

1 **LOCAL SCHOOL BOARD CANDIDATE REPORTING**

2 **AMENDMENTS**

3 2014 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Kraig Powell**

6 Senate Sponsor: Kevin T. Van Tassell

7

8 **LONG TITLE**

9 **General Description:**

10 This bill amends provisions of the Election Code and Title 17, Chapter 16, County
11 Officers, in relation to financial reporting requirements for a local school board
12 candidate.

13 **Highlighted Provisions:**

14 This bill:

15 ▶ removes provisions that require a local school board office candidate to comply
16 with the financial reporting requirements applicable to a state school board office
17 candidate;

18 ▶ requires a local school board office candidate to comply with the financial reporting
19 requirements applicable to a county office candidate in the county where the local
20 school board office candidate resides; and

21 ▶ makes technical and conforming changes.

22 **Money Appropriated in this Bill:**

23 None

24 **Other Special Clauses:**

25 None

26 **Utah Code Sections Affected:**

27 AMENDS:



- 28 [17-16-6.5](#), as last amended by Laws of Utah 2012, Chapter 230
- 29 [20A-11-101](#), as last amended by Laws of Utah 2013, Chapters 86, 170, 318, and 420
- 30 [20A-11-1301](#), as last amended by Laws of Utah 2012, Chapter 230
- 31 [20A-11-1303](#), as last amended by Laws of Utah 2013, Chapter 420
- 32 [20A-11-1305](#), as last amended by Laws of Utah 2013, Chapters 252, 317, and 420

33

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

35 Section 1. Section **17-16-6.5** is amended to read:

36 **17-16-6.5. Campaign financial disclosure in county elections.**

37 (1) (a) A county shall adopt an ordinance establishing campaign finance disclosure
38 requirements for:

39 (i) candidates for county office[-]; and

40 (ii) candidates for local school board office who reside in that county.

41 (b) The ordinance required by Subsection (1)(a) shall include:

42 (i) a requirement that each candidate for county office or local school board office
43 report the candidate's itemized and total campaign contributions and expenditures at least once
44 within the two weeks before the election and at least once within two months after the election;

45 (ii) a definition of "contribution" and "expenditure" that requires reporting of
46 nonmonetary contributions such as in-kind contributions and contributions of tangible things;

47 (iii) a requirement that the financial reports identify:

48 (A) for each contribution of more than \$50, the name of the donor of the contribution
49 and the amount of the contribution; and

50 (B) for each expenditure, the name of the recipient and the amount of the expenditure;

51 (iv) a requirement that a candidate for county office or local school board office
52 deposit a contribution in a separate campaign account in a financial institution; and

53 (v) a prohibition against a candidate for county office or local school board office
54 depositing or mingling any contributions received into a personal or business account.

55 (c) (i) As used in this Subsection (1)(c), "account" means an account in a financial
56 institution:

57 (A) that is not described in Subsection (1)(b)(iv); and

58 (B) into which or from which a person who, as a candidate for an office, other than a

59 county office for which the person files a declaration of candidacy or federal office, or as a
60 holder of an office, other than a county office for which the person files a declaration of
61 candidacy or federal office, deposits a contribution or makes an expenditure.

62 (ii) The ordinance required by Subsection (1)(a) shall include a requirement that a
63 candidate for county office or local school board office include on a financial report filed in
64 accordance with the ordinance a contribution deposited in or an expenditure made from an
65 account:

66 (A) since the last financial report was filed; or

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

68 (2) If any county fails to adopt a campaign finance disclosure ordinance described in
69 Subsection (1), candidates for county office, other than community council office, and
70 candidates for local school board office shall comply with the financial reporting requirements
71 contained in Subsections (3) through (7).

72 (3) A candidate for elective office in a county or local school board office:

73 (a) shall deposit a contribution in a separate campaign account in a financial institution;
74 and

75 (b) may not deposit or mingle any contributions received into a personal or business
76 account.

77 (4) Each candidate for elective office in any county who is not required to submit a
78 campaign financial statement to the lieutenant governor, and each candidate for local school
79 board office, shall file a signed campaign financial statement with the county clerk:

80 (a) seven days before the date of the regular general election, reporting each
81 contribution of more than \$50 and each expenditure as of 10 days before the date of the regular
82 general election; and

83 (b) no later than 30 days after the date of the regular general election.

