

Representative Craig Hall proposes the following substitute bill:

FAILURE TO REPORT CONTRIBUTIONS OR PUBLIC

SERVICE ASSISTANCE

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Craig Hall

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill amends provisions of the Election Code by imposing a penalty for failure to report contributions or public service assistance within the time period required by law.

Highlighted Provisions:

This bill:

- ▶ imposes a penalty for a state office candidate, a legislative office candidate, a school board office candidate, or a judge, that fails to report contributions or public service assistance, as applicable, within the time period required by law; and
- ▶ provides for publication of information relating to a penalty described in the preceding paragraph.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

20A-11-201, as last amended by Laws of Utah 2012, Chapter 230



26 20A-11-301, as last amended by Laws of Utah 2012, Chapter 230
 27 20A-11-1301, as last amended by Laws of Utah 2012, Chapter 230
 28 20A-12-303, as last amended by Laws of Utah 2011, Chapter 396

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

31 Section 1. Section 20A-11-201 is amended to read:

32 **20A-11-201. State office candidate -- Separate bank account for campaign funds**
 33 **-- No personal use -- Report contributions within 30 days -- Report other accounts.**

34 (1) (a) Each state office candidate or the candidate's personal campaign committee
 35 shall deposit each contribution and public service assistance received in one or more separate
 36 campaign accounts in a financial institution.

37 (b) A state office candidate or a candidate's personal campaign committee may not use
 38 money deposited in a campaign account for:

- 39 (i) a personal use expenditure; or
- 40 (ii) an expenditure prohibited by law.

41 (2) A state office candidate or the candidate's personal campaign committee may not
 42 deposit or mingle any contributions received into a personal or business account.

43 (3) If a person who is no longer a state office candidate chooses not to expend the
 44 money remaining in a campaign account, the person shall continue to file the year-end
 45 summary report required by Section 20A-11-203 until the statement of dissolution and final
 46 summary report required by Section 20A-11-205 are filed with the lieutenant governor.

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

51 (b) A person who is no longer a state office candidate may transfer the money in a
 52 campaign account in a manner that would cause the former state office candidate to recognize
 53 the money as taxable income under federal tax law if the transfer is made to a campaign
 54 account for federal office.

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

- 56 (i) for a cash contribution, that the cash is given to a state office candidate or a member

57 of the candidate's personal campaign committee;

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

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

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

65 (c) Except as provided in Subsection (5)(d), for each contribution or provision of
66 public service assistance that a state office candidate fails to report within the time period
67 described in Subsection (5)(b), the lieutenant governor shall impose a fine against the state
68 office candidate in an amount equal to:

69 (i) the greater of \$50 or 15% of the amount of the contribution; or

70 (ii) the greater of \$50 or 15% of the value of the public service assistance.

71 (d) A fine described in Subsection (5)(c) may not exceed the amount of the
72 contribution or the value of the public service assistance to which the fine relates.

73 (e) The lieutenant governor shall:

74 (i) deposit money received under Subsection (5)(c) into the General Fund; and

75 (ii) report on the lieutenant governor's website, in the location where reports relating to
76 each state office candidate are available for public access:

77 (A) each fine imposed by the lieutenant governor against the state office candidate;

78 (B) the amount of the fine;

79 (C) the amount of the contribution to which the fine relates; and

80 (D) the date of the contribution.

81 (6) (a) As used in this Subsection (6), "account" means an account in a financial
82 institution:

83 (i) that is not described in Subsection (1)(a); and

84 (ii) into which or from which a person who, as a candidate for an office, other than the
85 state office for which the person files a declaration of candidacy or federal office, or as a holder
86 of an office, other than a state office for which the person files a declaration of candidacy or
87 federal office, deposits a contribution or makes an expenditure.

88 (b) A state office candidate shall include on any financial statement filed in accordance
89 with this part:

90 (i) a contribution deposited in an account:

91 (A) since the last campaign finance statement was filed; or

92 (B) that has not been reported under a statute or ordinance that governs the account; or

93 (ii) an expenditure made from an account:

94 (A) since the last campaign finance statement was filed; or

95 (B) that has not been reported under a statute or ordinance that governs the account.

