

CAMPAIGN CONTRIBUTIONS LIMITS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca Chavez-Houck

Senate Sponsor: _____

LONG TITLE

General Description:

This bill establishes campaign contribution limits.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ establishes contribution limits;
- ▶ makes a violation of contribution limits a class A misdemeanor; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect January 1, 2013.

Utah Code Sections Affected:

AMENDS:

20A-11-101, as last amended by Laws of Utah 2010, Chapters 197, 246, and 389

ENACTS:

- 20A-11-604**, Utah Code Annotated 1953
- 20A-11-705**, Utah Code Annotated 1953
- 20A-11-1504**, Utah Code Annotated 1953
- 20A-11-1701**, Utah Code Annotated 1953



28 20A-11-1702, Utah Code Annotated 1953



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

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

32 **20A-11-101. Definitions.**

33 As used in this chapter:

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

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

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

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

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

44 (4) "Cash" means currency or coinage that constitutes legal tender.

45 [~~4~~] (5) "Chief election officer" means:

46 (a) the lieutenant governor for state office candidates, legislative office candidates,
47 officeholders, political parties, political action committees, corporations, political issues
48 committees, state school board candidates, judges, and labor organizations, as defined in
49 Section 20A-11-1501; and

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

51 [~~5~~] (6) (a) "Contribution" means any of the following when done for political
52 purposes:

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

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

58 (iii) any transfer of funds from another reporting entity to the filing entity;

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

61 (v) remuneration from:

62 (A) any organization or its directly affiliated organization that has a registered lobbyist;

63 or

64 (B) any agency or subdivision of the state, including school districts; and

65 (vi) goods or services provided to or for the benefit of the filing entity at less than fair
66 market value.

67 (b) "Contribution" does not include:

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

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

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

75 (7) "Contribution" cycle means a two-year period of time:

76 (a) beginning January 1, 2013, and each January 1 of an odd-numbered year thereafter;

77 and

78 (b) ending December 31 of an even-numbered year immediately following an odd
79 numbered year described in Subsection (7)(a).

80 [~~6~~] (8) "Coordinated with" means that goods or services provided for the benefit of a
81 candidate or political party are provided:

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

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

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

86 (d) using official logos, slogans, and similar elements belonging to a candidate or
87 political party.

88 [~~7~~] (9) (a) "Corporation" means a domestic or foreign, profit or nonprofit, business
89 organization that is registered as a corporation or is authorized to do business in a state and

90 makes any expenditure from corporate funds for:

- 91 (i) the purpose of expressly advocating for political purposes; or
- 92 (ii) the purpose of expressly advocating the approval or the defeat of any ballot
- 93 proposition.

94 (b) "Corporation" does not mean:

- 95 (i) a business organization's political action committee or political issues committee; or
- 96 (ii) a business entity organized as a partnership or a sole proprietorship.

97 [~~8~~] (10) "Detailed listing" means:

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

- 99 (i) the name and address of the individual or source making the contribution or public
- 100 service assistance;

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

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

103 (b) for each expenditure:

104 (i) the amount of the expenditure;

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

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

107 (iv) the date the expenditure was made.

108 [~~9~~] (11) "Election" means each:

109 (a) regular general election;

110 (b) regular primary election; and

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

112 [~~10~~] (12) "Electioneering communication" means a communication that:

113 (a) has at least a value of \$10,000;

114 (b) clearly identifies a candidate or judge; and

115 (c) is disseminated through the Internet, newspaper, magazine, outdoor advertising

116 facility, direct mailing, broadcast, cable, or satellite provider within 45 days of the clearly

117 identified candidate's or judge's election date.

118 [~~11~~] (13) (a) "Expenditure" means:

119 (i) any disbursement from contributions, receipts, or from the separate bank account

120 required by this chapter;

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

123 (iii) an express, legally enforceable contract, promise, or agreement to make any
124 purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of
125 value for political purposes;

126 (iv) compensation paid by a filing entity for personal services rendered by a person
127 without charge to a reporting entity;

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

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

132 (b) "Expenditure" does not include:

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

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

137 (iii) anything listed in Subsection [~~(11)~~] (13)(a) that is given by a reporting entity to
138 candidates for office or officeholders in states other than Utah.

139 [~~(12)~~] (14) "Filing entity" means the reporting entity that is required to file a financial
140 statement required by this chapter or Chapter 12, Part 2, Judicial Retention Elections.