84 (5) (a) The statement filed seven days before the regular general election shall include:

85 (i) a list of each contribution of more than \$50 received by the candidate, and the name
86 of the donor;

87 (ii) an aggregate total of all contributions of \$50 or less received by the candidate; and

88 (iii) a list of each expenditure for political purposes made during the campaign period,
89 and the recipient of each expenditure.

- 90 (b) The statement filed 30 days after the regular general election shall include:
- 91 (i) a list of each contribution of more than \$50 received after the cutoff date for the
- 92 statement filed seven days before the election, and the name of the donor;
- 93 (ii) an aggregate total of all contributions of \$50 or less received by the candidate after
- 94 the cutoff date for the statement filed seven days before the election; and
- 95 (iii) a list of all expenditures for political purposes made by the candidate after the
- 96 cutoff date for the statement filed seven days before the election, and the recipient of each
- 97 expenditure.

98 (6) (a) As used in this Subsection (6), "account" means an account in a financial

99 institution:

- 100 (i) that is not described in Subsection (3)(a); and
- 101 (ii) into which or from which a person who, as a candidate for an office, other than a
- 102 county office for which the person filed a declaration of candidacy or federal office, or as a
- 103 holder of an office, other than a county office for which the person filed a declaration of
- 104 candidacy or federal office, deposits a contribution or makes an expenditure.

105 (b) A county office candidate and a local school board office candidate shall include on

106 any campaign financial statement filed in accordance with Subsection (4) or (5):

- 107 (i) a contribution deposited in an account:
- 108 (A) since the last campaign finance statement was filed; or
- 109 (B) that has not been reported under a statute or ordinance that governs the account; or
- 110 (ii) an expenditure made from an account:
- 111 (A) since the last campaign finance statement was filed; or
- 112 (B) that has not been reported under a statute or ordinance that governs the account.

113 (7) Candidates for elective office in any county, and candidates for local school board

114 office, who are eliminated at a primary election shall file a signed campaign financial statement

115 containing the information required by this section not later than 30 days after the primary

116 election.

117 (8) Any person who fails to comply with this section is guilty of an infraction.

118 (9) (a) Counties may, by ordinance, enact requirements that:

- 119 [~~(a)~~] (i) require greater disclosure of campaign contributions and expenditures; and
- 120 [~~(b)~~] (ii) impose additional penalties.

121 (b) The requirements described in Subsection (9)(a) apply to a local school board office
122 candidate who resides in that county.

123 (10) (a) If a candidate fails to file an interim report due before the election, the county
124 clerk shall, after making a reasonable attempt to discover if the report was timely mailed,
125 inform the appropriate election officials who:

126 (i) (A) shall, if practicable, remove the name of the candidate by blacking out the
127 candidate's name before the ballots are delivered to voters; or

128 (B) shall, if removing the candidate's name from the ballot is not practicable, inform
129 the voters by any practicable method that the candidate has been disqualified and that votes
130 cast for the candidate will not be counted; and

131 (ii) may not count any votes for that candidate.

132 (b) Notwithstanding Subsection (10)(a), a candidate is not disqualified if:

133 (i) the candidate files the reports required by this section;

134 (ii) those reports are completed, detailing accurately and completely the information
135 required by this section except for inadvertent omissions or insignificant errors or inaccuracies;
136 and

137 (iii) those omissions, errors, or inaccuracies are corrected in an amended report or in
138 the next scheduled report.

139 (c) A report is considered filed if:

140 (i) it is received in the county clerk's office no later than 5 p.m. on the date that it is
141 due;

142 (ii) it is received in the county clerk's office with a United States Postal Service
143 postmark three days or more before the date that the report was due; or

144 (iii) the candidate has proof that the report was mailed, with appropriate postage and
145 addressing, three days before the report was due.

146 (11) (a) Any private party in interest may bring a civil action in district court to enforce
147 the provisions of this section or any ordinance adopted under this section.

148 (b) In a civil action filed under Subsection (11)(a), the court shall award costs and
149 attorney's fees to the prevailing party.

150 (12) Notwithstanding any provision of Title 63G, Chapter 2, Government Records
151 Access and Management Act, the county clerk shall:

152 (a) make each campaign finance statement filed by a candidate available for public
153 inspection and copying no later than one business day after the statement is filed; and

154 (b) make the campaign finance statement filed by a candidate available for public
155 inspection by:

156 (i) (A) posting an electronic copy or the contents of the statement on the county's
157 website no later than seven business days after the statement is filed; and

158 (B) verifying that the address of the county's website has been provided to the
159 lieutenant governor in order to meet the requirements of Subsection 20A-11-103(5); or

160 (ii) submitting a copy of the statement to the lieutenant governor for posting on the
161 website established by the lieutenant governor under Section 20A-11-103 no later than two
162 business days after the statement is filed.

