

Representative Craig Hall proposes the following substitute bill:

FAILURE TO REPORT CONTRIBUTIONS OR PUBLIC

SERVICE ASSISTANCE

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Craig Hall

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill amends provisions of the Election Code by imposing a penalty for failure to report contributions or public service assistance within the 30-day period required by law.

Highlighted Provisions:

This bill:

- ▶ imposes a penalty for a state office candidate, a legislative office candidate, a school board office candidate, or a judge, that fails to report contributions or public service assistance, as applicable, within the 30-day period required by law; and

- ▶ provides for publication of information relating to a penalty described in the preceding paragraph.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:



- 26 **20A-11-201**, as last amended by Laws of Utah 2012, Chapter 230
 - 27 **20A-11-301**, as last amended by Laws of Utah 2012, Chapter 230
 - 28 **20A-11-1301**, as last amended by Laws of Utah 2012, Chapter 230
 - 29 **20A-12-303**, as last amended by Laws of Utah 2011, Chapter 396
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31 *Be it enacted by the Legislature of the state of Utah:*

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

33 **20A-11-201. State office candidate -- Separate bank account for campaign funds**
34 **-- No personal use -- Report contributions within 30 days -- Report other accounts.**

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

38 (b) A state office candidate or a candidate's personal campaign committee may not use
39 money deposited in a campaign account for:

- 40 (i) a personal use expenditure; or
- 41 (ii) an expenditure prohibited by law.

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

44 (3) If a person who is no longer a state office candidate chooses not to expend the
45 money remaining in a campaign account, the person shall continue to file the year-end
46 summary report required by Section **20A-11-203** until the statement of dissolution and final
47 summary report required by Section **20A-11-205** are filed with the lieutenant governor.

48 (4) (a) Except as provided in Subsection (4)(b) and Section **20A-11-402**, a person who
49 is no longer a state office candidate may not expend or transfer the money in a campaign
50 account in a manner that would cause the former state office candidate to recognize the money
51 as taxable income under federal tax law.

52 (b) A person who is no longer a state office candidate may transfer the money in a
53 campaign account in a manner that would cause the former state office candidate to recognize
54 the money as taxable income under federal tax law if the transfer is made to a campaign
55 account for federal office.

56 (5) (a) As used in this Subsection (5) and Section **20A-11-204**, "received" means:

57 (i) for a cash contribution, that the cash is given to a state office candidate or a member
58 of the candidate's personal campaign committee;

59 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
60 instrument or check is negotiated; and

61 (iii) for any other type of contribution, that any portion of the contribution's benefit
62 inures to the state office candidate.

63 (b) Each state office candidate shall report each contribution and public service
64 assistance to the lieutenant governor within 30 days after the contribution or public service
65 assistance is received.

66 (c) Except as provided in Subsection (5)(d), for each contribution or provision of
67 public service assistance that a state office candidate fails to report within the 30-day time
68 period described in Subsection (5)(b), the lieutenant governor shall impose a fine against the
69 state office candidate in an amount equal to:

70 (i) the greater of \$50 or 15% of the amount of the contribution; or

71 (ii) the greater of \$50 or 15% of the value of the public service assistance.

72 (d) A fine described in Subsection (5)(c) may not exceed the amount of the
73 contribution or the value of the public service assistance to which the fine relates.

74 (e) The lieutenant governor shall:

75 (i) deposit money received under Subsection (5)(c) into the General Fund; and

76 (ii) report on the lieutenant governor's website, in the location where reports relating to
77 each state office candidate are available for public access:

78 (A) each fine imposed by the lieutenant governor against the state office candidate;

79 (B) the amount of the fine;

80 (C) the amount of the contribution to which the fine relates; ~~H→~~ and ~~←H~~

81 (D) the date of the contribution ~~H→~~ [~~;~~ and

82 ~~(E) the name of the person who made the contribution] ~~←H~~ .~~

83 (6) (a) As used in this Subsection (6), "account" means an account in a financial
84 institution:

85 (i) that is not described in Subsection (1)(a); and

86 (ii) into which or from which a person who, as a candidate for an office, other than the
87 state office for which the person files a declaration of candidacy or federal office, or as a holder

88 of an office, other than a state office for which the person files a declaration of candidacy or
89 federal office, deposits a contribution or makes an expenditure.

90 (b) A state office candidate shall include on any financial statement filed in accordance
91 with this part:

92 (i) a contribution deposited in an account:

93 (A) since the last campaign finance statement was filed; or

94 (B) that has not been reported under a statute or ordinance that governs the account; or

95 (ii) an expenditure made from an account:

96 (A) since the last campaign finance statement was filed; or

97 (B) that has not been reported under a statute or ordinance that governs the account.

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

99 **20A-11-301. Legislative office candidate -- Campaign finance requirements --**
100 **Candidate as a political action committee officer -- No personal use -- Report**
101 **contributions within 30 days -- Report other accounts.**

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

105 (ii) A legislative office candidate may:

106 (A) receive a contribution or public service assistance from a political action
107 committee registered under Section [20A-11-601](#); and

108 (B) be designated by a political action committee as an officer who has primary
109 decision-making authority as described in Section [20A-11-601](#).

