receive contributions from any other person, group, or entity for political
177 purposes; or

178 (ii) make expenditures to expressly advocate for any person to refrain from voting or to
179 vote for or against any candidate for a municipal or county office.

180 (b) "Political action committee" includes groups affiliated with a registered political
181 party but not authorized or organized by the governing board of the registered political party
182 that receive contributions or makes expenditures for political purposes.

- 183 (c) "Political action committee" does not mean:
- 184 (i) a party committee;
- 185 (ii) any entity that provides goods or services to a candidate or committee in the regular
186 course of its business at the same price that would be provided to the general public;
- 187 (iii) an individual;
- 188 (iv) individuals who are related and who make contributions from a joint checking
189 account;
- 190 (v) a corporation, except a corporation a major purpose of which is to act as a political
191 action committee; or
- 192 (vi) a personal campaign committee.
- 193 [~~28~~] (29) "Political convention" means a county or state political convention held by
194 a registered political party to select candidates.
- 195 [~~29~~] (30) (a) "Political issues committee" means an entity, or any group of individuals
196 or entities within or outside this state, a major purpose of which is to:
- 197 (i) solicit or receive donations from any other person, group, or entity to assist in
198 placing a ballot proposition on the ballot, assist in keeping a ballot proposition off the ballot, or
199 to advocate that a voter refrain from voting or vote for or vote against any ballot proposition;
- 200 (ii) make expenditures to expressly advocate for any person to sign or refuse to sign a
201 ballot proposition or incorporation petition or refrain from voting, vote for, or vote against any
202 proposed ballot proposition or an incorporation in an incorporation election; or
- 203 (iii) make expenditures to assist in qualifying or placing a ballot proposition on the
204 ballot or to assist in keeping a ballot proposition off the ballot.
- 205 (b) "Political issues committee" does not mean:
- 206 (i) a registered political party or a party committee;
- 207 (ii) any entity that provides goods or services to an individual or committee in the
208 regular course of its business at the same price that would be provided to the general public;
- 209 (iii) an individual;
- 210 (iv) individuals who are related and who make contributions from a joint checking
211 account; or
- 212 (v) a corporation, except a corporation a major purpose of which is to act as a political
213 issues committee.

214 [~~(30)~~] (31) (a) "Political issues contribution" means any of the following:

215 (i) a gift, subscription, unpaid or partially unpaid loan, advance, or deposit of money or
216 anything of value given to a political issues committee;

217 (ii) an express, legally enforceable contract, promise, or agreement to make a political
218 issues donation to influence the approval or defeat of any ballot proposition;

219 (iii) any transfer of funds received by a political issues committee from a reporting
220 entity;

221 (iv) compensation paid by another reporting entity for personal services rendered
222 without charge to a political issues committee; and

223 (v) goods or services provided to or for the benefit of a political issues committee at
224 less than fair market value.

225 (b) "Political issues contribution" does not include:

226 (i) services provided without compensation by individuals volunteering a portion or all
227 of their time on behalf of a political issues committee; or

228 (ii) money lent to a political issues committee by a financial institution in the ordinary
229 course of business.

230 [~~(31)~~] (32) (a) "Political issues expenditure" means any of the following:

231 (i) any payment from political issues contributions made for the purpose of influencing
232 the approval or the defeat of:

233 (A) a ballot proposition; or

234 (B) an incorporation petition or incorporation election;

235 (ii) a purchase, payment, distribution, loan, advance, deposit, or gift of money made for
236 the express purpose of influencing the approval or the defeat of:

237 (A) a ballot proposition; or

238 (B) an incorporation petition or incorporation election;

239 (iii) an express, legally enforceable contract, promise, or agreement to make any
240 political issues expenditure;

241 (iv) compensation paid by a reporting entity for personal services rendered by a person
242 without charge to a political issues committee; or

243 (v) goods or services provided to or for the benefit of another reporting entity at less
244 than fair market value.

245 (b) "Political issues expenditure" does not include:

246 (i) services provided without compensation by individuals volunteering a portion or all
247 of their time on behalf of a political issues committee; or

248 (ii) money lent to a political issues committee by a financial institution in the ordinary
249 course of business.

250 [~~(32)~~] (33) "Political purposes" means an act done with the intent or in a way to
251 influence or tend to influence, directly or indirectly, any person to refrain from voting or to vote
252 for or against any candidate for public office or municipal or county office at any caucus,
253 political convention, primary, or election.