163 Section 2. Section 20A-11-101 is amended to read:

164 **20A-11-101. Definitions.**

165 As used in this chapter:

166 (1) "Address" means the number and street where an individual resides or where a
167 reporting entity has its principal office.

168 (2) "Ballot proposition" includes initiatives, referenda, proposed constitutional
169 amendments, and any other ballot propositions submitted to the voters that are authorized by
170 the Utah Code Annotated 1953.

171 (3) "Candidate" means any person who:

172 (a) files a declaration of candidacy for a public office; or

173 (b) receives contributions, makes expenditures, or gives consent for any other person to
174 receive contributions or make expenditures to bring about the person's nomination or election
175 to a public office.

176 (4) "Chief election officer" means:

177 (a) the lieutenant governor for state office candidates, legislative office candidates,
178 officeholders, political parties, political action committees, corporations, political issues
179 committees, state school board candidates, judges, and labor organizations, as defined in
180 Section 20A-11-1501; and

181 (b) the county clerk for local school board candidates.

182 (5) (a) "Contribution" means any of the following when done for political purposes:

183 (i) a gift, subscription, donation, loan, advance, or deposit of money or anything of
184 value given to the filing entity;

185 (ii) an express, legally enforceable contract, promise, or agreement to make a gift,
186 subscription, donation, unpaid or partially unpaid loan, advance, or deposit of money or
187 anything of value to the filing entity;

188 (iii) any transfer of funds from another reporting entity to the filing entity;

189 (iv) compensation paid by any person or reporting entity other than the filing entity for
190 personal services provided without charge to the filing entity;

191 (v) remuneration from:

192 (A) any organization or its directly affiliated organization that has a registered lobbyist;

193 or

194 (B) any agency or subdivision of the state, including school districts; and

195 (vi) goods or services provided to or for the benefit of the filing entity at less than fair
196 market value.

197 (b) "Contribution" does not include:

198 (i) services provided without compensation by individuals volunteering a portion or all
199 of their time on behalf of the filing entity;

200 (ii) money lent to the filing entity by a financial institution in the ordinary course of
201 business; or

202 (iii) goods or services provided for the benefit of a candidate or political party at less
203 than fair market value that are not authorized by or coordinated with the candidate or political
204 party.

205 (6) "Coordinated with" means that goods or services provided for the benefit of a
206 candidate or political party are provided:

207 (a) with the candidate's or political party's prior knowledge, if the candidate or political
208 party does not object;

209 (b) by agreement with the candidate or political party;

210 (c) in coordination with the candidate or political party; or

211 (d) using official logos, slogans, and similar elements belonging to a candidate or
212 political party.

213 (7) (a) "Corporation" means a domestic or foreign, profit or nonprofit, business

214 organization that is registered as a corporation or is authorized to do business in a state and
215 makes any expenditure from corporate funds for:

- 216 (i) the purpose of expressly advocating for political purposes; or
- 217 (ii) the purpose of expressly advocating the approval or the defeat of any ballot

218 proposition.

219 (b) "Corporation" does not mean:

- 220 (i) a business organization's political action committee or political issues committee; or
- 221 (ii) a business entity organized as a partnership or a sole proprietorship.

222 (8) "County political party" means, for each registered political party, all of the persons
223 within a single county who, under definitions established by the political party, are members of
224 the registered political party.

225 (9) "County political party officer" means a person whose name is required to be
226 submitted by a county political party to the lieutenant governor in accordance with Section
227 [20A-8-402](#).

228 (10) "Detailed listing" means:

229 (a) for each contribution or public service assistance:

230 (i) the name and address of the individual or source making the contribution or public
231 service assistance;

232 (ii) the amount or value of the contribution or public service assistance; and

233 (iii) the date the contribution or public service assistance was made; and

234 (b) for each expenditure:

235 (i) the amount of the expenditure;

236 (ii) the person or entity to whom it was disbursed;

237 (iii) the specific purpose, item, or service acquired by the expenditure; and

238 (iv) the date the expenditure was made.

239 (11) (a) "Donor" means a person that gives money, including a fee, due, or assessment
240 for membership in the corporation, to a corporation without receiving full and adequate
241 consideration for the money.

242 (b) "Donor" does not include a person that signs a statement that the corporation may
243 not use the money for an expenditure or political issues expenditure.

