

28 (a) the lieutenant governor for state office candidates, legislative office candidates,
29 officeholders, political parties, political action committees, corporations, political issues
30 committees, and state school board candidates; and

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

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

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

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

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

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

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

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

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

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

51 (b) "Contribution" does not include:

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

54 (ii) money lent to the filing entity by a financial institution in the ordinary course of
55 business.

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

- 59 (i) political purposes; or
- 60 (ii) the purpose of influencing the approval or the defeat of any ballot proposition.
- 61 (b) "Corporation" does not mean:
- 62 (i) a business organization's political action committee or political issues committee; or
- 63 (ii) a business entity organized as a partnership or a sole proprietorship.
- 64 (8) "Detailed listing" means:
- 65 (a) for each contribution or public service assistance:
- 66 (i) the name and address of the individual or source making the contribution or public
- 67 service assistance;
- 68 (ii) the amount or value of the contribution or public service assistance; and
- 69 (iii) the date the contribution or public service assistance was made; and
- 70 (b) for each expenditure:
- 71 (i) the amount of the expenditure;
- 72 (ii) the person or entity to whom it was disbursed;
- 73 (iii) the specific purpose, item, or service acquired by the expenditure; and
- 74 (iv) the date the expenditure was made.
- 75 (9) "Election" means each:
- 76 (a) regular general election;
- 77 (b) regular primary election; and
- 78 (c) special election at which candidates are eliminated and selected.
- 79 (10) (a) "Expenditure" means:
- 80 (i) any disbursement from contributions, receipts, or from the separate bank account
- 81 required by this chapter;
- 82 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or
- 83 anything of value made for political purposes;
- 84 (iii) an express, legally enforceable contract, promise, or agreement to make any purchase,
- 85 payment, donation, distribution, loan, advance, deposit, gift of money, or anything of value for
- 86 political purposes;
- 87 (iv) compensation paid by a corporation or filing entity for personal services rendered by
- 88 a person without charge to a reporting entity;
- 89 (v) a transfer of funds between the filing entity and a candidate's personal campaign

90 committee; or

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

93 (b) "Expenditure" does not include:

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

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

98 (iii) anything listed in Subsection [~~5~~] (10)(a) that is given by a corporation or reporting
99 entity to candidates for office or officeholders in states other than Utah.

100 (11) "Filing entity" means the reporting entity that is filing a report required by this
101 chapter.

102 (12) "Financial statement" includes any summary report, interim report, or other statement
103 disclosing contributions, expenditures, receipts, donations, or disbursements that is required by this
104 chapter.

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

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

109 (15) "Incorporation election" means the election authorized by Section 10-2-111.

110 (16) "Incorporation petition" means a petition authorized by Section 10-2-109.

111 (17) "Individual" means a natural person.

112 (18) "Interim report" means a report identifying the contributions received and
113 expenditures made since the last report.

114 (19) "Legislative office" means the office of state senator, state representative, speaker of
115 the House of Representatives, president of the Senate, and the leader, whip, and assistant whip of
116 any party caucus in either house of the Legislature.

117 (20) "Legislative office candidate" means a person who:

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

119 (b) declares himself to be a candidate for, or actively campaigns for, the position of
120 speaker of the House of Representatives, president of the Senate, or the leader, whip, and assistant

121 whip of any party caucus in either house of the Legislature; and

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

125 (21) "Newly registered political party" means an organization of voters that has complied
126 with the petition and organizing procedures of this chapter to become a registered political party.

127 (22) "Officeholder" means a person who holds a public office.

128 (23) "Party committee" means any committee organized by or authorized by the governing
129 board of a registered political party.

130 (24) "Person" means both natural and legal persons, including individuals, business
131 organizations, personal campaign committees, party committees, political action committees,
132 political issues committees, labor unions, and labor organizations.

133 (25) "Personal campaign committee" means the committee appointed by a candidate to act
134 for the candidate as provided in this chapter.

135 (26) (a) "Personal use" means an expenditure that provides a direct or indirect benefit of
136 any kind to a candidate, legislative office candidate, or officeholder that is not reasonably related
137 to political purposes.

138 (b) "Personal use" does not mean an expenditure for political purposes.

139 [~~26~~] (27) (a) "Political action committee" means an entity, or any group of individuals
140 or entities within or outside this state, that solicits or receives contributions from any other person,
141 group, or entity or makes expenditures for political purposes. A group or entity may not divide or
142 separate into units, sections, or smaller groups for the purpose of avoiding the financial reporting
143 requirements of this chapter, and substance shall prevail over form in determining the scope or size
144 of a political action committee.