141 [~~(13)~~] (15) "Financial statement" includes any summary report, interim report, verified
142 financial statement, or other statement disclosing contributions, expenditures, receipts,
143 donations, or disbursements that is required by this chapter or Chapter 12, Part 2, Judicial
144 Retention Elections.

145 [~~(14)~~] (16) "Governing board" means the individual or group of individuals that
146 determine the candidates and committees that will receive expenditures from a political action
147 committee, political party, or corporation.

148 [~~(15)~~] (17) "Incorporation" means the process established by Title 10, Chapter 2, Part
149 1, Incorporation, by which a geographical area becomes legally recognized as a city or town.

150 [~~(16)~~] (18) "Incorporation election" means the election authorized by Section 10-2-111.

151 [~~(17)~~] (19) "Incorporation petition" means a petition authorized by Section 10-2-109.

152 [~~(18)~~] (20) "Individual" means a natural person.

153 [~~(19)~~] (21) "Interim report" means a report identifying the contributions received and
154 expenditures made since the last report.

155 [~~(20)~~] (22) "Legislative office" means the office of state senator, state representative,
156 speaker of the House of Representatives, president of the Senate, and the leader, whip, and
157 assistant whip of any party caucus in either house of the Legislature.

158 [~~(21)~~] (23) "Legislative office candidate" means a person who:

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

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

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

166 [~~(22)~~] (24) "Officeholder" means a person who holds a public office.

167 [~~(23)~~] (25) "Party committee" means any committee organized by or authorized by the
168 governing board of a registered political party.

169 [~~(24)~~] (26) "Person" means both natural and legal persons, including individuals,
170 business organizations, personal campaign committees, party committees, political action
171 committees, political issues committees, and labor organizations, as defined in Section
172 20A-11-1501.

173 [~~(25)~~] (27) "Personal campaign committee" means the committee appointed by a
174 candidate to act for the candidate as provided in this chapter.

175 [~~(26)~~] (28) "Personal use expenditure" has the same meaning as provided under Section
176 20A-11-104.

177 [~~(27)~~] (29) (a) "Political action committee" means an entity, or any group of
178 individuals or entities within or outside this state, a major purpose of which is to:

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

181 (ii) make expenditures to expressly advocate for any person to refrain from voting or to
182 vote for or against any candidate or person seeking election to a municipal or county office.

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

186 (c) "Political action committee" does not mean:

187 (i) a party committee;

188 (ii) any entity that provides goods or services to a candidate or committee in the regular
189 course of its business at the same price that would be provided to the general public;

190 (iii) an individual;

191 (iv) individuals who are related and who make contributions from a joint checking
192 account;

193 (v) a corporation, except a corporation a major purpose of which is to act as a political
194 action committee; or

195 (vi) a personal campaign committee.

196 [~~(28)~~] (30) "Political convention" means a county or state political convention held by
197 a registered political party to select candidates.

198 [~~(29)~~] (31) (a) "Political issues committee" means an entity, or any group of individuals
199 or entities within or outside this state, a major purpose of which is to:

200 (i) solicit or receive donations from any other person, group, or entity to assist in
201 placing a ballot proposition on the ballot, assist in keeping a ballot proposition off the ballot, or
202 to advocate that a voter refrain from voting or vote for or vote against any ballot proposition;

203 (ii) make expenditures to expressly advocate for any person to sign or refuse to sign a
204 ballot proposition or incorporation petition or refrain from voting, vote for, or vote against any
205 proposed ballot proposition or an incorporation in an incorporation election; or

206 (iii) make expenditures to assist in qualifying or placing a ballot proposition on the
207 ballot or to assist in keeping a ballot proposition off the ballot.

208 (b) "Political issues committee" does not mean:

209 (i) a registered political party or a party committee;

210 (ii) any entity that provides goods or services to an individual or committee in the
211 regular course of its business at the same price that would be provided to the general public;

212 (iii) an individual;

213 (iv) individuals who are related and who make contributions from a joint checking

214 account; or

215 (v) a corporation, except a corporation a major purpose of which is to act as a political
216 issues committee.