244 (12) "Election" means each:

- 245 (a) regular general election;
- 246 (b) regular primary election; and
- 247 (c) special election at which candidates are eliminated and selected.
- 248 (13) "Electioneering communication" means a communication that:
- 249 (a) has at least a value of \$10,000;
- 250 (b) clearly identifies a candidate or judge; and
- 251 (c) is disseminated through the Internet, newspaper, magazine, outdoor advertising
- 252 facility, direct mailing, broadcast, cable, or satellite provider within 45 days of the clearly
- 253 identified candidate's or judge's election date.
- 254 (14) (a) "Expenditure" means:
- 255 (i) any disbursement from contributions, receipts, or from the separate bank account
- 256 required by this chapter;
- 257 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money,
- 258 or anything of value made for political purposes;
- 259 (iii) an express, legally enforceable contract, promise, or agreement to make any
- 260 purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of
- 261 value for political purposes;
- 262 (iv) compensation paid by a filing entity for personal services rendered by a person
- 263 without charge to a reporting entity;
- 264 (v) a transfer of funds between the filing entity and a candidate's personal campaign
- 265 committee; or
- 266 (vi) goods or services provided by the filing entity to or for the benefit of another
- 267 reporting entity for political purposes at less than fair market value.
- 268 (b) "Expenditure" does not include:
- 269 (i) services provided without compensation by individuals volunteering a portion or all
- 270 of their time on behalf of a reporting entity;
- 271 (ii) money lent to a reporting entity by a financial institution in the ordinary course of
- 272 business; or
- 273 (iii) anything listed in Subsection (14)(a) that is given by a reporting entity to
- 274 candidates for office or officeholders in states other than Utah.
- 275 (15) "Federal office" means the office of President of the United States, United States

276 Senator, or United States Representative.

277 (16) "Filing entity" means the reporting entity that is required to file a financial
278 statement required by this chapter or Chapter 12, Part 2, Judicial Retention Elections.

279 (17) "Financial statement" includes any summary report, interim report, verified
280 financial statement, or other statement disclosing contributions, expenditures, receipts,
281 donations, or disbursements that is required by this chapter or Chapter 12, Part 2, Judicial
282 Retention Elections.

283 (18) "Governing board" means the individual or group of individuals that determine the
284 candidates and committees that will receive expenditures from a political action committee,
285 political party, or corporation.

286 (19) "Incorporation" means the process established by Title 10, Chapter 2, Part 1,
287 Incorporation, by which a geographical area becomes legally recognized as a city or town.

288 (20) "Incorporation election" means the election authorized by Section 10-2-111.

289 (21) "Incorporation petition" means a petition authorized by Section 10-2-109.

290 (22) "Individual" means a natural person.

291 (23) "Interim report" means a report identifying the contributions received and
292 expenditures made since the last report.

293 (24) "Legislative office" means the office of state senator, state representative, speaker
294 of the House of Representatives, president of the Senate, and the leader, whip, and assistant
295 whip of any party caucus in either house of the Legislature.

296 (25) "Legislative office candidate" means a person who:

297 (a) files a declaration of candidacy for the office of state senator or state representative;

298 (b) declares oneself to be a candidate for, or actively campaigns for, the position of
299 speaker of the House of Representatives, president of the Senate, or the leader, whip, and
300 assistant whip of any party caucus in either house of the Legislature; or

301 (c) receives contributions, makes expenditures, or gives consent for any other person to
302 receive contributions or make expenditures to bring about the person's nomination, election, or
303 appointment to a legislative office.

304 (26) "Major political party" means either of the two registered political parties that
305 have the greatest number of members elected to the two houses of the Legislature.

306 (27) "Officeholder" means a person who holds a public office.

307 (28) "Party committee" means any committee organized by or authorized by the
308 governing board of a registered political party.

309 (29) "Person" means both natural and legal persons, including individuals, business
310 organizations, personal campaign committees, party committees, political action committees,
311 political issues committees, and labor organizations, as defined in Section 20A-11-1501.

312 (30) "Personal campaign committee" means the committee appointed by a candidate to
313 act for the candidate as provided in this chapter.

314 (31) "Personal use expenditure" has the same meaning as provided under Section
315 20A-11-104.

316 (32) (a) "Political action committee" means an entity, or any group of individuals or
317 entities within or outside this state, a major purpose of which is to:

318 (i) solicit or receive contributions from any other person, group, or entity for political
319 purposes; or

320 (ii) make expenditures to expressly advocate for any person to refrain from voting or to
321 vote for or against any candidate or person seeking election to a municipal or county office.