110 (b) A legislative office candidate or the candidate's personal campaign committee may
111 not use money deposited in an account described in Subsection (1)(a)(i) for:

112 (i) a personal use expenditure; or

113 (ii) an expenditure prohibited by law.

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

116 (3) If a person who is no longer a legislative candidate chooses not to expend the
117 money remaining in a campaign account, the person shall continue to file the year-end
118 summary report required by Section [20A-11-302](#) until the statement of dissolution and final

119 summary report required by Section 20A-11-304 are filed with the lieutenant governor.

120 (4) (a) Except as provided in Subsection (4)(b) and Section 20A-11-402, a person who
121 is no longer a legislative office candidate may not expend or transfer the money in a campaign
122 account in a manner that would cause the former legislative office candidate to recognize the
123 money as taxable income under federal tax law.

124 (b) A person who is no longer a legislative office candidate may transfer the money in
125 a campaign account in a manner that would cause the former legislative office candidate to
126 recognize the money as taxable income under federal tax law if the transfer is made to a
127 campaign account for federal office.

128 (5) (a) As used in this Subsection (5) and Section 20A-11-303, "received" means:

129 (i) for a cash contribution, that the cash is given to a legislative office candidate or a
130 member of the candidate's personal campaign committee;

131 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
132 instrument or check is negotiated; and

133 (iii) for any other type of contribution, that any portion of the contribution's benefit
134 inures to the legislative office candidate.

135 (b) Each legislative office candidate shall report each contribution and public service
136 assistance to the lieutenant governor within 30 days after the contribution or public service
137 assistance is received.

138 (c) Except as provided in Subsection (5)(d), for each contribution or provision of
139 public service assistance that a legislative office candidate fails to report within the 30-day time
140 period described in Subsection (5)(b), the lieutenant governor shall impose a fine against the
141 legislative office candidate in an amount equal to:

142 (i) the greater of \$50 or 15% of the amount of the contribution; or

143 (ii) the greater of \$50 or 15% of the value of the public service assistance.

144 (d) A fine described in Subsection (5)(c) may not exceed the amount of the
145 contribution or the value of the public service assistance to which the fine relates.

146 (e) The lieutenant governor shall:

147 (i) deposit money received under Subsection (5)(c) into the General Fund; and

148 (ii) report on the lieutenant governor's website, in the location where reports relating to
149 each legislative office candidate are available for public access:

150 (A) each fine imposed by the lieutenant governor against the legislative office
 151 candidate;

152 (B) the amount of the fine;

153 (C) the amount of the contribution to which the fine relates; ~~H→~~ **and** ~~←H~~

154 (D) the date of the contribution ~~H→~~ [~~;~~ **and**

155 ~~—— (E) the name of the person who made the contribution] ~~←H~~ .~~

156 (6) (a) As used in this Subsection (6), "account" means an account in a financial
 157 institution:

158 (i) that is not described in Subsection (1)(a)(i); and

159 (ii) into which or from which a person who, as a candidate for an office, other than a
 160 legislative office for which the person files a declaration of candidacy or federal office, or as a
 161 holder of an office, other than a legislative office for which the person files a declaration of
 162 candidacy or federal office, deposits a contribution or makes an expenditure.

163 (b) A legislative office candidate shall include on any financial statement filed in
 164 accordance with this part:

165 (i) a contribution deposited in an account:

166 (A) since the last campaign finance statement was filed; or

167 (B) that has not been reported under a statute or ordinance that governs the account; or

168 (ii) an expenditure made from an account:

169 (A) since the last campaign finance statement was filed; or

170 (B) that has not been reported under a statute or ordinance that governs the account.

171 Section 3. Section **20A-11-1301** is amended to read:

172 **20A-11-1301. School board office candidate -- Campaign finance requirements --**

173 **Candidate as a political action committee officer -- No personal use -- Report**

174 **contributions within 30 days -- Report other accounts.**

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

178 (ii) A school board office candidate may:

179 (A) receive a contribution or public service assistance from a political action

180 committee registered under Section **20A-11-601**; and

181 (B) be designated by a political action committee as an officer who has primary
182 decision-making authority as described in Section 20A-11-601.

183 (b) A school board office candidate may not use money deposited in an account
184 described in Subsection (1)(a)(i) for:

185 (i) a personal use expenditure; or

186 (ii) an expenditure prohibited by law.

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

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

191 (4) If a person who is no longer a school board candidate chooses not to expend the
192 money remaining in a campaign account, the person shall continue to file the year-end
193 summary report required by Section 20A-11-1302 until the statement of dissolution and final
194 summary report required by Section 20A-11-1304 are filed with:

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

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

197 (5) (a) Except as provided in Subsection (5)(b) and Section 20A-11-402, a person who
198 is no longer a school board candidate may not expend or transfer the money in a campaign
199 account in a manner that would cause the former school board candidate to recognize the
200 money as taxable income under federal tax law.