96 Section 2. Section **20A-11-301** is amended to read:

97 **20A-11-301. Legislative office candidate -- Campaign finance requirements --**
98 **Candidate as a political action committee officer -- No personal use -- Contribution**
99 **reporting deadline -- Report other accounts.**

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

103 (ii) A legislative office candidate may:

104 (A) receive a contribution or public service assistance from a political action
105 committee registered under Section [20A-11-601](#); and

106 (B) be designated by a political action committee as an officer who has primary
107 decision-making authority as described in Section [20A-11-601](#).

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

110 (i) a personal use expenditure; or

111 (ii) an expenditure prohibited by law.

112 (2) A legislative office candidate may not deposit or mingle any contributions or public
113 service assistance received into a personal or business account.

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

118 (4) (a) Except as provided in Subsection (4)(b) and Section [20A-11-402](#), a person who

119 is no longer a legislative office candidate may not expend or transfer the money in a campaign
120 account in a manner that would cause the former legislative office candidate to recognize the
121 money as taxable income under federal tax law.

122 (b) A person who is no longer a legislative office candidate may transfer the money in
123 a campaign account in a manner that would cause the former legislative office candidate to
124 recognize the money as taxable income under federal tax law if the transfer is made to a
125 campaign account for federal office.

126 (5) (a) As used in this Subsection (5) and Section 20A-11-303, "received" means:

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

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

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

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

136 (c) Except as provided in Subsection (5)(d), for each contribution or provision of
137 public service assistance that a legislative office candidate fails to report within the time period
138 described in Subsection (5)(b), the lieutenant governor shall impose a fine against the
139 legislative office candidate in an amount equal to:

140 (i) the greater of \$50 or 15% of the amount of the contribution; or

141 (ii) the greater of \$50 or 15% of the value of the public service assistance.

142 (d) A fine described in Subsection (5)(c) may not exceed the amount of the
143 contribution or the value of the public service assistance to which the fine relates.

144 (e) The lieutenant governor shall:

145 (i) deposit money received under Subsection (5)(c) into the General Fund; and

146 (ii) report on the lieutenant governor's website, in the location where reports relating to
147 each legislative office candidate are available for public access;

148 (A) each fine imposed by the lieutenant governor against the legislative office
149 candidate;

150 (B) the amount of the fine;

151 (C) the amount of the contribution to which the fine relates; and

152 (D) the date of the contribution.

153 (6) (a) As used in this Subsection (6), "account" means an account in a financial
154 institution:

155 (i) that is not described in Subsection (1)(a)(i); and

156 (ii) into which or from which a person who, as a candidate for an office, other than a
157 legislative office for which the person files a declaration of candidacy or federal office, or as a
158 holder of an office, other than a legislative office for which the person files a declaration of
159 candidacy or federal office, deposits a contribution or makes an expenditure.

160 (b) A legislative office candidate shall include on any financial statement filed in
161 accordance with this part:

162 (i) a contribution deposited in an account:

163 (A) since the last campaign finance statement was filed; or

164 (B) that has not been reported under a statute or ordinance that governs the account; or

165 (ii) an expenditure made from an account:

166 (A) since the last campaign finance statement was filed; or

167 (B) that has not been reported under a statute or ordinance that governs the account.

168 Section 3. Section **20A-11-1301** is amended to read:

169 **20A-11-1301. School board office candidate -- Campaign finance requirements --**
170 **Candidate as a political action committee officer -- No personal use -- Contribution**
171 **reporting deadline -- Report other accounts.**

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

175 (ii) A school board office candidate may:

176 (A) receive a contribution or public service assistance from a political action
177 committee registered under Section [20A-11-601](#); and

178 (B) be designated by a political action committee as an officer who has primary
179 decision-making authority as described in Section [20A-11-601](#).

180 (b) A school board office candidate may not use money deposited in an account

181 described in Subsection (1)(a)(i) for:

182 (i) a personal use expenditure; or

183 (ii) an expenditure prohibited by law.

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

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

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

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

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

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

198 (b) A person who is no longer a school board candidate may transfer the money in a
199 campaign account in a manner that would cause the former school board candidate to recognize
200 the money as taxable income under federal tax law if the transfer is made to a campaign
201 account for federal office.