322 (b) "Political action committee" includes groups affiliated with a registered political
323 party but not authorized or organized by the governing board of the registered political party
324 that receive contributions or makes expenditures for political purposes.

325 (c) "Political action committee" does not mean:

326 (i) a party committee;

327 (ii) any entity that provides goods or services to a candidate or committee in the regular
328 course of its business at the same price that would be provided to the general public;

329 (iii) an individual;

330 (iv) individuals who are related and who make contributions from a joint checking
331 account;

332 (v) a corporation, except a corporation a major purpose of which is to act as a political
333 action committee; or

334 (vi) a personal campaign committee.

335 (33) "Political convention" means a county or state political convention held by a
336 registered political party to select candidates.

337 (34) (a) "Political issues committee" means an entity, or any group of individuals or

338 entities within or outside this state, a major purpose of which is to:

339 (i) solicit or receive donations from any other person, group, or entity to assist in
340 placing a ballot proposition on the ballot, assist in keeping a ballot proposition off the ballot, or
341 to advocate that a voter refrain from voting or vote for or vote against any ballot proposition;

342 (ii) make expenditures to expressly advocate for any person to sign or refuse to sign a
343 ballot proposition or incorporation petition or refrain from voting, vote for, or vote against any
344 proposed ballot proposition or an incorporation in an incorporation election; or

345 (iii) make expenditures to assist in qualifying or placing a ballot proposition on the
346 ballot or to assist in keeping a ballot proposition off the ballot.

347 (b) "Political issues committee" does not mean:

348 (i) a registered political party or a party committee;

349 (ii) any entity that provides goods or services to an individual or committee in the
350 regular course of its business at the same price that would be provided to the general public;

351 (iii) an individual;

352 (iv) individuals who are related and who make contributions from a joint checking
353 account; or

354 (v) a corporation, except a corporation a major purpose of which is to act as a political
355 issues committee.

356 (35) (a) "Political issues contribution" means any of the following:

357 (i) a gift, subscription, unpaid or partially unpaid loan, advance, or deposit of money or
358 anything of value given to a political issues committee;

359 (ii) an express, legally enforceable contract, promise, or agreement to make a political
360 issues donation to influence the approval or defeat of any ballot proposition;

361 (iii) any transfer of funds received by a political issues committee from a reporting
362 entity;

363 (iv) compensation paid by another reporting entity for personal services rendered
364 without charge to a political issues committee; and

365 (v) goods or services provided to or for the benefit of a political issues committee at
366 less than fair market value.

367 (b) "Political issues contribution" does not include:

368 (i) services provided without compensation by individuals volunteering a portion or all

369 of their time on behalf of a political issues committee; or

370 (ii) money lent to a political issues committee by a financial institution in the ordinary
371 course of business.

372 (36) (a) "Political issues expenditure" means any of the following:

373 (i) any payment from political issues contributions made for the purpose of influencing
374 the approval or the defeat of:

375 (A) a ballot proposition; or

376 (B) an incorporation petition or incorporation election;

377 (ii) a purchase, payment, distribution, loan, advance, deposit, or gift of money made for
378 the express purpose of influencing the approval or the defeat of:

379 (A) a ballot proposition; or

380 (B) an incorporation petition or incorporation election;

381 (iii) an express, legally enforceable contract, promise, or agreement to make any
382 political issues expenditure;

383 (iv) compensation paid by a reporting entity for personal services rendered by a person
384 without charge to a political issues committee; or

385 (v) goods or services provided to or for the benefit of another reporting entity at less
386 than fair market value.

387 (b) "Political issues expenditure" does not include:

388 (i) services provided without compensation by individuals volunteering a portion or all
389 of their time on behalf of a political issues committee; or

390 (ii) money lent to a political issues committee by a financial institution in the ordinary
391 course of business.

392 (37) "Political purposes" means an act done with the intent or in a way to influence or
393 tend to influence, directly or indirectly, any person to refrain from voting or to vote for or
394 against any candidate or a person seeking a municipal or county office at any caucus, political
395 convention, or election.

396 (38) (a) "Poll" means the survey of a person regarding the person's opinion or
397 knowledge of an individual who has filed a declaration of candidacy for public office, or of a
398 ballot proposition that has legally qualified for placement on the ballot, which is conducted in
399 person or by telephone, facsimile, Internet, postal mail, or email.

