

1 **POLITICAL ACTION COMMITTEE AMENDMENTS**

2 2022 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Gay Lynn Bennion**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions relating to a political action committee.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ requires that a person against whom a fine is imposed for failure to file a statement
13 of organization for a political action committee shall pay the fine and file the
14 statement within seven days after the fine is imposed; and

15 ▶ makes it a class B misdemeanor to fail to file a statement of organization within
16 seven days after receiving written notice of the requirement to file the statement.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **20A-11-601**, as last amended by Laws of Utah 2020, Chapter 22

24 **20A-11-603**, as last amended by Laws of Utah 2020, Chapter 22

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

27 Section 1. Section **20A-11-601** is amended to read:



28 **20A-11-601. Political action committees -- Registration -- Name or acronym used**
29 **by political action committee -- Criminal penalty for providing false information or**
30 **accepting unlawful contribution.**

31 (1) (a) A political action committee shall file an initial statement of organization with
32 the lieutenant governor's office no later than 5 p.m. seven days after the day on which the
33 political action committee:

- 34 (i) receives contributions totaling at least \$750; or
- 35 (ii) distributes expenditures for political purposes totaling at least \$750.

36 (b) Unless the political action committee has filed a notice of dissolution under
37 Subsection (7), after filing an initial statement of organization, a political action committee
38 shall file an updated statement of organization with the lieutenant governor's office each year
39 after the year in which the political action committee files an initial statement of organization:

- 40 (i) before 5 p.m. on January 10; or
- 41 (ii) electronically, before midnight on January 10.

42 (c) After filing an initial statement of organization, a political action committee shall,
43 before January 10 each year after the year in which the political action committee files an initial
44 statement of organization, file an updated statement of organization with the lieutenant
45 governor's office.

46 (2) A statement of organization described in Subsection (1) shall include:

47 (a) the full name of the political action committee, a second name, if any, and an
48 acronym, if any;

49 (b) the address and phone number of the political action committee;

50 (c) the name, address, telephone number, title, and occupation of:

51 (i) the two officers described in Subsection (5) and the treasurer of the political action
52 committee;

53 (ii) all other officers, advisory members, and governing board members of the political
54 action committee; and

55 (iii) each individual or entity represented by, or affiliated with, the political action
56 committee; and

57 (d) other relevant information requested by the lieutenant governor.

58 (3) (a) A political action committee may not use a name or acronym:

59 (i) other than a name or acronym disclosed in the political action committee's latest
60 statement of organization;

61 (ii) that is the same, or deceptively similar to, the name or acronym of another political
62 action committee; or

63 (iii) that is likely to mislead a potential donor regarding the individuals or entities
64 represented by, or affiliated with, the political action committee.

65 (b) Within seven days after the day on which a political action committee files an
66 initial statement of organization, the lieutenant governor's office shall:

67 (i) review the statement and determine whether a name or acronym used by the
68 political action committee violates Subsection (3)(a)(ii) or (iii); and

69 (ii) if the lieutenant governor's office determines that a name or acronym used by the
70 political action committee violates Subsection (3)(a)(ii) or (iii), order, in writing, that the
71 political action committee:

72 (A) immediately cease and desist use of the name or acronym; and

73 (B) within seven days after the day of the order, file an updated statement of
74 organization with a name and acronym that does not violate Subsection (3)(a)(ii) or (iii).

75 (c) If [~~beginning on May 14, 2019,~~] a political action committee [~~is using~~] uses a name
76 or acronym that is the same, or deceptively similar to, the name or acronym of another political
77 action committee, the lieutenant governor shall determine which political action committee has
78 been using the name the longest and shall order, in writing, any other political action
79 committee using the same, or a deceptively similar, name or acronym to:

80 (i) immediately cease and desist use of the name or acronym; and

81 (ii) within seven days after the day of the order, file an updated statement of
82 organization with a name and acronym that does not violate Subsection (3)(a)(ii) or (iii).

83 (d) If a political action committee uses a name or acronym other than a name or
84 acronym disclosed in the political action committee's latest statement of organization:

85 (i) the lieutenant governor shall order, in writing, that the political action committee
86 cease and desist use of the name or acronym; and

87 (ii) the political action committee shall immediately comply with the order described in
88 Subsection (3)(d)(i).

89 (4) (a) The lieutenant governor may, in addition to any other penalty provided by law,

90 impose a \$100 fine against a political action committee, or against an individual who forms a
91 political action committee, that:

92 (i) fails to timely file a complete and accurate statement of organization or subsequent
93 statement of organization; or

94 (ii) fails to comply with an order described in Subsection (3).

95 (b) If the lieutenant governor imposes a fine described in Subsection (4)(a)(i):

96 (i) the person against whom the fine is imposed shall, within seven days after the day
97 on which the lieutenant governor imposes the fine:

98 (A) pay the fine; and

99 (B) file a complete and accurate statement, or subsequent statement, of organization, as
100 applicable; and

101 (ii) the lieutenant governor shall provide written notice to the person against whom the
102 fine is imposed:

103 (A) of the requirements described in Subsection (4)(b)(i); and

104 (B) that failure to timely comply with the requirement described in Subsection
105 (4)(b)(i)(B) is a class B misdemeanor.

106 ~~[(b)]~~ (c) The attorney general, or a political action committee that is harmed by the
107 action of a political action committee in violation of this section, may bring an action for an
108 injunction against the violating political action committee, or an officer of the violating
109 political action committee, to enforce the provisions of this section.