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

203 (i) for a cash contribution, that the cash is given to a school board office candidate or a
204 member of the candidate's personal campaign committee;

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

207 (iii) for any other type of contribution, that any portion of the contribution's benefit
208 inures to the school board office candidate.

209 (b) Each school board office candidate shall report to the chief election officer each
210 contribution and public service assistance within 30 days after the contribution or public
211 service assistance is received.

212 (c) Except as provided in Subsection (6)(d), for each contribution or provision of
213 public service assistance that a school board office candidate fails to report within the time
214 period described in Subsection (6)(b), the chief election officer shall impose a fine against the
215 school board office candidate in an amount equal to:

- 216 (i) the greater of \$50 or 15% of the amount of the contribution; or
- 217 (ii) the greater of \$50 or 15% of the value of the public service assistance.
- 218 (d) A fine described in Subsection (6)(c) may not exceed the amount of the
219 contribution or the value of the public service assistance to which the fine relates.

220 (e) The chief election officer shall:
221 (i) deposit money received under Subsection (6)(c) into the General Fund; and
222 (ii) report on the chief election officer's website, in the location where reports relating
223 to each school board office candidate are available for public access:

- 224 (A) each fine imposed by the chief election officer against the school board office
225 candidate;
- 226 (B) the amount of the fine;
- 227 (C) the amount of the contribution to which the fine relates; and
- 228 (D) the date of the contribution.

229 (7) (a) As used in this Subsection (7), "account" means an account in a financial
230 institution:

- 231 (i) that is not described in Subsection (1)(a)(i); and
- 232 (ii) into which or from which a person who, as a candidate for an office, other than a
233 school board office for which the person files a declaration of candidacy or federal office, or as
234 a holder of an office, other than a school board office for which the person files a declaration of
235 candidacy or federal office, deposits a contribution or makes an expenditure.

236 (b) A school board office candidate shall include on any financial statement filed in
237 accordance with this part:

- 238 (i) a contribution deposited in an account:
 - 239 (A) since the last campaign finance statement was filed; or
 - 240 (B) that has not been reported under a statute or ordinance that governs the account; or
- 241 (ii) an expenditure made from an account:
 - 242 (A) since the last campaign finance statement was filed; or

243 (B) that has not been reported under a statute or ordinance that governs the account.

244 Section 4. Section 20A-12-303 is amended to read:

245 **20A-12-303. Separate account for campaign funds -- Reporting contributions.**

246 (1) The judge or the judge's personal campaign committee shall deposit each
247 contribution in one or more separate personal campaign accounts in a financial institution.

248 (2) The judge or the judge's personal campaign committee may not deposit or mingle
249 any contributions received into a personal or business account.

250 (3) (a) As used in this Subsection (3) and Section 20A-12-305, "received" means:

251 (i) for a cash contribution, that the cash is given to a judge or the judge's personal
252 campaign committee;

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

255 (iii) for any other type of contribution, that any portion of the contribution's benefit
256 inures to the judge.

257 (b) The judge or the judge's personal campaign committee shall report to the lieutenant
258 governor each contribution within 30 days after the contribution is received.

259 (c) Except as provided in Subsection (3)(d), for each contribution that a judge fails to
260 report within the time period described in Subsection (3)(b), the lieutenant governor shall
261 impose a fine against the judge in an amount equal to the greater of \$50 or 15% of the amount
262 of the contribution.

263 (d) A fine described in Subsection (3)(c) may not exceed the amount of the
264 contribution to which the fine relates.

265 (e) The lieutenant governor shall:

266 (i) deposit money received under Subsection (3)(c) into the General Fund; and

267 (ii) report on the lieutenant governor's website, in the location where reports relating to
268 each judge are available for public access:

269 (A) each fine imposed by the lieutenant governor against the judge;

270 (B) the amount of the fine;

271 (C) the amount of the contribution to which the fine relates; and

272 (D) the date of the contribution.

273 Section 5. **Effective date.**

274 If approved by two-thirds of all the members elected to each house, this bill takes effect
275 upon approval by the governor, or the day following the constitutional time limit of Utah
276 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
277 the date of veto override.