400 (b) "Poll" does not include:
401 (i) a ballot; or
402 (ii) an interview of a focus group that is conducted, in person, by one individual, if:
403 (A) the focus group consists of more than three, and less than thirteen, individuals; and
404 (B) all individuals in the focus group are present during the interview.
405 (39) "Primary election" means any regular primary election held under the election
406 laws.
407 (40) "Public office" means the office of governor, lieutenant governor, state auditor,
408 state treasurer, attorney general, state or local school board member, state senator, state
409 representative, speaker of the House of Representatives, president of the Senate, and the leader,
410 whip, and assistant whip of any party caucus in either house of the Legislature.
411 (41) (a) "Public service assistance" means the following when given or provided to an
412 officeholder to defray the costs of functioning in a public office or aid the officeholder to
413 communicate with the officeholder's constituents:
414 (i) a gift, subscription, donation, unpaid or partially unpaid loan, advance, or deposit of
415 money or anything of value to an officeholder; or
416 (ii) goods or services provided at less than fair market value to or for the benefit of the
417 officeholder.
418 (b) "Public service assistance" does not include:
419 (i) anything provided by the state;
420 (ii) services provided without compensation by individuals volunteering a portion or all
421 of their time on behalf of an officeholder;
422 (iii) money lent to an officeholder by a financial institution in the ordinary course of
423 business;
424 (iv) news coverage or any publication by the news media; or
425 (v) any article, story, or other coverage as part of any regular publication of any
426 organization unless substantially all the publication is devoted to information about the
427 officeholder.
428 (42) "Publicly identified class of individuals" means a group of 50 or more individuals
429 sharing a common occupation, interest, or association that contribute to a political action
430 committee or political issues committee and whose names can be obtained by contacting the

431 political action committee or political issues committee upon whose financial statement the
432 individuals are listed.

433 (43) "Receipts" means contributions and public service assistance.

434 (44) "Registered lobbyist" means a person registered under Title 36, Chapter 11,
435 Lobbyist Disclosure and Regulation Act.

436 (45) "Registered political action committee" means any political action committee that
437 is required by this chapter to file a statement of organization with the Office of the Lieutenant
438 Governor.

439 (46) "Registered political issues committee" means any political issues committee that
440 is required by this chapter to file a statement of organization with the Office of the Lieutenant
441 Governor.

442 (47) "Registered political party" means an organization of voters that:

443 (a) participated in the last regular general election and polled a total vote equal to 2%
444 or more of the total votes cast for all candidates for the United States House of Representatives
445 for any of its candidates for any office; or

446 (b) has complied with the petition and organizing procedures of Chapter 8, Political
447 Party Formation and Procedures.

448 (48) (a) "Remuneration" means a payment:

449 (i) made to a legislator for the period the Legislature is in session; and

450 (ii) that is approximately equivalent to an amount a legislator would have earned
451 during the period the Legislature is in session in the legislator's ordinary course of business.

452 (b) "Remuneration" does not mean anything of economic value given to a legislator by:

453 (i) the legislator's primary employer in the ordinary course of business; or

454 (ii) a person or entity in the ordinary course of business:

455 (A) because of the legislator's ownership interest in the entity; or

456 (B) for services rendered by the legislator on behalf of the person or entity.

457 (49) "Reporting entity" means a candidate, a candidate's personal campaign committee,
458 a judge, a judge's personal campaign committee, an officeholder, a party committee, a political
459 action committee, a political issues committee, a corporation, or a labor organization, as
460 defined in Section [20A-11-1501](#).

461 (50) "School board office" means the office of state school board ~~or local school~~

462 board].

463 (51) (a) "Source" means the person or entity that is the legal owner of the tangible or
464 intangible asset that comprises the contribution.

465 (b) "Source" means, for political action committees and corporations, the political
466 action committee and the corporation as entities, not the contributors to the political action
467 committee or the owners or shareholders of the corporation.

468 (52) "State office" means the offices of governor, lieutenant governor, attorney general,
469 state auditor, and state treasurer.

470 (53) "State office candidate" means a person who:

471 (a) files a declaration of candidacy for a state office; or

472 (b) receives contributions, makes expenditures, or gives consent for any other person to
473 receive contributions or make expenditures to bring about the person's nomination, election, or
474 appointment to a state office.

475 (54) "Summary report" means the year end report containing the summary of a
476 reporting entity's contributions and expenditures.

477 (55) "Supervisory board" means the individual or group of individuals that allocate
478 expenditures from a political issues committee.