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

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

149 (i) a party committee;

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

152 (iii) an individual;
153 (iv) individuals who are related and who make contributions from a joint checking
154 account;

155 (v) a corporation; or
156 (vi) a personal campaign committee.

157 [~~27~~] (28) "Political convention" means a county or state political convention held by a
158 registered political party to select candidates.

159 [~~28~~] (29) (a) "Political issues committee" means an entity, or any group of individuals
160 or entities within or outside this state, that solicits or receives donations from any other person,
161 group, or entity or makes disbursements to influence, or to intend to influence, directly or
162 indirectly, any person to:

163 (i) assist in placing a statewide ballot proposition on the ballot, assist in keeping a
164 statewide ballot proposition off the ballot, or refrain from voting or vote for or vote against any
165 statewide ballot proposition; or

166 (ii) sign or refuse to sign an incorporation petition or refrain from voting, vote for, or vote
167 against any proposed incorporation in an incorporation election.

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

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

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

172 (iii) an individual;

173 (iv) individuals who are related and who make contributions from a joint checking
174 account; or

175 (v) a corporation, except a corporation whose apparent purpose is to act as a political
176 issues committee.

177 [~~29~~] (30) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

192 [~~30~~] (31) (a) "Political issues expenditure" means any of the following:

193 (i) any payment from political issues contributions made for the purpose of influencing the
194 approval or the defeat of a statewide ballot proposition;

195 (ii) a purchase, payment, distribution, loan, advance, deposit, or gift of money made for
196 the purpose of influencing the approval or the defeat of a statewide ballot proposition;

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

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

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

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

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

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

208 [~~31~~] (32) "Political purposes" means an act done with the intent or in a way to influence
209 or tend to influence, directly or indirectly, any person to refrain from voting or to vote for or
210 against any candidate for public office at any caucus, political convention, primary, or election.

211 [~~32~~] (33) "Primary election" means any regular primary election held under the election
212 laws.

213 [~~33~~] (34) "Public office" means the office of governor, lieutenant governor, state auditor,

214 state treasurer, attorney general, state or local school board member, state senator, state
215 representative, speaker of the House of Representatives, president of the Senate, and the leader,
216 whip, and assistant whip of any party caucus in either house of the Legislature.

217 ~~[(34)]~~ (35) (a) "Public service assistance" means the following when given or provided to
218 an officeholder to defray the costs of functioning in a public office or aid the officeholder to
219 communicate with the officeholder's constituents:

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

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

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

225 (i) anything provided by the state;

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

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

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

231 (v) any article, story, or other coverage as part of any regular publication of any
232 organization unless substantially all the publication is devoted to information about the
233 officeholder.

234 ~~[(35)]~~ (36) "Publicly identified class of individuals" means a group of 50 or more
235 individuals sharing a common occupation, interest, or association that contribute to a political
236 action committee or political issues committee and whose names can be obtained by contacting
237 the political action committee or political issues committee upon whose financial report they are
238 listed.

239 ~~[(36)]~~ (37) "Receipts" means contributions and public service assistance.

240 ~~[(37)]~~ (38) "Registered lobbyist" means a person registered under Title 36, Chapter 11,
241 Lobbyist Disclosure and Regulation Act.

242 ~~[(38)]~~ (39) "Registered political action committee" means any political action committee
243 that is required by this chapter to file a statement of organization with the lieutenant governor's
244 office.

245 [~~(39)~~] (40) "Registered political issues committee" means any political issues committee
246 that is required by this chapter to file a statement of organization with the lieutenant governor's
247 office.

248 [~~(40)~~] (41) "Registered political party" means an organization of voters that:

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

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

253 [~~(41)~~] (42) "Report" means a verified financial statement.

254 [~~(42)~~] (43) "Reporting entity" means a candidate, a candidate's personal campaign
255 committee, an officeholder, and a party committee, a political action committee, and a political
256 issues committee.

257 [~~(43)~~] (44) "School board office" means the office of state school board or local school
258 board.

259 [~~(44)~~] (45) (a) "Source" means the person or entity that is the legal owner of the tangible
260 or intangible asset that comprises the contribution.

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

264 [~~(45)~~] (46) "State office" means the offices of governor, lieutenant governor, attorney
265 general, state auditor, and state treasurer.

266 [~~(46)~~] (47) "State office candidate" means a person who:

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

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

271 [~~(47)~~] (48) "Summary report" means the year end report containing the summary of a
272 reporting entity's contributions and expenditures.

273 [~~(48)~~] (49) "Supervisory board" means the individual or group of individuals that allocate
274 expenditures from a political issues committee.

