

CAMPAIGN FINANCE REPORTING AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lyle W. Hillyard

House Sponsor: Brad M. Daw

LONG TITLE

General Description:

This bill modifies provisions in Title 20A, Chapter 11, Campaign and Financial Reporting Requirements, governing campaign finance reporting by corporations.

Highlighted Provisions:

This bill:

- ▶ repeals provisions that required a corporation that made expenditures to influence the outcome of an election to report on a financial statement money received from a donor in certain circumstances; and

- ▶ repeals a provision that required a corporation in certain circumstances to notify a donor that the corporation may:

- use the money to influence the outcome of an election; and
- disclose the identity of the donor.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

20A-11-701, as last amended by Laws of Utah 2015, Chapters 204 and 296

20A-11-702, as last amended by Laws of Utah 2015, Chapter 204

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

30 Section 1. Section 20A-11-701 is amended to read:

31 **20A-11-701. Campaign financial reporting by corporations -- Filing requirements**
32 **-- Statement contents.**

33 (1) (a) Each corporation that has made expenditures for political purposes that total at
34 least \$750 during a calendar year shall file a verified financial statement with the lieutenant
35 governor's office:

36 (i) on January 10, reporting expenditures as of December 31 of the previous year;

37 (ii) seven days before the state political convention for each major political party;

38 (iii) seven days before the regular primary election date;

39 (iv) on September 30; and

40 (v) seven days before the regular general election date.

41 (b) The corporation shall report:

42 (i) a detailed listing of all expenditures made since the last financial statement;

43 (ii) for a financial statement described in Subsections (1)(a)(ii) through (v), all
44 expenditures as of five days before the required filing date of the financial statement; and

45 (iii) whether the corporation, including an officer of the corporation, director of the
46 corporation, or person with at least 10% ownership in the corporation:

47 (A) has bid since the last financial statement on a contract, as defined in Section
48 63G-6a-103, in excess of \$100,000;

49 (B) is currently bidding on a contract, as defined in Section 63G-6a-103, in excess of
50 \$100,000; or

51 (C) is a party to a contract, as defined in Section 63G-6a-103, in excess of \$100,000.

52 (c) The corporation need not file a financial statement under this section if the
53 corporation made no expenditures during the reporting period.

54 (d) The corporation is not required to report an expenditure made to, or on behalf of, a
55 reporting entity that the reporting entity is required to include in a financial statement described
56 in this chapter or Chapter 12, Part 2, Judicial Retention Elections.

57 (2) The financial statement shall include:

- 58 (a) the name and address of each reporting entity that received an expenditure from the
59 corporation, and the amount of each expenditure;
- 60 (b) the total amount of expenditures disbursed by the corporation[:]; and
61 [(i) since the last financial statement; and]
62 [(ii) during the calendar year;]
- 63 [(c) (i) a statement that the corporation did not receive any money from any donor
64 during the calendar year or the previous calendar year that the corporation has not reported in a
65 previous financial statement; or]
66 [(ii) a report, described in Subsection (3), of the money received from donors during
67 the calendar year or the previous calendar year that the corporation has not reported in a
68 previous financial statement; and]
- 69 [(d)] (c) a statement by the corporation's treasurer or chief financial officer certifying
70 the accuracy of the financial statement.
- 71 [(3) (a) The report required by Subsection (2)(c)(ii) shall include:]
72 [(i) the name and address of each donor;]
73 [(ii) the amount of the money received by the corporation from each donor; and]
74 [(iii) the date on which the corporation received the money.]
- 75 [(b) A corporation shall report money received from donors in the following order:]
76 [(i) first, beginning with the least recent date on which the corporation received money
77 that the corporation has not reported in a previous financial statement, the money received from
78 a donor that:]
79 [(A) requests that the corporation use the money to make an expenditure;]
80 [(B) gives the money to the corporation in response to a solicitation indicating the
81 corporation's intent to make an expenditure; or]
82 [(C) knows that the corporation may use the money to make an expenditure; and]
83 [(ii) second, divide the difference between the total amount of expenditures made since
84 the last financial statement and the total amount of money reported under Subsection (3)(b)(i)
85 on a proration basis between all donors that:]

86 ~~[(A) are not described in Subsection (3)(b)(i);]~~

87 ~~[(B) gave at least \$50 during the calendar year or previous calendar year; and]~~

88 ~~[(C) have not been reported in a previous financial statement.]~~

89 ~~[(c) If the amount reported under Subsection (3)(b) is less than the total amount of~~
90 ~~expenditures made since the last financial statement, the financial statement shall contain a~~
91 ~~statement that the corporation has reported all donors that gave money, and all money received~~
92 ~~by donors, during the calendar year or previous calendar year that the corporation has not~~
93 ~~reported in a previous financial statement.]~~

94 ~~[(d) The corporation shall indicate on the financial statement that the amount~~
95 ~~attributed to each donor under Subsection (3)(b)(ii) is only an estimate.]~~

96 ~~[(e) (i) For all individual donations of \$50 or less, the corporation may report a single~~
97 ~~aggregate figure without separate detailed listings.]~~

98 ~~[(ii) The corporation:]~~

99 ~~[(A) may not report in the aggregate two or more donations from the same source that~~
100 ~~have an aggregate total of more than \$50; and]~~

