	FAILURE TO REPORT CONTRIBUTIONS OR PUBLIC
	SERVICE ASSISTANCE
	2014 GENERAL SESSION
	STATE OF UTAH
	Chief Sponsor: Craig Hall
	Senate Sponsor:
LO	NG TITLE
Gei	neral Description:
	This bill amends provisions of the Election Code by imposing a penalty for failure to
rep	ort contributions or public service assistance within the 30-day period required by
law	<i>'</i> .
Hig	ghlighted Provisions:
	This bill:
	► imposes a penalty for a state office candidate, a legislative office candidate, a
poli	itical action committee, a political issues committee, a school board office
can	didate, or a judge, that fails to report contributions or public service assistance,
as a	applicable, within the 30-day period required by law; and
	<ul> <li>provides for publication of information relating to a penalty described in the</li> </ul>
pre	ceding paragraph.
Mo	oney Appropriated in this Bill:
	None
Otł	her Special Clauses:
	This bill provides an immediate effective date.
Uta	ah Code Sections Affected:
AM	MENDS:
	20A-11-201, as last amended by Laws of Utah 2012, Chapter 230



28	20A-11-301, as last amended by Laws of Utah 2012, Chapter 230
29	20A-11-602, as last amended by Laws of Utah 2013, Chapter 420
30	20A-11-802, as last amended by Laws of Utah 2013, Chapter 420
31	<b>20A-11-1301</b> , as last amended by Laws of Utah 2012, Chapter 230
32	20A-12-303, as last amended by Laws of Utah 2011, Chapter 396
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34	Be it enacted by the Legislature of the state of Utah:
35	Section 1. Section <b>20A-11-201</b> is amended to read:
36	20A-11-201. State office candidate Separate bank account for campaign funds
37	No personal use Report contributions within 30 days Report other accounts.
38	(1) (a) Each state office candidate or the candidate's personal campaign committee
39	shall deposit each contribution and public service assistance received in one or more separate
40	campaign accounts in a financial institution.
41	(b) A state office candidate or a candidate's personal campaign committee may not use
42	money deposited in a campaign account for:
43	(i) a personal use expenditure; or
44	(ii) an expenditure prohibited by law.
45	(2) A state office candidate or the candidate's personal campaign committee may not
46	deposit or mingle any contributions received into a personal or business account.
47	(3) If a person who is no longer a state office candidate chooses not to expend the
48	money remaining in a campaign account, the person shall continue to file the year-end
49	summary report required by Section 20A-11-203 until the statement of dissolution and final
50	summary report required by Section 20A-11-205 are filed with the lieutenant governor.
51	(4) (a) Except as provided in Subsection (4)(b) and Section 20A-11-402, a person who

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

account in a manner that would cause the former state office candidate to recognize the money

is no longer a state office candidate may not expend or transfer the money in a campaign

as taxable income under federal tax law.

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59	(5) (a) As used in this Subsection (5) and Section 20A-11-204, "received" means:
60	(i) for a cash contribution, that the cash is given to a state office candidate or a member
61	of the candidate's personal campaign committee;
62	(ii) for a contribution that is a negotiable instrument or check, that the negotiable
63	instrument or check is negotiated; and
64	(iii) for any other type of contribution, that any portion of the contribution's benefit
65	inures to the state office candidate.
66	(b) Each state office candidate shall report each contribution and public service
67	assistance to the lieutenant governor within 30 days after the contribution or public service
68	assistance is received.
69	(c) Except as provided in Subsection (5)(d), for each contribution or provision of
70	public service assistance that a state office candidate fails to report within the 30-day time
71	period described in Subsection (5)(b), the lieutenant governor shall impose a fine against the
72	state office candidate in an amount equal to:
73	(i) the greater of \$50 or 15% of the amount of the contribution; or
74	(ii) the greater of \$50 or 15% of the value of the public service assistance.
75	(d) A fine described in Subsection (5)(c) may not exceed the amount of the
76	contribution or the value of the public service assistance to which the fine relates.
77	(e) The lieutenant governor shall:
78	(i) deposit money received under Subsection (5)(c) into the General Fund; and
79	(ii) report on the lieutenant governor's website, in the location where reports relating to
80	each state office candidate are available for public access:
81	(A) each fine imposed by the lieutenant governor against the state office candidate;
82	(B) the amount of the fine;
83	(C) the amount of the contribution to which the fine relates;
84	(D) the date of the contribution; and
85	(E) the name of the person who made the contribution.
86	(6) (a) As used in this Subsection (6), "account" means an account in a financial
87	institution:
88	(i) that is not described in Subsection (1)(a); and
89	(ii) into which or from which a person who, as a candidate for an office, other than the

90 state office for which the person files a declaration of candidacy or federal office, or as a holder 91 of an office, other than a state office for which the person files a declaration of candidacy or 92 federal office, deposits a contribution or makes an expenditure. 93 (b) A state office candidate shall include on any financial statement filed in accordance 94 with this part: 95 (i) a contribution deposited in 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; or 98 (ii) an expenditure made from an account: 99 (A) since the last campaign finance statement was filed; or 100 (B) that has not been reported under a statute or ordinance that governs the account. 101 Section 2. Section **20A-11-301** is amended to read: 102 20A-11-301. Legislative office candidate -- Campaign finance requirements --103 Candidate as a political action committee officer -- No personal use -- Report 104 contributions within 30 days -- Report other accounts. 105 (1) (a) (i) Each legislative office candidate shall deposit each contribution and public 106 service assistance received in one or more separate accounts in a financial institution that are 107 dedicated only to that purpose. 108 (ii) A legislative office candidate may: 109 (A) receive a contribution or public service assistance from a political action 110 committee registered under Section 20A-11-601; and 111 (B) be designated by a political action committee as an officer who has primary 112 decision-making authority as described in Section 20A-11-601. 113 (b) A legislative office candidate or the candidate's personal campaign committee may 114 not use money deposited in an account described in Subsection (1)(a)(i) for: 115 (i) a personal use expenditure; or

(ii) an expenditure prohibited by law.

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- (2) A legislative office candidate may not deposit or mingle any contributions or public service assistance received into a personal or business account.
- 119 (3) If a person who is no longer a legislative candidate chooses not to expend the 120 money remaining in a campaign account, the person shall continue to file the year-end

summary report required by Section 20A-11-302 until the statement of dissolution and final summary report required by Section 20A-11-304 are filed with the lieutenant governor.

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- (4) (a) Except as provided in Subsection (4)(b) and Section 20A-11-402, a person who is no longer a legislative office candidate may not expend or transfer the money in a campaign account in a manner that would cause the former legislative office candidate to recognize the money as taxable income under federal tax law.
- (b) A person who is no longer a legislative office candidate may transfer the money in a campaign account in a manner that would cause the former legislative office candidate to recognize the money as taxable income under federal tax law if the transfer is made to a campaign account for federal office.
  - (5) (a) As used in this Subsection (5) and Section 20A-11-303, "received" means:
- (i) for a cash contribution, that the cash is given to a legislative office candidate or a member of the candidate's personal campaign committee;
- (ii) for a contribution that is a negotiable instrument or check, that the negotiable instrument or check is negotiated; and
- (iii) for any other type of contribution, that any portion of the contribution's benefit inures to the legislative office candidate.
- (b) Each legislative office candidate shall report each contribution and public service assistance to the lieutenant governor within 30 days after the contribution or public service assistance is received.
- (c) Except as provided in Subsection (5)(d), for each contribution or provision of public service assistance that a legislative office candidate fails to report within the 30-day time period described in Subsection (5)(b), the lieutenant governor shall impose a fine against the legislative office candidate in an amount equal to:
  - (i) the greater of \$50 or 15% of the amount of the contribution; or
  - (ii) the greater of \$50 or 15% of the value of the public service assistance.
- (d) A fine described in Subsection (5)(c) may not exceed the amount of the contribution or the value of the public service assistance to which the fine relates.
  - (e) The lieutenant governor shall:
- (i) deposit money received under Subsection (5)(c) into the General Fund; and
- (ii) report on the lieutenant governor's website, in the location where reports relating to

152	each legislative office candidate are available for public access:
153	(A) each fine imposed by the lieutenant governor against the legislative office
154	candidate;
155	(B) the amount of the fine;
156	(C) the amount of the contribution to which the fine relates;
157	(D) the date of the contribution; and
158	(E) the name of the person who made the contribution.
159	(6) (a) As used in this Subsection (6), "account" means an account in a financial
160	institution:
161	(i) that is not described in Subsection (1)(a)(i); and
162	(ii) into which or from which a person who, as a candidate for an office, other than a
163	legislative office for which the person files a declaration of candidacy or federal office, or as a
164	holder of an office, other than a legislative office for which the person files a declaration of
165	candidacy or federal office, deposits a contribution or makes an expenditure.
166	(b) A legislative office candidate shall include on any financial statement filed in
167	accordance with this part:
168	(i) a contribution deposited in 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; or
171	(ii) an expenditure made from an account:
172	(A) since the last campaign finance statement was filed; or
173	(B) that has not been reported under a statute or ordinance that governs the account.
174	Section 3. Section <b>20A-11-602</b> is amended to read:
175	20A-11-602. Political action committees Financial reporting.
176	(1) (a) Each registered political action committee that has received contributions
177	totaling at least \$750, or disbursed expenditures totaling at least \$50, during a calendar year
178	shall file a verified financial statement with the lieutenant governor's office:
179	(i) on January 10, reporting contributions and expenditures as of December 31 of the
180	previous year;
181	(ii) seven days before the state political convention of each major political party;
182	(iii) seven days before the regular primary election date;

183	(iv) on August 31; and
184	(v) seven days before:
185	(A) the municipal general election; and
186	(B) the regular general election date.
187	(b) The registered political action committee shall report:
188	(i) a detailed listing of all contributions received and expenditures made since the last
189	statement; and
190	(ii) for financial statements filed under Subsections (1)(a)(ii) through (iv), all
191	contributions and expenditures as of five days before the required filing date of the financial
192	statement.
193	(c) The registered political action committee need not file a statement under this
194	section if it received no contributions and made no expenditures during the reporting period.
195	(2) (a) The verified financial statement shall include:
196	(i) the name and address of any individual that makes a contribution to the reporting
197	political action committee, and the amount of the contribution;
198	(ii) the identification of any publicly identified class of individuals that makes a
199	contribution to the reporting political action committee, and the amount of the contribution;
200	(iii) the name and address of any political action committee, group, or entity that makes
201	a contribution to the reporting political action committee, and the amount of the contribution;
202	(iv) for each nonmonetary contribution, the fair market value of the contribution;
203	(v) the name and address of each reporting entity that received an expenditure from the
204	reporting political action committee, and the amount of each expenditure;
205	(vi) for each nonmonetary expenditure, the fair market value of the expenditure;
206	(vii) the total amount of contributions received and expenditures disbursed by the
207	reporting political action committee;
208	(viii) a statement by the political action committee's treasurer or chief financial officer
209	certifying that, to the best of the person's knowledge, the financial report is accurate; and
210	(ix) a summary page in the form required by the lieutenant governor that identifies:
211	(A) beginning balance;
212	(B) total contributions during the period since the last statement;
213	(C) total contributions to date;