201 (b) A person who is no longer a school board candidate may transfer the money in a
202 campaign account in a manner that would cause the former school board candidate to recognize
203 the money as taxable income under federal tax law if the transfer is made to a campaign
204 account for federal office.

205 (6) (a) As used in this Subsection (6) and Section 20A-11-1303, "received" means:

206 (i) for a cash contribution, that the cash is given to a school board office candidate or a
207 member of the candidate's personal campaign committee;

208 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
209 instrument or check is negotiated; and

210 (iii) for any other type of contribution, that any portion of the contribution's benefit
211 inures to the school board office candidate.

212 (b) Each school board office candidate shall report to the chief election officer each
 213 contribution and public service assistance within 30 days after the contribution or public
 214 service assistance is received.

215 (c) Except as provided in Subsection (6)(d), for each contribution or provision of
 216 public service assistance that a school board office candidate fails to report within the 30-day
 217 time period described in Subsection (6)(b), the chief election officer shall impose a fine against
 218 the school board office candidate in an amount equal to:

219 (i) the greater of \$50 or 15% of the amount of the contribution; or

220 (ii) the greater of \$50 or 15% of the value of the public service assistance.

221 (d) A fine described in Subsection (6)(c) may not exceed the amount of the
 222 contribution or the value of the public service assistance to which the fine relates.

223 (e) The chief election officer shall:

224 (i) deposit money received under Subsection (6)(c) into the General Fund; and

225 (ii) report on the chief election officer's website, in the location where reports relating
 226 to each school board office candidate are available for public access:

227 (A) each fine imposed by the chief election officer against the school board office
 228 candidate;

229 (B) the amount of the fine;

230 (C) the amount of the contribution to which the fine relates; ~~H→~~ and ~~←H~~

231 (D) the date of the contribution ~~H→~~ [; and

232 ~~—— (E) the name of the person who made the contribution] ~~←H~~ .~~

233 (7) (a) As used in this Subsection (7), "account" means an account in a financial
 234 institution:

235 (i) that is not described in Subsection (1)(a)(i); and

236 (ii) into which or from which a person who, as a candidate for an office, other than a
 237 school board office for which the person files a declaration of candidacy or federal office, or as
 238 a holder of an office, other than a school board office for which the person files a declaration of
 239 candidacy or federal office, deposits a contribution or makes an expenditure.

240 (b) A school board office candidate shall include on any financial statement filed in
 241 accordance with this part:

242 (i) a contribution deposited in an account:

- 243 (A) since the last campaign finance statement was filed; or
- 244 (B) that has not been reported under a statute or ordinance that governs the account; or
- 245 (ii) an expenditure made from an account:

- 246 (A) since the last campaign finance statement was filed; or
- 247 (B) that has not been reported under a statute or ordinance that governs the account.

248 Section 4. Section **20A-12-303** is amended to read:

249 **20A-12-303. Separate account for campaign funds -- Reporting contributions.**

250 (1) The judge or the judge's personal campaign committee shall deposit each
251 contribution in one or more separate personal campaign accounts in a financial institution.

252 (2) The judge or the judge's personal campaign committee may not deposit or mingle
253 any contributions received into a personal or business account.

254 (3) (a) As used in this Subsection (3) and Section **20A-12-305**, "received" means:

255 (i) for a cash contribution, that the cash is given to a judge or the judge's personal
256 campaign committee;

257 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
258 instrument or check is negotiated; and

259 (iii) for any other type of contribution, that any portion of the contribution's benefit
260 inures to the judge.

261 (b) The judge or the judge's personal campaign committee shall report to the lieutenant
262 governor each contribution within 30 days after the contribution is received.

263 (c) Except as provided in Subsection (3)(d), for each contribution that a judge fails to
264 report within the 30-day time period described in Subsection (3)(b), the lieutenant governor
265 shall impose a fine against the judge in an amount equal to the greater of \$50 or 15% of the
266 amount of the contribution.

267 (d) A fine described in Subsection (3)(c) may not exceed the amount of the
268 contribution to which the fine relates.

269 (e) The lieutenant governor shall:

270 (i) deposit money received under Subsection (3)(c) into the General Fund; and

271 (ii) report on the lieutenant governor's website, in the location where reports relating to
272 each judge are available for public access:

273 (A) each fine imposed by the lieutenant governor against the judge;

274 (B) the amount of the fine;

275 (C) the amount of the contribution to which the fine relates; H→ and ←H

276 (D) the date of the contribution H→ [; and

277 ~~—— (E) the name of the person who made the contribution] ←H .~~

278 Section 5. **Effective date.**

279 If approved by two-thirds of all the members elected to each house, this bill takes effect

280 upon approval by the governor, or the day following the constitutional time limit of Utah

281 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,

282 the date of veto override.