

USE OF CAMPAIGN FUNDS AMENDMENTS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John L. Valentine

House Sponsor: John Dougall

LONG TITLE

General Description:

This bill prohibits the use of campaign and officeholder funds for a purpose that would result in the funds' recognition as taxable income under federal tax law.

Highlighted Provisions:

This bill:

- ▶ prohibits the use of campaign and officeholder funds for a purpose that would result in the candidate or officeholder recognizing the funds as taxable income under federal tax law; and
- ▶ makes technical changes.

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

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

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



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

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

30 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**

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

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

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

38 (3) If a person who is no longer a state office candidate chooses not to expend the
39 monies remaining in [his] a campaign account, the person shall continue to file the year-end
40 summary report required by Section 20A-11-203 until the statement of dissolution and final
41 summary report required by Section 20A-11-205 are filed with the lieutenant governor.

42 (4) A person who is no longer a state office candidate may not expend or transfer the
43 monies in a campaign account in a manner that would cause the former state office candidate to
44 recognize the monies as taxable income under federal tax law.

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

46 **20A-11-301. Legislative office candidate -- Campaign requirements.**

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

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

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

54 (4) If a person who is no longer a legislative candidate chooses not to expend the
55 monies remaining in [his] a campaign account, the person shall continue to file the year-end
56 summary report required by Section 20A-11-302 until the statement of dissolution and final
57 summary report required by Section 20A-11-304 are filed with the lieutenant governor.

58 (5) A person who is no longer a legislative office candidate may not expend or transfer

59 the monies in a campaign account in a manner that would cause the former legislative office
60 candidate to recognize the monies as taxable income under federal tax law.

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

62 **20A-11-402. Officeholder financial reporting requirements -- Termination of**
63 **duty to report.**

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

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

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

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

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

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

76 (4) A person who is no longer an officeholder may not expend or transfer the monies in
77 a campaign account in a manner that would cause the former officeholder to recognize the
78 monies as taxable income under federal tax law.

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

80 **20A-11-1301. School board office candidate -- Campaign requirements.**

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

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

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

88 (4) If a person who is no longer a school board candidate chooses not to expend the
89 monies remaining in [his] a campaign account, the person shall continue to file the year-end

90 summary report required by Section 20A-11-1302 until the statement of dissolution and final
91 summary report required by Section 20A-11-1304 are filed with:

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

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

94 (5) A person who is no longer a school board candidate may not expend or transfer the
95 monies in a campaign account in a manner that would cause the former school board candidate
96 to recognize the monies as taxable income under federal tax law.

Legislative Review Note
as of 2-3-09 1:12 PM

Office of Legislative Research and General Counsel

S.B. 162 - Use of Campaign Funds Amendments

Fiscal Note

2009 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 may impact state elected office candidates and officeholders. This bill may also impact school board candidates.
