

CAMPAIGN FINANCE AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stewart Barlow

Senate Sponsor: Peter C. Knudson

LONG TITLE

General Description:

This bill amends provisions in Title 20A, Chapter 11, Campaign and Financial Reporting Requirements, related to a political action committee or political issues committee.

Highlighted Provisions:

This bill:

- requires a political action committee or political issues committee to file a report before the municipal general election;
- establishes criminal penalties; and
- makes technical amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

20A-11-602, as last amended by Laws of Utah 2010, Chapter 389

20A-11-603, as last amended by Laws of Utah 2010, Chapter 389

20A-11-802, as last amended by Laws of Utah 2011, Chapter 396

20A-11-803, as last amended by Laws of Utah 2008, Chapter 14

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

30 Section 1. Section **20A-11-602** is amended to read:

31 **20A-11-602. Political action committees -- Financial reporting.**

32 (1) (a) Each registered political action committee that has received contributions
33 totaling at least \$750, or disbursed expenditures totaling at least \$50, during a calendar year
34 shall file a verified financial statement with the lieutenant governor's office:

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

37 (ii) seven days before the regular primary election date;

38 (iii) on August 31; and

39 (iv) seven days before:

40 (A) the municipal general election; and

41 (B) the regular general election date.

42 (b) The registered political action committee shall report:

43 (i) a detailed listing of all contributions received and expenditures made since the last
44 statement; and

45 (ii) for financial statements filed under Subsections (1)(a)(ii) through (iv), all
46 contributions and expenditures as of five days before the required filing date of the financial
47 statement.

48 (c) The registered political action committee need not file a statement under this
49 section if it received no contributions and made no expenditures during the reporting period.

50 (2) (a) The verified financial statement shall include:

51 (i) the name and address of any individual that makes a contribution to the reporting
52 political action committee, and the amount of the contribution;

53 (ii) the identification of any publicly identified class of individuals that makes a
54 contribution to the reporting political action committee, and the amount of the contribution;

55 (iii) the name and address of any political action committee, group, or entity that makes
56 a contribution to the reporting political action committee, and the amount of the contribution;

57 (iv) for each nonmonetary contribution, the fair market value of the contribution;

58 (v) the name and address of each reporting entity that received an expenditure from the
59 reporting political action committee, and the amount of each expenditure;

60 (vi) for each nonmonetary expenditure, the fair market value of the expenditure;

61 (vii) the total amount of contributions received and expenditures disbursed by the
62 reporting political action committee;

63 (viii) a statement by the political action committee's treasurer or chief financial officer
64 certifying that, to the best of the person's knowledge, the financial report is accurate; and

65 (ix) a summary page in the form required by the lieutenant governor that identifies:

66 (A) beginning balance;

67 (B) total contributions during the period since the last statement;

68 (C) total contributions to date;

69 (D) total expenditures during the period since the last statement; and

70 (E) total expenditures to date.

71 (b) (i) Contributions received by a political action committee that have a value of \$50
72 or less need not be reported individually, but shall be listed on the report as an aggregate total.

73 (ii) Two or more contributions from the same source that have an aggregate total of
74 more than \$50 may not be reported in the aggregate, but shall be reported separately.

75 (3) A group or entity may not divide or separate into units, sections, or smaller groups
76 for the purpose of avoiding the financial reporting requirements of this chapter, and substance
77 shall prevail over form in determining the scope or size of a political action committee.

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

79 **20A-11-603. Criminal penalties -- Fines.**

80 (1) (a) Each political action committee that fails to file the financial statement due
81 before the regular primary election, on August 31, ~~[or]~~ before the municipal general election, or
82 before the regular general [session] election is:

83 (i) subject to a fine imposed in accordance with Section 20A-11-1005; and

84 (ii) guilty of a class B misdemeanor.

85 (b) The lieutenant governor shall report all violations of Subsection (1)(a) to the

86 attorney general.

87 (2) Within 30 days after a deadline for the filing of the January 10 statement required
88 by this part, the lieutenant governor shall review each filed statement to ensure that:

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

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

91 (3) If it appears that any political action committee has failed to file the January 10
92 statement, if it appears that a filed statement does not conform to the law, or if the lieutenant
93 governor has received a written complaint alleging a violation of the law or the falsity of any
94 statement, the lieutenant governor shall, within five days of discovery of a violation or receipt
95 of a written complaint, notify the political action committee of the violation or written
96 complaint and direct the political action committee to file a statement correcting the problem.

97 (4) (a) It is unlawful for any political action committee to fail to file or amend a
98 statement within 14 days after receiving notice from the lieutenant governor under this section.

99 (b) Each political action committee who violates Subsection (4)(a) is guilty of a class B
100 misdemeanor.