214	(D) total expenditures during the period since the last statement; and
215	(E) total expenditures to date.
216	(b) (i) Contributions received by a political action committee that have a value of \$50
217	or less need not be reported individually, but shall be listed on the report as an aggregate total.
218	(ii) Two or more contributions from the same source that have an aggregate total of
219	more than \$50 may not be reported in the aggregate, but shall be reported separately.
220	(3) A group or entity may not divide or separate into units, sections, or smaller groups
221	for the purpose of avoiding the financial reporting requirements of this chapter, and substance
222	shall prevail over form in determining the scope or size of a political action committee.
223	(4) (a) As used in this Subsection (4), "received" means:
224	(i) for a cash contribution, that the cash is given to a political action committee;
225	(ii) for a contribution that is a negotiable instrument or check, that the negotiable
226	instrument or check is negotiated; and
227	(iii) for any other type of contribution, that any portion of the contribution's benefit
228	inures to the political action committee.
229	(b) A political action committee shall report each contribution to the lieutenant
230	governor within 30 days after the contribution is received.
231	(c) Except as provided in Subsection (4)(d), for each contribution that a political action
232	committee fails to report within the 30-day time period described in Subsection (4)(b), the
233	lieutenant governor shall impose a fine against the political action committee in an amount
234	equal to the greater of \$50 or 15% of the contribution.
235	(d) A fine described in Subsection (4)(c) may not exceed the amount of the
236	contribution to which the fine relates.
237	(e) The lieutenant governor shall:
238	(i) deposit money received under Subsection (4)(c) into the General Fund; and
239	(ii) report on the lieutenant governor's website, in the location where reports relating to
240	each political action committee are available for public access:
241	(A) each fine imposed by the lieutenant governor against the political action
242	committee;
243	(B) the amount of the fine;
244	(C) the amount of the contribution to which the fine relates:

245	(D) the date of the contribution; and
246	(E) the name of the person who made the contribution.
247	Section 4. Section 20A-11-802 is amended to read:
248	20A-11-802. Political issues committees Financial reporting.
249	(1) (a) Each registered political issues committee that has received political issues
250	contributions totaling at least \$750, or disbursed political issues expenditures totaling at least
251	\$50, during a calendar year, shall file a verified financial statement with the lieutenant
252	governor's office:
253	(i) on January 10, reporting contributions and expenditures as of December 31 of the
254	previous year;
255	(ii) seven days before the state political convention of each major political party;
256	(iii) seven days before the regular primary election date;
257	(iv) seven days before the date of an incorporation election, if the political issues
258	committee has received donations or made disbursements to affect an incorporation;
259	(v) at least three days before the first public hearing held as required by Section
260	20A-7-204.1;
261	(vi) if the political issues committee has received or expended funds in relation to an
262	initiative or referendum, at the time the initiative or referendum sponsors submit:
263	(A) the verified and certified initiative packets as required by Section 20A-7-206; or
264	(B) the signed and verified referendum packets as required by Section 20A-7-306;
265	(vii) on August 31; and
266	(viii) seven days before:
267	(A) the municipal general election; and
268	(B) the regular general election.
269	(b) The political issues committee shall report:
270	(i) a detailed listing of all contributions received and expenditures made since the last
271	statement; and
272	(ii) all contributions and expenditures as of five days before the required filing date of
273	the financial statement, except for a financial statement filed on January 10.
274	(c) The political issues committee need not file a statement under this section if it
275	received no contributions and made no expenditures during the reporting period.

276	(2) (a) That statement shall include:
277	(i) the name and address of any individual that makes a political issues contribution to
278	the reporting political issues committee, and the amount of the political issues contribution;
279	(ii) the identification of any publicly identified class of individuals that makes a
280	political issues contribution to the reporting political issues committee, and the amount of the

- (iii) the name and address of any political issues committee, group, or entity that makes a political issues contribution to the reporting political issues committee, and the amount of the political issues contribution;
- (iv) the name and address of each reporting entity that makes a political issues contribution to the reporting political issues committee, and the amount of the political issues contribution;
  - (v) for each nonmonetary contribution, the fair market value of the contribution;
- (vi) except as provided in Subsection (2)(c), the name and address of each individual, entity, or group of individuals or entities that received a political issues expenditure of more than \$50 from the reporting political issues committee, and the amount of each political issues expenditure;
  - (vii) for each nonmonetary expenditure, the fair market value of the expenditure;
- (viii) the total amount of political issues contributions received and political issues expenditures disbursed by the reporting political issues committee;
- (ix) a statement by the political issues committee's treasurer or chief financial officer certifying that, to the best of the person's knowledge, the financial statement is accurate; and
  - (x) a summary page in the form required by the lieutenant governor that identifies:
  - (A) beginning balance;
  - (B) total contributions during the period since the last statement;
- (C) total contributions to date;
- 302 (D) total expenditures during the period since the last statement; and
- 303 (E) total expenditures to date.

political issues contribution;

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

307	(ii) Two or more political issues contributions from the same source that have an
308	aggregate total of more than \$50 may not be reported in the aggregate, but shall be reported
309	separately.
310	(c) When reporting political issue expenditures made to circulators of initiative
311	petitions, the political issues committee:
312	(i) need only report the amount paid to each initiative petition circulator; and
313	(ii) need not report the name or address of the circulator.
314	(3) (a) As used in this Subsection (3), "received" means:
315	(i) for a cash contribution, that the cash is given to a political issues committee;
316	(ii) for a contribution that is a negotiable instrument or check, that the negotiable
317	instrument or check is negotiated; and
318	(iii) for any other type of contribution, that any portion of the contribution's benefit
319	inures to the political issues committee.
320	(b) A political issues committee shall report each contribution to the lieutenant
321	governor within 30 days after the contribution is received.
322	(c) Except as provided in Subsection (3)(d), for each contribution that a political issues
323	committee fails to report within the 30-day time period described in Subsection (3)(b), the
324	lieutenant governor shall impose a fine against the political issues committee in an amount
325	equal to the greater of \$50 or 15% of the contribution.
326	(d) A fine described in Subsection (3)(c) may not exceed the amount of the
327	contribution to which the fine relates.
328	(e) The lieutenant governor shall:
329	(i) deposit money received under Subsection (3)(c) into the General Fund; and
330	(ii) report on the lieutenant governor's website, in the location where reports relating to
331	each political issues committee are available for public access:
332	(A) each fine imposed by the lieutenant governor against the political issues
333	committee;
334	(B) the amount of the fine;
335	(C) the amount of the contribution to which the fine relates;
336	(D) the date of the contribution; and
337	(E) the name of the person who made the contribution.

338	Section 5. Section 20A-11-1301 is amended to read:
339	20A-11-1301. School board office candidate Campaign finance requirements
340	Candidate as a political action committee officer No personal use Report
341	contributions within 30 days Report other accounts.
342	(1) (a) (i) Each school board office candidate shall deposit each contribution and public
343	service assistance received in one or more separate accounts in a financial institution that are
344	dedicated only to that purpose.
345	(ii) A school board office candidate may:
346	(A) receive a contribution or public service assistance from a political action
347	committee registered under Section 20A-11-601; and
348	(B) be designated by a political action committee as an officer who has primary
349	decision-making authority as described in Section 20A-11-601.
350	(b) A school board office candidate may not use money deposited in an account
351	described in Subsection (1)(a)(i) for:
352	(i) a personal use expenditure; or
353	(ii) an expenditure prohibited by law.
354	(2) A school board office candidate may not deposit or mingle any contributions or
355	public service assistance received into a personal or business account.
356	(3) A school board office candidate may not make any political expenditures prohibited
357	by law.
358	(4) If a person who is no longer a school board candidate chooses not to expend the
359	money remaining in a campaign account, the person shall continue to file the year-end
360	summary report required by Section 20A-11-1302 until the statement of dissolution and final
361	summary report required by Section 20A-11-1304 are filed with:
362	(a) the lieutenant governor in the case of a state school board candidate; and
363	(b) the county clerk, in the case of a local school board candidate.
364	(5) (a) Except as provided in Subsection (5)(b) and Section 20A-11-402, a person who
365	is no longer a school board candidate may not expend or transfer the money in a campaign
366	account in a manner that would cause the former school board candidate to recognize the
367	money as taxable income under federal tax law.
368	(b) A person who is no longer a school board candidate may transfer the money in a