110 ~~[(c)]~~ (d) A political action committee may bring an action for damages against another
111 political action committee that uses a name or acronym that is the same, or deceptively similar
112 to, the name or acronym of the political action committee bringing the action.

113 (5) (a) Each political action committee shall designate two officers who have primary
114 decision-making authority for the political action committee.

115 (b) An individual may not exercise primary decision-making authority for a political
116 action committee if the individual is not designated under Subsection (5)(a).

117 (6) A political action committee shall deposit each contribution received in one or
118 more separate accounts in a financial institution that are dedicated only to that purpose.

119 (7) (a) A registered political action committee that intends to permanently cease
120 operations shall file a notice of dissolution with the lieutenant governor's office.

121 (b) A notice of dissolution filed by a political action committee does not exempt the
122 political action committee from complying with the financial reporting requirements described
123 in this chapter in relation to all contributions received, and all expenditures made, before, at, or
124 after dissolution.

125 (c) A political action committee shall, before filing a notice of dissolution, dispose of
126 any money remaining in an account described in Subsection ~~[(1)(c)]~~ (6) by:

127 (i) returning the money to the donors;

128 (ii) donating the money to the campaign account of a candidate or officeholder;

129 (iii) donating the money to another political action committee;

130 (iv) donating the money to a political party;

131 (v) donating the money to an organization that is exempt from federal income taxation
132 under Section 501(c)(3), Internal Revenue Code; or

133 (vi) making another lawful expenditure of the money for a political purpose.

134 (d) A political action committee shall report all money donated or expended [~~under~~
135 ~~Subsection (4)(c)]~~ in a financial report to the lieutenant governor, in accordance with the
136 financial reporting requirements described in this chapter.

137 (8) (a) Unless the political action committee has filed a notice of dissolution under
138 Subsection (7), a political action committee shall file, with the lieutenant governor's office,
139 notice of any change of an officer described in Subsection (5)(a).

140 (b) A political action committee may not accept a contribution from a political issues
141 committee, but may donate money to a political issues committee.

142 (c) A political action committee shall:

143 (i) file a notice of a change of a primary officer described in Subsection (5)(a) before 5
144 p.m. within 10 days after the day on which the change occurs; and

145 (ii) include in the notice of change the name and title of the officer being replaced, and
146 the name, address, occupation, and title of the new officer.

147 (9) (a) A person is guilty of providing false information in relation to a political action
148 committee if the person intentionally or knowingly gives false or misleading material
149 information in a statement of organization or the notice of change of primary officer.

150 (b) Each primary officer designated in Subsection (5)(a) or (8)(c) is guilty of accepting
151 an unlawful contribution if the political action committee knowingly or recklessly accepts a

152 contribution from a corporation that:

- 153 (i) was organized less than 90 days before the date of the general election; and
- 154 (ii) at the time the political action committee accepts the contribution, has failed to file
- 155 a statement of organization with the lieutenant governor's office as required by Section
- 156 [20A-11-704](#).

157 (c) A violation of this Subsection (9) is a third degree felony.

158 Section 2. Section **20A-11-603** is amended to read:

159 **20A-11-603. Criminal penalties -- Fines.**

160 (1) (a) As used in this Subsection (1), "completed" means that:

161 (i) the financial statement accurately and completely details the information required

162 by this part except for inadvertent omissions or insignificant errors or inaccuracies; and

163 (ii) the political action committee corrects the omissions, errors, or inaccuracies

164 described in Subsection (1)(a) in an amended report or the next scheduled report.

165 (b) Each political action committee that fails to file a completed financial statement

166 before the deadline is subject to a fine imposed in accordance with Section [20A-11-1005](#).

167 (c) Each political action committee that fails to file a completed financial statement

168 described in Subsections [20A-11-602](#)(1)(a)(iv) through (vi) is guilty of a class B misdemeanor.

169 (d) The lieutenant governor shall report all violations of Subsection (1)(c) to the

170 attorney general.

171 (2) Within 60 days after a deadline for the filing of the January 10 statement required

172 by this part, the lieutenant governor shall review each filed statement to ensure that:

173 (a) each political action committee that is required to file a statement has filed one; and

174 (b) each statement contains the information required by this part.

175 (3) If it appears that any political action committee has failed to file the January 10

176 statement, if it appears that a filed statement does not conform to the law, or if the lieutenant

177 governor has received a written complaint alleging a violation of the law or the falsity of any

178 statement, the lieutenant governor shall, within five days after the day on which the lieutenant

179 governor discovers the violation or receives the written complaint, notify the political action

180 committee of the violation or written complaint and direct the political action committee to file

181 a statement correcting the problem.

182 (4) (a) It is unlawful for any political action committee to fail to file or amend a

183 statement within seven days after the day on which the political action committee receives
184 notice from the lieutenant governor under this section.

185 (b) Each political action committee that violates Subsection (4)(a) is guilty of a class B
186 misdemeanor.

187 (c) The lieutenant governor shall report all violations of Subsection (4)(a) to the
188 attorney general.

189 (d) In addition to the criminal penalty described in Subsection (4)(b), the lieutenant
190 governor shall impose a civil fine of \$1,000 against a political action committee that violates
191 Subsection (4)(a).

192 (5) (a) It is unlawful for a person to fail to file a complete and accurate statement of
193 organization, or a complete and accurate subsequent statement of organization, within seven
194 days after the day on which the person receives the notice described in Subsection
195 20A-11-601(4)(b)(ii).

196 (b) A violation of Subsection (5)(a) is a class B misdemeanor.

197 (c) The lieutenant governor shall report all violations of Subsection (5)(a) to the
198 attorney general.