101 ~~[(B) shall separately report donations described in Subsection (3)(c)(ii)(A).]~~

102 ~~[(4) If a corporation makes expenditures that total at least \$750 during a calendar year,~~
103 ~~the corporation shall notify a person giving money to the corporation that:]~~

104 ~~[(a) the corporation may use the money to make an expenditure; and]~~

105 ~~[(b) the person's name and address may be disclosed on the corporation's financial~~
106 ~~statement.]~~

107 Section 2. Section **20A-11-702** is amended to read:

108 **20A-11-702. Campaign financial reporting of political issues expenditures by**
109 **corporations -- Financial reporting.**

110 (1) (a) Each corporation that has made political issues expenditures on current or
111 proposed ballot issues that total at least \$750 during a calendar year shall file a verified
112 financial statement with the lieutenant governor's office:

113 (i) on January 10, reporting expenditures as of December 31 of the previous year;

114 (ii) seven days before the state political convention of each major political party;

115 (iii) seven days before the regular primary election date;

116 (iv) on September 30; and

117 (v) seven days before the regular general election date.

118 (b) The corporation shall report:

119 (i) a detailed listing of all expenditures made since the last financial statement; and

120 (ii) for a financial statement described in Subsections (1)(a)(ii) through (v),

121 expenditures as of five days before the required filing date of the financial statement.

122 (c) The corporation need not file a statement under this section if it made no

123 expenditures during the reporting period.

124 (2) That statement shall include:

125 (a) the name and address of each individual, entity, or group of individuals or entities

126 that received a political issues expenditure of more than \$50 from the corporation, and the

127 amount of each political issues expenditure;

128 (b) the total amount of political issues expenditures disbursed by the corporation[?];

129 and

130 [~~(i) since the last financial statement; and~~]

131 [~~(ii) during the calendar year;~~]

132 [~~(c) (i) a statement that the corporation did not receive any money from any donor~~

133 ~~during the calendar year or the previous calendar year that the corporation has not reported in a~~

134 ~~previous financial statement; or]~~

135 [~~(ii) a report, described in Subsection (3), of the money received from donors during~~

136 ~~the calendar year or the previous calendar year that the corporation has not reported in a~~

137 ~~previous financial statement; and]~~

138 [~~(d)~~] (c) a statement by the corporation's treasurer or chief financial officer certifying

139 the accuracy of the verified financial statement.

140 [~~(3) (a) The report required by Subsection (2)(c)(ii) shall include:~~]

141 [~~(i) the name and address of each donor;~~]

142 ~~[(ii) the amount of the money received by the corporation from each donor; and]~~
143 ~~[(iii) the date on which the corporation received the money.]~~
144 ~~[(b) A corporation shall report money received from donors in the following order:]~~
145 ~~[(i) first, beginning with the least recent date on which the corporation received money~~
146 ~~that has not been reported in a previous financial statement, the money received from a donor~~
147 ~~that:]~~
148 ~~[(A) requests that the corporation use the money to make a political issues~~
149 ~~expenditure;]~~
150 ~~[(B) gives the money to the corporation in response to a solicitation indicating the~~
151 ~~corporation's intent to make a political issues expenditure; or]~~
152 ~~[(C) knows that the corporation may use the money to make a political issues~~
153 ~~expenditure; and]~~
154 ~~[(ii) second, divide the difference between the total amount of political issues~~
155 ~~expenditures made since the last financial statement and the total amount of money reported~~
156 ~~under Subsection (3)(b)(i) on a proration basis between all donors that:]~~
157 ~~[(A) are not described in Subsection (3)(b)(i);]~~
158 ~~[(B) gave at least \$50 during the calendar year or previous calendar year; and]~~
159 ~~[(C) have not been reported in a previous financial statement.]~~
160 ~~[(c) If the amount reported under Subsection (3)(b) is less than the total amount of~~
161 ~~political issues expenditures made since the last financial statement, the financial statement~~
162 ~~shall contain a statement that the corporation has reported all donors that gave money, and all~~
163 ~~money received by donors, during the calendar year or previous calendar year that the~~
164 ~~corporation has not reported in a previous financial statement.]~~
165 ~~[(d) The corporation shall indicate on the financial statement that the amount attributed~~
166 ~~to each donor under Subsection (3)(b)(ii) is only an estimate.]~~
167 ~~[(e) (i) For all individual donations of \$50 or less, the corporation may report a single~~
168 ~~aggregate figure without separate detailed listings:]~~
169 ~~[(ii) The corporation:]~~

170 ~~[(A) may not report in the aggregate two or more donations from the same source that~~
171 ~~have an aggregate total of more than \$50; and]~~

172 ~~[(B) shall separately report donations described in Subsection (3)(e)(ii)(A).]~~

173 ~~[(4) If a corporation makes political issues expenditures that total at least \$750 during a~~
174 ~~calendar year, the corporation shall notify a person giving money to the corporation that:]~~

175 ~~[(a) the corporation may use the money to make a political issues expenditure; and]~~

176 ~~[(b) the person's name and address may be disclosed on the corporation's financial~~
177 ~~statement.]~~