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

480 **20A-11-1301. School board office candidate -- Campaign finance requirements --**
481 **Candidate as a political action committee officer -- No personal use -- Report**
482 **contributions within 30 days -- Report other accounts.**

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

486 (ii) A school board office candidate may:

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

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

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

493 (i) a personal use expenditure; or

494 (ii) an expenditure prohibited by law.

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

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

499 (4) If a person who is no longer a school board candidate chooses not to expend the
500 money remaining in a campaign account, the person shall continue to file the year-end
501 summary report required by Section 20A-11-1302 until the statement of dissolution and final
502 summary report required by Section 20A-11-1304 are filed with~~[(a)]~~ the lieutenant governor
503 ~~[in the case of a state school board candidate; and].~~

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

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

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

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

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

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

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

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

523 (7) (a) As used in this Subsection (7), "account" means an account in a financial

524 institution:

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

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

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

532 (i) a contribution deposited in an account:

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

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

535 (ii) an expenditure made from an account:

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

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

538 Section 4. Section **20A-11-1303** is amended to read:

539 **20A-11-1303. School board office candidate and school board office holder --**

540 **Financial reporting requirements -- Interim reports.**

541 (1) (a) As used in this Subsection (1), "campaign account" means a separate campaign
542 account required under Subsection **20A-11-1301(1)(a)(i)**.

543 (b) Each school board office candidate shall file an interim report at the following
544 times in any year in which the candidate has filed a declaration of candidacy for a public office:

545 (i) May 15[~~for a state school board office candidate~~];

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

547 (iii) August 31; and

548 (iv) seven days before the regular general election date.

549 (c) Each [~~state~~] school board office holder who has a campaign account that has not
550 been dissolved under Section **20A-11-1304** shall, in an even year, file an interim report at the
551 following times, regardless of whether an election for the [~~state~~] school board office holder's
552 office is held that year:

553 (i) May 15;

554 (ii) seven days before the regular primary election date for that year;

- 555 (iii) August 31; and
556 (iv) seven days before the regular general election date.
- 557 (2) Each interim report shall include the following information:
- 558 (a) the net balance of the last summary report, if any;
- 559 (b) a single figure equal to the total amount of receipts reported on all prior interim
560 reports, if any, during the calendar year in which the interim report is due;
- 561 (c) a single figure equal to the total amount of expenditures reported on all prior
562 interim reports, if any, filed during the calendar year in which the interim report is due;
- 563 (d) a detailed listing of each contribution and public service assistance received since
564 the last summary report that has not been reported in detail on a prior interim report;
- 565 (e) for each nonmonetary contribution:
- 566 (i) the fair market value of the contribution with that information provided by the
567 contributor; and
- 568 (ii) a specific description of the contribution;
- 569 (f) a detailed listing of each expenditure made since the last summary report that has
570 not been reported in detail on a prior interim report;
- 571 (g) for each nonmonetary expenditure, the fair market value of the expenditure;
- 572 (h) a net balance for the year consisting of the net balance from the last summary
573 report, if any, plus all receipts since the last summary report minus all expenditures since the
574 last summary report;
- 575 (i) a summary page in the form required by the lieutenant governor that identifies:
- 576 (i) beginning balance;
- 577 (ii) total contributions during the period since the last statement;
- 578 (iii) total contributions to date;
- 579 (iv) total expenditures during the period since the last statement; and
- 580 (v) total expenditures to date; and
- 581 (j) the name of a political action committee for which the school board office candidate
582 or school board office holder is designated as an officer who has primary decision-making
583 authority under Section [20A-11-601](#).
- 584 (3) (a) For all individual contributions or public service assistance of \$50 or less, a
585 single aggregate figure may be reported without separate detailed listings.

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

588 (4) (a) In preparing each interim report, all receipts and expenditures shall be reported
589 as of five days before the required filing date of the report.

590 (b) Any negotiable instrument or check received by a school board office candidate or
591 school board office holder more than five days before the required filing date of a report
592 required by this section shall be included in the interim report.

593 Section 5. Section **20A-11-1305** is amended to read:

594 **20A-11-1305. School board office candidate -- Failure to file statement --**
595 **Penalties.**

596 (1) (a) A school board office candidate who fails to file a financial statement by the
597 deadline is subject to a fine imposed in accordance with Section [20A-11-1005](#).