254 [~~(33)~~] (34) "Primary election" means any regular primary election held under the
255 election laws.

256 [~~(34)~~] (35) "Public office" means the office of governor, lieutenant governor, state
257 auditor, state treasurer, attorney general, state or local school board member, state senator, state
258 representative, speaker of the House of Representatives, president of the Senate, and the leader,
259 whip, and assistant whip of any party caucus in either house of the Legislature.

260 [~~(35)~~] (36) (a) "Public service assistance" means the following when given or provided
261 to an officeholder to defray the costs of functioning in a public office or aid the officeholder to
262 communicate with the officeholder's constituents:

263 (i) a gift, subscription, donation, unpaid or partially unpaid loan, advance, or deposit of
264 money or anything of value to an officeholder; or

265 (ii) goods or services provided at less than fair market value to or for the benefit of the
266 officeholder.

267 (b) "Public service assistance" does not include:

268 (i) anything provided by the state;

269 (ii) services provided without compensation by individuals volunteering a portion or all
270 of their time on behalf of an officeholder;

271 (iii) money lent to an officeholder by a financial institution in the ordinary course of
272 business;

273 (iv) news coverage or any publication by the news media; or

274 (v) any article, story, or other coverage as part of any regular publication of any
275 organization unless substantially all the publication is devoted to information about the

276 officeholder.

277 [~~(36)~~] (37) "Publicly identified class of individuals" means a group of 50 or more
278 individuals sharing a common occupation, interest, or association that contribute to a political
279 action committee or political issues committee and whose names can be obtained by contacting
280 the political action committee or political issues committee upon whose financial report they
281 are listed.

282 [~~(37)~~] (38) "Receipts" means contributions and public service assistance.

283 [~~(38)~~] (39) "Registered lobbyist" means a person registered under Title 36, Chapter 11,
284 Lobbyist Disclosure and Regulation Act.

285 [~~(39)~~] (40) "Registered political action committee" means any political action
286 committee that is required by this chapter to file a statement of organization with the lieutenant
287 governor's office.

288 [~~(40)~~] (41) "Registered political issues committee" means any political issues
289 committee that is required by this chapter to file a statement of organization with the lieutenant
290 governor's office.

291 [~~(41)~~] (42) "Registered political party" means an organization of voters that:

292 (a) participated in the last regular general election and polled a total vote equal to 2%
293 or more of the total votes cast for all candidates for the United States House of Representatives
294 for any of its candidates for any office; or

295 (b) has complied with the petition and organizing procedures of this chapter.

296 [~~(42)~~] (43) "Reporting entity" means a candidate, a candidate's personal campaign
297 committee, an officeholder, a party committee, a political action committee, and a political
298 issues committee.

299 [~~(43)~~] (44) "School board office" means the office of state school board or local school
300 board.

301 [~~(44)~~] (45) (a) "Source" means the person or entity that is the legal owner of the
302 tangible or intangible asset that comprises the contribution.

303 (b) "Source" means, for political action committees and corporations, the political
304 action committee and the corporation as entities, not the contributors to the political action
305 committee or the owners or shareholders of the corporation.

306 [~~(45)~~] (46) "State office" means the offices of governor, lieutenant governor, attorney

307 general, state auditor, and state treasurer.

308 [~~(46)~~] (47) "State office candidate" means a person who:

309 (a) files a declaration of candidacy for a state office; or

310 (b) receives contributions, makes expenditures, or gives consent for any other person to
311 receive contributions or make expenditures to bring about the person's nomination or election
312 to a state office.

313 [~~(47)~~] (48) "Summary report" means the year end report containing the summary of a
314 reporting entity's contributions and expenditures.

315 [~~(48)~~] (49) "Supervisory board" means the individual or group of individuals that
316 allocate expenditures from a political issues committee.

317 Section 2. Section **20A-11-104** is enacted to read:

318 **20A-11-104. Personal Use Expenditure -- Authorized and Prohibited Uses of**
319 **Campaign Funds - -- Enforcement -- Penalties.**

320 (1) (a) As used in this chapter, "personal use expenditure" means an expenditure that
321 primarily furthers an individual or family purpose not connected with the performance of a
322 duty of or activity as a candidate or an officeholder.

323 (b) "Personal use expenditure" includes:

324 (i) a mortgage, rent, utility, or vehicle payment;

325 (ii) a household food item or supply;

326 (iii) a dry cleaning or laundry expense;

327 (iv) clothing, except for an item used for a candidate's campaign, such as a shirt or hat
328 bearing a campaign slogan or logo;

329 (v) a funeral, cremation, or burial expense;

330 (vi) a tuition payment, except as provided by Subsection (2)(g)(vi);

331 (vii) an admission to a sporting event, concert, theater, or other form of entertainment,
332 except as provided by Subsection (2)(g)(v);

333 (viii) dues, fees, or gratuities at a country club, health club, or recreational facility;

334 (ix) a salary payment made to:

335 (A) a candidate; or

336 (B) a person who has not provided bona fide services to a candidate or officeholder;

337 (x) a vacation;

- 338 (xi) a vehicle expense, except as provided by Subsection (2)(g)(i);
 339 (xii) a meal expense, except as provided by Subsection (2)(g)(ii);
 340 (xiii) a travel expense, except as provided by Subsection (2)(g)(iii);
 341 (xiv) a charitable donation, except as provided by ~~H→~~ [Subsection] Subsections ~~←H~~ (2)(i)
 341a ~~H→~~ or (j)(i) ~~←H~~ ;
 342 (xv) a payment of an administrative, civil, or criminal penalty;
 343 (xvi) satisfaction of a personal debt;
 344 (xvii) a personal service, including the service of an attorney, accountant, physician, or
 345 other professional person, except as provided by Subsection (2)(g)(iv);
 346 (xviii) a membership fee for a professional or service organization ~~H→~~ , except as
 346a provided by Subsection (2)(k) ~~←H~~ ; and
 347 (xix) a payment in excess of the fair market value of the item or service purchased.
 348 (2) "Personal use expenditure" does not mean an expenditure made:
 349 (a) for a political purpose;
 350 (b) for candidacy for public office;
 351 (c) to fulfill a duty of an officeholder;
 352 (d) for a donation to a registered political party;
 353 (e) for a contribution to another candidate's campaign account subject to any
 354 limitations under federal or state law;
 355 (f) to return all or a portion of a contribution to a contributor;
 356 (g) for the following items, if made in connection with the candidacy for public office
 357 or a duty of an officeholder:
 358 (i) a mileage allowance at the rate made by the Division of Finance under Section
 359 63A-3-107;
 360 (ii) a meal expense;
 361 (iii) a travel expense;
 362 (iv) a payment for a service provided by an attorney or accountant;
 363 (v) for a candidate's or officeholder's ticket to a meal or event, the primary purpose of
 364 which is to promote the social, business, commercial, or economic well-being of the
 365 candidate's or officeholder's community;
 366 (vi) a tuition payment or registration fee to a meeting or conference;
 367 (vii) a gift; ~~H→~~ [or] ~~←H~~
 368 (viii) an office supply or furnishing; ~~H→~~ or
 368a (ix) educational material; ~~←H~~

- 369 (h) to purchase or mail informational material, a survey, or a greeting card: ~~Ĥ→ [and] ←Ĥ~~
 370 (i) for admission to or attendance at an event, the primary purpose of which is
 371 charitable solicitation, as defined in Section 13-22-2 ~~Ĥ→ [:] ;~~
 371a **(j) sponsorship of an event, the primary purpose of which is:**
 371b **(i) charitable solicitation, as defined in Section 13-22-2; or**
 371c **(ii) to solicit a contribution reportable under:**
 371d **(A) Title 20A, Chapter 11, Campaign and Financial Reporting Requirements;**
 371e **(B) Title 20A, Chapter 12, Selection and Election of Judges; or**
 371f **(C) 2 U.S.C. Sec. 434; and**
 371g **(k) to pay membership dues to a national organization of public office holders. ←Ĥ**
 372 (3) (a) The lieutenant governor shall enforce this section by:
 373 (i) ~~Ĥ→ [inspecting and] ←Ĥ~~ evaluating a financial statement to identify a personal use
 374 expenditure;
 375 (ii) investigating a complaint of an alleged violation of this section; or
 376 (iii) commencing an informal adjudicative proceeding in accordance with Title 63G,
 377 Chapter 4, Administrative Procedures Act, if the lieutenant governor has reason to believe a
 378 candidate or officeholder has made a personal use expenditure.
 379 (b) Following the proceeding, the lieutenant governor may issue a signed order
 380 requiring a candidate or officeholder who has made a personal use expenditure to:
 381 (i) remit an administrative penalty of an amount equal to 50% of the personal use
 382 expenditure to the lieutenant governor; and
 383 (ii) deposit the amount of the personal use expenditure in the campaign account from
 384 which the personal use expenditure was disbursed.
 385 (c) The lieutenant governor shall deposit money received under Subsection (3)(b)(i) in
 386 the General Fund.
 387 Section 3. Section **20A-11-201** is amended to read:
 388 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**
 389 (1) (a) Each state office candidate or the candidate's personal campaign committee
 390 shall deposit each contribution and public service assistance received in one or more separate
 391 campaign accounts in a financial institution.
 392 (b) ~~[The] A~~ state office candidate or ~~[the] a~~ candidate's personal campaign committee
 393 ~~[may use the monies in those accounts only for political purposes.] may not use money~~
 394 deposited in a campaign account for:
 395 (i) a personal use expenditure; or
 396 (ii) an expenditure prohibited by law.
 397 (2) A state office candidate or the candidate's personal campaign committee may not
 398 deposit or mingle any contributions received into a personal or business account.
 399 (3) If a person who is no longer a state office candidate chooses not to expend the