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

103 Section 3. Section **20A-11-802** is amended to read:

104 **20A-11-802. Political issues committees -- Financial reporting.**

105 (1) (a) Each registered political issues committee that has received political issues
106 contributions totaling at least \$750, or disbursed political issues expenditures totaling at least
107 \$50, during a calendar year, shall file a verified financial statement with the lieutenant
108 governor's office:

109 (i) on January 10, reporting contributions and expenditures as of December 31 of the
110 previous year;

111 (ii) seven days before the date of an incorporation election, if the political issues
112 committee has received donations or made disbursements to affect an incorporation;

113 (iii) at least three days before the first public hearing held as required by Section

114 20A-7-204.1;

115 (iv) if the political issues committee has received or expended funds in relation to an
116 initiative or referendum, at the time the initiative or referendum sponsors submit:

117 (A) the verified and certified initiative packets as required by Section 20A-7-206; or
118 (B) the signed and verified referendum packets as required by Section 20A-7-306;

119 (v) on August 31; and
120 (vi) seven days before;

121 (A) the municipal general election; and
122 (B) the regular general election.

123 (b) The political issues committee shall report:

124 (i) a detailed listing of all contributions received and expenditures made since the last
125 statement; and
126 (ii) all contributions and expenditures as of five days before the required filing date of
127 the financial statement, except for a financial statement filed on January 10.

128 (c) The political issues committee need not file a statement under this section if it
129 received no contributions and made no expenditures during the reporting period.

130 (2) (a) That statement shall include:

131 (i) the name and address of any individual that makes a political issues contribution to
132 the reporting political issues committee, and the amount of the political issues contribution;

133 (ii) the identification of any publicly identified class of individuals that makes a
134 political issues contribution to the reporting political issues committee, and the amount of the
135 political issues contribution;

136 (iii) the name and address of any political issues committee, group, or entity that makes
137 a political issues contribution to the reporting political issues committee, and the amount of the
138 political issues contribution;

139 (iv) the name and address of each reporting entity that makes a political issues
140 contribution to the reporting political issues committee, and the amount of the political issues
141 contribution;

142 (v) for each nonmonetary contribution, the fair market value of the contribution;
143 (vi) except as provided in Subsection (2)(c), the name and address of each individual,
144 entity, or group of individuals or entities that received a political issues expenditure of more
145 than \$50 from the reporting political issues committee, and the amount of each political issues
146 expenditure;

147 (vii) for each nonmonetary expenditure, the fair market value of the expenditure;

148 (viii) the total amount of political issues contributions received and political issues
149 expenditures disbursed by the reporting political issues committee;

150 (ix) a statement by the political issues committee's treasurer or chief financial officer
151 certifying that, to the best of the person's knowledge, the financial statement is accurate; and

152 (x) a summary page in the form required by the lieutenant governor that identifies:

153 (A) beginning balance;

154 (B) total contributions during the period since the last statement;

155 (C) total contributions to date;

156 (D) total expenditures during the period since the last statement; and

157 (E) total expenditures to date.

158 (b) (i) Political issues contributions received by a political issues committee that have a
159 value of \$50 or less need not be reported individually, but shall be listed on the report as an
160 aggregate total.

161 (ii) Two or more political issues contributions from the same source that have an
162 aggregate total of more than \$50 may not be reported in the aggregate, but shall be reported
163 separately.

164 (c) When reporting political issue expenditures made to circulators of initiative
165 petitions, the political issues committee:

166 (i) need only report the amount paid to each initiative petition circulator; and

167 (ii) need not report the name or address of the circulator.

168 Section 4. Section **20A-11-803** is amended to read:

169 **20A-11-803. Criminal penalties.**

170 (1) (a) Each political issues committee that fails to file the statement due August 31,
171 before the municipal general election, or before the regular general election is guilty of a class
172 B misdemeanor.

173 (b) The lieutenant governor shall report all violations of Subsection (1)(a) to the
174 attorney general.

175 (2) Within 30 days after a deadline for the filing of the January 10 statement, the
176 lieutenant governor shall review each filed statement to ensure that:

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

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

179 (3) If it appears that any political issues committee has failed to file the January 10
180 statement, if it appears that a filed statement does not conform to the law, or if the lieutenant
181 governor has received a written complaint alleging a violation of the law or the falsity of any
182 statement, the lieutenant governor shall, within five days of discovery of a violation or receipt
183 of a written complaint, notify the political issues committee of the violation or written
184 complaint and direct the political issues committee to file a statement correcting the problem.

185 (4) (a) It is unlawful for any political issues committee to fail to file or amend a
186 statement within 14 days after receiving notice from the lieutenant governor under this section.

187 (b) Each political issues committee who violates Subsection (4)(a) is guilty of a class B
188 misdemeanor.

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