

Senator Gregory S. Bell proposes the following substitute bill:

USE OF CAMPAIGN CONTRIBUTIONS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gregory S. Bell

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Election Code by enacting provisions governing the disposition of campaign funds.

Highlighted Provisions:

This bill:

- ▶ establishes requirements for the expenditure or transfer of monies remaining in campaign accounts created by candidates for state constitutional offices and offices in the Legislature or state or local school boards; and
- ▶ provides an administrative penalty for failing to file the year-end campaign account summary report or final statement of dissolution.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

20A-11-201, as last amended by Laws of Utah 1997, Chapter 355

20A-11-301, as last amended by Laws of Utah 1997, Chapter 355



26 **20A-11-402**, as last amended by Laws of Utah 1997, Chapter 355

27 **20A-11-1301**, as enacted by Laws of Utah 1997, Chapter 355



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

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

31 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**

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

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

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

39 (3) If a person ~~[who]~~ withdraws or is eliminated in a convention, primary, or regular
40 general election, or is no longer a state office candidate [chooses not to expend the monies
41 remaining in his campaign account], the person shall dispose of monies remaining in the
42 person's campaign account by:

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

44 (b) donating the monies to the state General Fund;

45 (c) expending the monies for political purposes;

46 (d) donating the monies to a tax-exempt, nonprofit entity;

47 (e) repaying documented loans to the state office candidate's campaign;

48 (f) donating the monies to another candidate's campaign account;

49 (g) transferring the monies to another campaign account for the person to use as a
50 candidate for:

51 (i) a state or local elected office; or

52 (ii) a federal elected office, as may be permitted or required by federal law; or

53 (h) some combination of Subsections (3)(a) through (g).

54 (4) (a) A person who withdraws, is eliminated, or is no longer a state office candidate
55 shall continue to file the year-end summary report required by Section 20A-11-203 until the
56 statement of dissolution and final summary report required by Section 20A-11-205 are filed

57 with the lieutenant governor.

58 (b) A person who fails to file the year-end summary report required by this Subsection
59 (4) is subject to an administrative penalty of up to \$1,000 for each violation.

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

61 **20A-11-301. Legislative office candidate -- Campaign requirements.**

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

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

67 (3) A legislative office candidate may not make any political expenditures prohibited
68 by law.

69 (4) If a person [~~who~~] withdraws or is eliminated in a convention, primary, or regular
70 general election, or is no longer a legislative candidate [~~chooses not to expend the monies~~
71 remaining in his campaign account], the person shall dispose of monies remaining in the
72 person's campaign account by:

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

74 (b) donating the monies to the state General Fund;

75 (c) expending the monies for political purposes;

76 (d) donating the monies to a tax-exempt, nonprofit entity;

77 (e) repaying documented loans to the legislative office candidate's campaign;

78 (f) donating the monies to another candidate's campaign account;

79 (g) transferring the monies to another campaign account for the person to use as a
80 candidate for:

81 (i) a state or local elected office; or

82 (ii) a federal elected office, as may be permitted or required by federal law; or

83 (h) some combination of Subsections (4)(a) through (g).

84 (5) (a) A person who withdraws, is eliminated, or is no longer a legislative candidate
85 shall continue to file the year-end summary report required by Section 20A-11-302 until the
86 statement of dissolution and final summary report required by Section 20A-11-304 are filed
87 with the lieutenant governor.

88 (b) A person who fails to file the year-end summary report required by this Subsection
89 (5) is subject to an administrative penalty of up to \$1,000 for each violation.

90 Section 3. Section **20A-11-402** is amended to read:

91 **20A-11-402. Officeholder financial reporting requirements -- Termination of**
92 **duty to report.**

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

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

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

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

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

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

105 (b) Any person who fails to file the year-end summary report required by this
106 Subsection (3) is subject to an administrative penalty of up to \$1,000 for each violation.

107 (4) When an officeholder leaves office, the person shall dispose of monies remaining
108 in the person's campaign accounts required by Sections 20A-11-201 and 20A-11-301 by:

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

110 (b) donating the monies to the state General Fund;

111 (c) expending the monies for political purposes;

112 (d) donating the monies to a tax-exempt, nonprofit entity;

113 (e) repaying documented loans to the officeholder's campaign;

114 (f) donating the monies to another candidate's campaign account;

115 (g) transferring the monies to another campaign account for the person to use as a
116 candidate for:

117 (i) a state or local elected office; or

118 (ii) a federal elected office, as may be permitted or required by federal law; or

119 (h) some combination of Subsections (4)(a) through (g).

120 Section 4. Section **20A-11-1301** is amended to read:

121 **20A-11-1301. School board office candidate -- Campaign requirements.**

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

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

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

129 (4) If a person [~~who~~] withdraws or is eliminated in a regular general election or is no
130 longer a school board candidate [chooses not to expend the monies remaining in his campaign
131 account], the person shall dispose of monies remaining in the person's campaign account by:

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

133 (b) donating the monies to the state General Fund;

134 (c) expending the monies for political purposes;

135 (d) donating the monies to a tax-exempt, nonprofit entity;

136 (e) repaying documented loans to the school board office candidate's campaign;

137 (f) donating the monies to another candidate's campaign account;

138 (g) transferring the monies to another campaign account for the person to use as a
139 candidate for:

140 (i) a state or local elected office; or

141 (ii) a federal elected office, as may be permitted or required by federal law; or

142 (h) some combination of Subsections (4)(a) through (g).

143 (5) (a) A person who withdraws, is eliminated, or is no longer a school board candidate
144 shall continue to file the year-end summary report required by Section 20A-11-1302 until the
145 statement of dissolution and final summary report required by Section 20A-11-1304 are filed
146 with:

147 [~~(a)~~] (i) the lieutenant governor in the case of a state school board candidate; and

148 [~~(b)~~] (ii) the county clerk, in the case of a local school board candidate.

149 (b) A person who fails to file the year-end summary report required by this Subsection

150 (5) is subject to an administrative penalty of up to \$1,000 for each violation.

S.B. 195 1st Sub. (Green) - Use of Campaign Contributions

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses or local governments. Individuals who fail to meet requirements set forth in the bill may be assessed a \$1,000 penalty.