400 monies remaining in a campaign account, the person shall continue to file the year-end
401 summary report required by Section 20A-11-203 until the statement of dissolution and final
402 summary report required by Section 20A-11-205 are filed with the lieutenant governor.

403 (4) (a) Except as provided in Subsection (4)(b) and Section 20A-11-402, a person who
404 is no longer a state office candidate may not expend or transfer the monies in a campaign
405 account in a manner that would cause the former state office candidate to recognize the monies
406 as taxable income under federal tax law.

407 (b) A person who is no longer a state office candidate may transfer the monies in a
408 campaign account in a manner that would cause the former state office candidate to recognize
409 the monies as taxable income under federal tax law if the transfer is made to a campaign
410 account for federal office.

411 (5) (a) As used in this Subsection (5) and Section 20A-11-204, "received" means:

412 (i) for a cash contribution, that the cash is given to a state office candidate or a member
413 of the candidate's personal campaign committee;

414 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
415 instrument or check is negotiated; and

416 (iii) for any other type of contribution, that any portion of the contribution's benefit
417 inures to the state office candidate.

418 (b) Each state office candidate shall report each contribution and public service
419 assistance to the lieutenant governor within 30 days after the contribution or public service
420 assistance is received.

421 Section 4. Section **20A-11-301** is amended to read:

422 **20A-11-301. Legislative office candidate -- Campaign requirements.**

423 (1) (a) Each legislative office candidate shall deposit each contribution and public
424 service assistance received in one or more separate accounts in a financial institution that are
425 dedicated only to that purpose.

426 (b) A legislative office candidate or the candidate's personal campaign committee may
427 not use money deposited in an account described in Subsection (1)(a) for:

428 (i) a personal use expenditure; or

429 (ii) an expenditure prohibited by law.

430 (2) A legislative office candidate may not deposit or mingle any contributions or public

431 service assistance received into a personal or business account.

432 ~~[(3) A legislative office candidate may not make any political expenditures prohibited~~
433 ~~by law.]~~

434 ~~[(4)]~~ (3) If a person who is no longer a legislative candidate chooses not to expend the
435 monies remaining in a campaign account, the person shall continue to file the year-end
436 summary report required by Section 20A-11-302 until the statement of dissolution and final
437 summary report required by Section 20A-11-304 are filed with the lieutenant governor.

438 ~~[(5)]~~ (4) (a) Except as provided in Subsection ~~[(5)]~~ (4)(b) and Section 20A-11-402, a
439 person who is no longer a legislative office candidate may not expend or transfer the monies in
440 a campaign account in a manner that would cause the former legislative office candidate to
441 recognize the monies as taxable income under federal tax law.

442 (b) A person who is no longer a legislative office candidate may transfer the monies in
443 a campaign account in a manner that would cause the former legislative office candidate to
444 recognize the monies as taxable income under federal tax law if the transfer is made to a
445 campaign account for federal office.

446 ~~[(6)]~~ (5) (a) As used in this Subsection ~~[(6)]~~ (5) and Section 20A-11-303, "received"
447 means:

448 (i) for a cash contribution, that the cash is given to a legislative office candidate or a
449 member of the candidate's personal campaign committee;

450 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
451 instrument or check is negotiated; and

452 (iii) for any other type of contribution, that any portion of the contribution's benefit
453 inures to the legislative office candidate.

454 (b) Each legislative office candidate shall report each contribution and public service
455 assistance to the lieutenant governor within 30 days after the contribution or public service
456 assistance is received.