217 [~~30~~] (32) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

233 [~~31~~] (33) (a) "Political issues expenditure" means any of the following:

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

236 (A) a ballot proposition; or

237 (B) an incorporation petition or incorporation election;

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

240 (A) a ballot proposition; or

241 (B) an incorporation petition or incorporation election;

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

244 (iv) compensation paid by a reporting entity for personal services rendered by a person

245 without charge to a political issues committee; or

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

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

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

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

253 [~~(32)~~] (34) "Political purposes" means an act done with the intent or in a way to
254 influence or tend to influence, directly or indirectly, any person to refrain from voting or to vote
255 for or against any candidate or a person seeking a municipal or county office at any caucus,
256 political convention, or election.

257 [~~(33)~~] (35) "Primary election" means any regular primary election held under the
258 election laws.

259 [~~(34)~~] (36) "Public office" means the office of governor, lieutenant governor, state
260 auditor, state treasurer, attorney general, state or local school board member, state senator, state
261 representative, speaker of the House of Representatives, president of the Senate, and the leader,
262 whip, and assistant whip of any party caucus in either house of the Legislature.

263 [~~(35)~~] (37) (a) "Public service assistance" means the following when given or provided
264 to an officeholder to defray the costs of functioning in a public office or aid the officeholder to
265 communicate with the officeholder's constituents:

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

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

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

271 (i) anything provided by the state;

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

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

276 (iv) news coverage or any publication by the news media; or
277 (v) any article, story, or other coverage as part of any regular publication of any
278 organization unless substantially all the publication is devoted to information about the
279 officeholder.

280 [~~36~~] (38) "Publicly identified class of individuals" means a group of 50 or more
281 individuals sharing a common occupation, interest, or association that contribute to a political
282 action committee or political issues committee and whose names can be obtained by contacting
283 the political action committee or political issues committee upon whose financial statement the
284 individuals are listed.

285 [~~37~~] (39) "Receipts" means contributions and public service assistance.

286 [~~38~~] (40) "Registered lobbyist" means a person registered under Title 36, Chapter 11,
287 Lobbyist Disclosure and Regulation Act.

288 [~~39~~] (41) "Registered political action committee" means any political action
289 committee that is required by this chapter to file a statement of organization with the lieutenant
290 governor's office.

291 [~~40~~] (42) "Registered political issues committee" means any political issues
292 committee that is required by this chapter to file a statement of organization with the lieutenant
293 governor's office.

294 [~~41~~] (43) "Registered political party" means an organization of voters that:

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

298 (b) has complied with the petition and organizing procedures of Chapter 8, Political
299 Party Formation and Procedures.

300 [~~42~~] (44) (a) "Remuneration" means a payment:

301 (i) made to a legislator for the period the Legislature is in session; and
302 (ii) that is approximately equivalent to an amount a legislator would have earned
303 during the period the Legislature is in session in the legislator's ordinary course of business.

304 (b) "Remuneration" does not mean anything of economic value given to a legislator by:

305 (i) the legislator's primary employer in the ordinary course of business; or

306 (ii) a person or entity in the ordinary course of business:

307 (A) because of the legislator's ownership interest in the entity; or

308 (B) for services rendered by the legislator on behalf of the person or entity.

309 [~~(43)~~] (45) "Reporting entity" means a candidate, a candidate's personal campaign

310 committee, a judge, a judge's personal campaign committee, an officeholder, a party

311 committee, a political action committee, a political issues committee, a corporation, or a labor

312 organization, as defined in Section 20A-11-1501.

313 [~~(44)~~] (46) "School board office" means the office of state school board or local school

314 board.

315 (47) "Solicitation and administration costs" means the cost of office space, phones,

316 salaries, employee benefits, utilities, supplies, legal and accounting fees, fund-raising, and

317 other expenses incurred in setting up and running a political action committee established by a

318 corporation or labor organization.

319 [~~(45)~~] (48) (a) "Source" means the person or entity that is the legal owner of the

320 tangible or intangible asset that comprises the contribution.

321 (b) "Source" means, for political action committees and corporations, the political

322 action committee and the corporation as entities, not the contributors to the political action

323 committee or the owners or shareholders of the corporation.

324 [~~(46)~~] (49) "State office" means the offices of governor, lieutenant governor, attorney

325 general, state auditor, and state treasurer.

326 [~~(47)~~] (50) "State office candidate" means a person who:

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

328 (b) receives contributions, makes expenditures, or gives consent for any other person to

329 receive contributions or make expenditures to bring about the person's nomination or election

330 to a state office.