309	campaign account in a manner that would cause the former school board candidate to recognize
370	the money as taxable income under federal tax law if the transfer is made to a campaign
371	account for federal office.
372	(6) (a) As used in this Subsection (6) and Section 20A-11-1303, "received" means:
373	(i) for a cash contribution, that the cash is given to a school board office candidate or a
374	member of the candidate's personal campaign committee;
375	(ii) for a contribution that is a negotiable instrument or check, that the negotiable
376	instrument or check is negotiated; and
377	(iii) for any other type of contribution, that any portion of the contribution's benefit
378	inures to the school board office candidate.
379	(b) Each school board office candidate shall report to the chief election officer each
380	contribution and public service assistance within 30 days after the contribution or public
381	service assistance is received.
382	(c) Except as provided in Subsection (6)(d), for each contribution or provision of
383	public service assistance that a school board office candidate fails to report within the 30-day
384	time period described in Subsection (6)(b), the chief election officer shall impose a fine against
385	the school board office candidate in an amount equal to:
386	(i) the greater of \$50 or 15% of the amount of the contribution; or
387	(ii) the greater of \$50 or 15% of the value of the public service assistance.
388	(d) A fine described in Subsection (6)(c) may not exceed the amount of the
389	contribution or the value of the public service assistance to which the fine relates.
390	(e) The chief election officer shall:
391	(i) deposit money received under Subsection (6)(c) into the General Fund; and
392	(ii) report on the chief election officer's website, in the location where reports relating
393	to each school board office candidate are available for public access:
394	(A) each fine imposed by the chief election officer against the school board office
395	candidate;
396	(B) the amount of the fine;
397	(C) the amount of the contribution to which the fine relates;
398	(D) the date of the contribution; and
399	(E) the name of the person who made the contribution.

400	(7) (a) As used in this Subsection (7), "account" means an account in a financial
401	institution:
402	(i) that is not described in Subsection (1)(a)(i); and
403	(ii) into which or from which a person who, as a candidate for an office, other than a
404	school board office for which the person files a declaration of candidacy or federal office, or as
405	a holder of an office, other than a school board office for which the person files a declaration of
406	candidacy or federal office, deposits a contribution or makes an expenditure.
407	(b) A school board office candidate shall include on any financial statement filed in
408	accordance with this part:
409	(i) a contribution deposited in an account:
410	(A) since the last campaign finance statement was filed; or
411	(B) that has not been reported under a statute or ordinance that governs the account; or
412	(ii) an expenditure made from an account:
413	(A) since the last campaign finance statement was filed; or
414	(B) that has not been reported under a statute or ordinance that governs the account.
415	Section 6. Section <b>20A-12-303</b> is amended to read:
416	20A-12-303. Separate account for campaign funds Reporting contributions.
417	(1) The judge or the judge's personal campaign committee shall deposit each
418	contribution in one or more separate personal campaign accounts in a financial institution.
419	(2) The judge or the judge's personal campaign committee may not deposit or mingle
420	any contributions received into a personal or business account.
421	(3) (a) As used in this Subsection (3) and Section 20A-12-305, "received" means:
422	(i) for a cash contribution, that the cash is given to a judge or the judge's personal
423	campaign committee;
424	(ii) for a contribution that is a negotiable instrument or check, that the negotiable
425	instrument or check is negotiated; and
426	(iii) for any other type of contribution, that any portion of the contribution's benefit
427	inures to the judge.
428	(b) The judge or the judge's personal campaign committee shall report to the lieutenant
429	governor each contribution within 30 days after the contribution is received.
430	(c) Except as provided in Subsection (3)(d), for each contribution that a judge fails to

431	report within the 30-day time period described in Subsection (3)(b), the neutenant governor
432	shall impose a fine against the judge in an amount equal to the greater of \$50 or 15% of the
433	amount of the contribution.
434	(d) A fine described in Subsection (3)(c) may not exceed the amount of the
435	contribution to which the fine relates.
436	(e) The lieutenant governor shall:
437	(i) deposit money received under Subsection (3)(c) into the General Fund; and
438	(ii) report on the lieutenant governor's website, in the location where reports relating to
439	each judge are available for public access:
440	(A) each fine imposed by the lieutenant governor against the judge;
441	(B) the amount of the fine;
442	(C) the amount of the contribution to which the fine relates;
443	(D) the date of the contribution; and
444	(E) the name of the person who made the contribution.
445	Section 7. Effective date.
446	If approved by two-thirds of all the members elected to each house, this bill takes effect
447	upon approval by the governor, or the day following the constitutional time limit of Utah
448	Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
449	the date of veto override.

Legislative Review Note as of 12-18-13 3:19 PM

Office of Legislative Research and General Counsel