598 (b) If a school board office candidate fails to file an interim report due before the
599 regular primary election, on August 31, or before the regular general election, the chief election
600 officer shall, after making a reasonable attempt to discover if the report was timely filed,
601 inform the county clerk and other appropriate election officials who:

602 (i) (A) shall, if practicable, remove the name of the candidate from the ballots before
603 the ballots are delivered to voters; or

604 (B) shall, if removing the candidate's name from the ballot is not practicable, inform
605 the voters by any practicable method that the candidate has been disqualified and that votes
606 cast for the candidate will not be counted; and

607 (ii) may not count any votes for that candidate.

608 (c) Any school board office candidate who fails to file timely a financial statement
609 required by Subsection [20A-11-1303](#)(1)(b)(ii), (iii), or (iv) is disqualified.

610 (d) Notwithstanding Subsections (1)(b) and (1)(c), a school board office candidate is
611 not disqualified and the chief election officer may not impose a fine if:

612 (i) the candidate timely files the reports required by this section in accordance with
613 Section [20A-11-103](#);

614 (ii) those reports are completed, detailing accurately and completely the information
615 required by this part except for inadvertent omissions or insignificant errors or inaccuracies;
616 and

617 (iii) those omissions, errors, or inaccuracies described in Subsection (1)(d)(ii) are
618 corrected in:

619 (A) an amended report; or

620 (B) the next scheduled report.

621 (2) (a) Within 30 days after a deadline for the filing of a summary report by a school
622 board office candidate [~~for state school board~~], the lieutenant governor shall review each filed
623 summary report to ensure that:

624 (i) each [~~state~~] school board candidate that is required to file a summary report has
625 filed one; and

626 (ii) each summary report contains the information required by this part.

627 (b) If it appears that [~~any state~~] a school board candidate has failed to file the summary
628 report required by law, if it appears that a filed summary report does not conform to the law, or
629 if the lieutenant governor has received a written complaint alleging a violation of the law or the
630 falsity of any summary report, the lieutenant governor shall, within five days of discovery of a
631 violation or receipt of a written complaint, notify the [~~state~~] school board candidate of the
632 violation or written complaint and direct the [~~state~~] school board candidate to file a summary
633 report correcting the problem.

634 (c) (i) It is unlawful for [~~any state~~] a school board candidate to fail to file or amend a
635 summary report within seven days after receiving notice from the lieutenant governor under
636 this section.

637 (ii) Each [~~state~~] school board candidate who violates Subsection (2)(c)(i) is guilty of a
638 class B misdemeanor.

639 (iii) The lieutenant governor shall report all violations of Subsection (2)(c)(i) to the
640 attorney general.

641 (iv) In addition to the criminal penalty described in Subsection (2)(c)(ii), the lieutenant
642 governor shall impose a civil fine of \$100 against a [~~state~~] school board candidate who violates
643 Subsection (2)(c)(i).

644 [~~(3) (a) Within 30 days after a deadline for the filing of a summary report, the county~~
645 ~~clerk shall review each filed summary report to ensure that:]~~

646 [~~(i) each local school board candidate that is required to file a summary report has filed~~
647 ~~one; and]~~

648 ~~[(ii) each summary report contains the information required by this part.]~~
649 ~~[(b) If it appears that any local school board candidate has failed to file the summary~~
650 ~~report required by law, if it appears that a filed summary report does not conform to the law, or~~
651 ~~if the county clerk has received a written complaint alleging a violation of the law or the falsity~~
652 ~~of any summary report, the county clerk shall, within five days of discovery of a violation or~~
653 ~~receipt of a written complaint, notify the local school board candidate of the violation or~~
654 ~~written complaint and direct the local school board candidate to file a summary report~~
655 ~~correcting the problem.]~~
656 ~~[(c) (i) It is unlawful for any local school board candidate to fail to file or amend a~~
657 ~~summary report within seven days after receiving notice from the county clerk under this~~
658 ~~section.]~~
659 ~~[(ii) Each local school board candidate who violates Subsection (3)(c)(i) is guilty of a~~
660 ~~class B misdemeanor.]~~
661 ~~[(iii) The county clerk shall report all violations of Subsection (3)(c)(i) to the district or~~
662 ~~county attorney.]~~
663 ~~[(iv) In addition to the criminal penalty described in Subsection (3)(c)(ii), the~~
664 ~~lieutenant governor shall impose a civil fine of \$100 against a local school board candidate~~
665 ~~who violates Subsection (3)(c)(i).]~~

Legislative Review Note
as of 1-2-14 11:16 AM

Office of Legislative Research and General Counsel