331 [~~(48)~~] (51) "Summary report" means the year end report containing the summary of a

332 reporting entity's contributions and expenditures.

333 [~~(49)~~] (52) "Supervisory board" means the individual or group of individuals that

334 allocate expenditures from a political issues committee.

335 Section 2. Section **20A-11-604** is enacted to read:

336 **20A-11-604. Limits on contributions by political action committees.**

337 (1) A political action committee may not make contributions totaling more than the

338 following amounts per contribution cycle:

339 (a) \$10,000 to one state office candidate;

340 (b) \$5,000 to one legislative office candidate;

341 (c) \$40,000 to one registered political party;

342 (d) \$10,000 to one political action committee; or

343 (e) \$50,000 in the aggregate to one or more:

344 (i) registered political parties;

345 (ii) labor organizations; and

346 (iii) political action committees.

347 (2) Solicitation or administrative costs incurred by a political action committee are

348 excluded from the contribution limits specified in Subsection (1).

349 (3) A political action committee may not make a cash contribution in excess of \$50 in

350 a contribution cycle.

351 Section 3. Section **20A-11-705** is enacted to read:

352 **20A-11-705. Limits on contributions by corporations.**

353 (1) A corporation may not make contributions totaling more than the following

354 amounts per contribution cycle:

355 (a) \$10,000 to one state office candidate;

356 (b) \$5,000 to one legislative office candidate;

357 (c) \$40,000 to one registered political party;

358 (d) \$10,000 to one political action committee; or

359 (e) \$50,000 in the aggregate to one or more:

360 (i) registered political parties;

361 (ii) labor organizations; and

362 (iii) political action committees.

363 (2) Solicitation or administrative costs incurred by a corporation are excluded from the

364 contribution limits specified in Subsection (1).

365 (3) A corporation may not make a cash contribution in excess of \$50 in a contribution

366 cycle.

367 Section 4. Section **20A-11-1504** is enacted to read:

368 **20A-11-1504. Limits on contributions by a labor organization.**

369 (1) A labor organization may not make contributions totaling more than the following
370 amounts per contribution cycle:

371 (a) \$10,000 to one state office candidate;

372 (b) \$5,000 to one legislative office candidate;

373 (c) \$40,000 to one registered political party;

374 (d) \$10,000 to one political action committee; or

375 (e) \$50,000 in the aggregate to one or more:

376 (i) registered political parties;

377 (ii) labor organizations; and

378 (iii) political action committees.

379 (2) Solicitation or administrative costs incurred by a labor organization are excluded
380 from the contribution limits specified in Subsection (1).

381 (3) A labor organization may not make a cash contribution in excess of \$50 in a
382 contribution cycle.

383 Section 5. Section **20A-11-1701** is enacted to read:

384 **Part 17. Contribution Limits**

385 **20A-11-1701. Limits on contributions by an individual.**

386 (1) An individual may not make contributions totaling more than the following
387 amounts per contribution cycle:

388 (a) \$10,000 to one state office candidate;

389 (b) \$5,000 to one legislative office candidate;

390 (c) \$40,000 to one registered political party; or

391 (d) \$10,000 to one political action committee.

392 (2) An individual may not make a cash contribution in excess of \$50 in a contribution
393 cycle.

394 Section 6. Section **20A-11-1702** is enacted to read:

395 **20A-11-1702. Penalty for contributions in excess of limit.**

396 (1) A person who makes a contribution in excess of the contribution limits established
397 in Section 20A-11-604, 20A-11-705, 20A-11-1504, or 20A-11-1701 is guilty of a class A
398 misdemeanor.

399 (2) A person who accepts a contribution in excess of the contribution limits established

400 in Section 20A-11-604, 20A-11-705, 20A-11-1504, or 20A-11-1701 is guilty of a class A
401 misdemeanor.

402 Section 7. **Effective date.**

403 This bill takes effect January 1, 2013.

Legislative Review Note
as of 1-26-11 7:01 PM

Office of Legislative Research and General Counsel

FISCAL NOTE

H.B. 164

SHORT TITLE: **Campaign Contributions Limits**

SPONSOR: **Chavez-Houck, R.**

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Each violation of the limits established in the bill would cost the Courts approximately \$260 and would generate \$490 to the General Fund. The number of violations that may occur is unknown.

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

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

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

A person who violates the contribution limits established in the bill would pay a fine of approximately \$750 but up to \$1,850.