457 Section 5. Section **20A-11-402** is amended to read:

458 **20A-11-402. Officeholder financial reporting requirements -- Termination of**
459 **duty to report.**

460 (1) An officeholder is active and subject to reporting requirements until the
461 officeholder has filed a statement of dissolution with the lieutenant governor stating that:

462 (a) the officeholder is no longer receiving contributions or public service assistance and
463 is no longer making expenditures;

464 (b) the ending balance on the last summary report filed is zero and the balance in the
465 separate bank account required by Sections 20A-11-201 and 20A-11-301 is zero; and

466 (c) a final summary report in the form required by Section 20A-11-401 showing a zero
467 balance is attached to the statement of dissolution.

468 (2) A statement of dissolution and a final summary report may be filed at any time.

469 (3) Each officeholder shall continue to file the year-end summary report required by
470 Section 20A-11-401 until the statement of dissolution and final summary report required by
471 this section are filed with the lieutenant governor.

472 (4) An officeholder may not use a contribution deposited in an account in accordance
473 with this chapter for:

474 (a) a personal use expenditure; or

475 (b) an expenditure prohibited by law.

476 [~~4~~] (5) (a) Except as provided in Subsection [~~4~~] (5)(b), a person who is no longer an
477 officeholder may not expend or transfer the monies in a campaign account in a manner that
478 would cause the former officeholder to recognize the monies as taxable income under federal
479 tax law.

480 (b) A person who is no longer an officeholder may transfer the monies in a campaign
481 account in a manner that would cause the former officeholder to recognize the monies as
482 taxable income under federal tax law if the transfer is made to a campaign account for federal
483 office.

484 Section 6. Section **20A-11-1301** is amended to read:

485 **20A-11-1301. School board office candidate -- Campaign requirements.**

486 (1) (a) Each school board office candidate shall deposit each contribution and public
487 service assistance received in one or more separate accounts in a financial institution that are
488 dedicated only to that purpose.

489 (b) A school board office candidate may not use money deposited in an account
490 described in Subsection (1)(a) for:

491 (i) a personal use expenditure; or

492 (ii) an expenditure prohibited by law.

493 (2) A school board office candidate may not deposit or mingle any contributions or
494 public service assistance received into a personal or business account.

495 (3) A school board office candidate may not make any political expenditures prohibited
496 by law.

497 (4) If a person who is no longer a school board candidate chooses not to expend the
498 monies remaining in a campaign account, the person shall continue to file the year-end
499 summary report required by Section 20A-11-1302 until the statement of dissolution and final
500 summary report required by Section 20A-11-1304 are filed with:

501 (a) the lieutenant governor in the case of a state school board candidate; and

502 (b) the county clerk, in the case of a local school board candidate.

503 (5) (a) Except as provided in Subsection (5)(b) and Section 20A-11-402, a person who
504 is no longer a school board candidate may not expend or transfer the monies in a campaign
505 account in a manner that would cause the former school board candidate to recognize the
506 monies as taxable income under federal tax law.

507 (b) A person who is no longer a school board candidate may transfer the monies in a
508 campaign account in a manner that would cause the former school board candidate to recognize
509 the monies as taxable income under federal tax law if the transfer is made to a campaign
510 account for federal office.

511 (6) (a) As used in this Subsection (6) and Section 20A-11-1303, "received" means:

512 (i) for a cash contribution, that the cash is given to a legislative office candidate or a
513 member of the candidate's personal campaign committee;

514 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
515 instrument or check is negotiated; and

516 (iii) for any other type of contribution, that any portion of the contribution's benefit
517 inures to the legislative office candidate.

518 (b) Each school board office candidate shall report each contribution and public service
519 assistance to the lieutenant governor within 30 days after the contribution or public service
520 assistance is received.

521 Section 7. Section **20A-12-303** is amended to read:

522 **20A-12-303. Separate account for campaign funds.**

523 (1) (a) The judge or the judge's personal campaign committee shall deposit each

524 contribution in one or more separate personal campaign accounts in a financial institution.

525 (b) A judge may not use money deposited in a campaign account for:

526 (i) a personal use expenditure, as defined in Section 20A-11-104; or

527 (ii) an expenditure prohibited by law.

528 (2) The judge or the judge's personal campaign committee may not deposit or mingle

529 any contributions received into a personal or business account.

Legislative Review Note

as of 1-29-10 10:46 AM

Office of Legislative Research and General Counsel

H.B. 124 - Campaign Funds Expenditure Restrictions

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