275 Section 2. Section **20A-11-201** is amended to read:

276 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**

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

280 (b) (i) The state office candidate or the candidate's personal campaign committee may use
281 the monies in those accounts only for political purposes.

282 (ii) The state office candidate or the candidate's personal committee may not use the
283 monies in those accounts for personal use.

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

286 (3) (a) If a person [~~who~~] withdraws or is eliminated in a convention, primary, or regular
287 general election, or is no longer a state office candidate [~~chooses not to expend the monies~~
288 remaining in his campaign account], the person shall, within 60 calendar days of the date of
289 withdrawal or elimination, dispose of monies remaining in the person's campaign account by:

290 (i) donating the monies to a registered political party or political action committee;

291 (ii) donating the monies to the state General Fund;

292 (iii) expending the monies for political purposes;

293 (iv) donating the monies to a tax-exempt, nonprofit entity;

294 (v) repaying documented loans to the state office candidate's campaign;

295 (vi) donating the monies to another candidate's campaign account;

296 (vii) transferring the monies to an escrow account for the person to use as a candidate for
297 public office within the next four years; or

298 (viii) some combination of Subsections (3)(a)(i) through (vii).

299 (b) After four years, if the person has not run for public office, the person shall expend the
300 monies in the escrow account according to the requirements of:

301 (i) Subsections (3)(a)(i) through (vi); or

302 (ii) some combination of Subsections (3)(a)(i) through (vi).

303 (4) The person shall continue to file the year-end summary report required by Section
304 20A-11-203 until the statement of dissolution and final summary report required by Section
305 20A-11-205 are filed with the lieutenant governor.

306 Section 3. Section **20A-11-301** is amended to read:

307 **20A-11-301. Legislative office candidate -- Campaign requirements.**

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

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

313 (3) (a) A legislative office candidate may not make any political expenditures prohibited
314 by law.

315 (b) A legislative office candidate may not use monies in the accounts required by this
316 section for personal use.

317 (4) (a) If a person [~~who~~] withdraws or is eliminated in a convention, primary, or regular
318 general election, or is no longer a legislative candidate [~~chooses not to expend the monies~~
319 remaining in his campaign account], the person shall, within 60 calendar days of the date of the
320 withdrawal or elimination, dispose of monies remaining in the person's campaign account by:

321 (i) donating the monies to a registered political party or political action committee;

322 (ii) donating the monies to the state General Fund;

323 (iii) expending the monies for political purposes;

324 (iv) donating the monies to a tax-exempt, nonprofit entity;

325 (v) repaying documented loans to the legislative candidate's campaign;

326 (vi) donating the monies to another candidate's campaign account;

327 (vii) transferring the monies to an escrow account for the person to use as a candidate for
328 public office within the next four years; or

329 (viii) some combination of Subsections (3)(a)(i) through (vii).

330 (b) After four years, if the person has not run for public office, the person shall expend the
331 monies in the escrow account according to the requirements of:

332 (i) Subsections (4)(a)(i) through (vi); or

333 (ii) some combination of Subsections (4)(a)(i) through (vi).

334 (5) The person shall continue to file the year-end summary report required by Section
335 20A-11-302 until the statement of dissolution and final summary report required by Section
336 20A-11-304 are filed with the lieutenant governor.

337 Section 4. Section **20A-11-402** is amended to read:

338 **20A-11-402. Officeholder financial reporting requirements -- Termination of duty**
339 **to report.**

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

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

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

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

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

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

352 (4) (a) When an officeholder leaves office, the person shall, within 60 calendar days of
353 leaving office, dispose of monies remaining in the person's campaign accounts required by
354 Sections 20A-11-201 and 20A-11-301 by:

355 (i) donating the monies to a registered political party or political action committee;

356 (ii) donating the monies to the state General Fund;

357 (iii) expending the monies for political purposes;

358 (iv) donating the monies to a tax-exempt, nonprofit entity;

359 (v) repaying documented loans to the officeholder's campaign;

360 (vi) donating the monies to another candidate's campaign account;

361 (vii) transferring the monies to an escrow account for the person to use as a candidate for
362 public office within the next four years; or

363 (viii) some combination of Subsections (4)(a)(i) through (vii).

364 (b) After four years, if the person has not run for public office, the person shall expend the
365 monies in the escrow account according to the requirements of:

366 (i) Subsections (4)(a)(i) through (vi); or

367 (ii) some combination of Subsections (4)(a)(i) through (vi).

Legislative Review Note
as of 1-15-02 11:33 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel