

**POLITICAL COMMITTEE AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel W. Thatcher**

House Sponsor: Mike Winder

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**LONG TITLE**

**General Description:**

This bill amends provisions relating to political action committees and political issues committees.

**Highlighted Provisions:**

This bill:

- describes the requirements for the disposal of contributions by a political action committee when the political action committee dissolves;

- clarifies reporting requirements for a political action committee and a political issues committee;

- provides that a political action committee may make a contribution to a political issues committee, but that a political issues committee may not make a contribution to a political action committee; and

- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**20A-11-601**, as last amended by Laws of Utah 2018, Chapter 83

**20A-11-801**, as last amended by Laws of Utah 2018, Chapter 83

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

31 Section 1. Section **20A-11-601** is amended to read:

32 **20A-11-601. Political action committees -- Registration -- Criminal penalty for**  
33 **providing false information or accepting unlawful contribution.**

34 (1) (a) Each political action committee shall file a statement of organization with the  
35 lieutenant governor's office ~~[by]~~ on or before January 10 of each year, unless the political  
36 action committee has filed a notice of dissolution under Subsection (4).

37 (b) If a political action committee is organized after the January 10 filing date, the  
38 political action committee shall file an initial statement of organization no later than seven days  
39 after the day on which the political action committee:

40 (i) ~~[receiving]~~ receives contributions totaling at least \$750; or

41 (ii) ~~[distributing]~~ distributes expenditures for political purposes totaling at least \$750.

42 (c) Each political action committee shall deposit each contribution received in one or  
43 more separate accounts in a financial institution that are dedicated only to that purpose.

44 (2) (a) Each political action committee shall designate two officers who have primary  
45 decision-making authority for the political action committee.

46 (b) ~~[A person]~~ An individual may not exercise primary decision-making authority for a  
47 political action committee ~~[who]~~ if the individual is not designated under Subsection (2)(a).

48 (3) The statement of organization shall include:

49 (a) the name and address of the political action committee;

50 (b) the name, street address, phone number, occupation, and title of the two primary  
51 officers designated under Subsection (2)(a);

52 (c) the name, street address, occupation, and title of all other officers of the political  
53 action committee;

54 (d) the name and street address of the organization, individual corporation, association,  
55 unit of government, or union that the political action committee represents, if any;

56 (e) the name and street address of all affiliated or connected organizations and their  
57 relationships to the political action committee;

58 (f) the name, street address, business address, occupation, and phone number of the  
59 committee's treasurer or chief financial officer; and

60 (g) the name, street address, and occupation of each member of the governing and  
61 advisory boards, if any.

62 (4) (a) ~~Any~~ A registered political action committee that intends to permanently cease  
63 operations shall file a notice of dissolution with the lieutenant governor's office.

64 (b) ~~Any~~ A notice of dissolution filed by a political action committee does not exempt  
65 ~~that~~ the political action committee from complying with the financial reporting requirements  
66 ~~of~~ described in this chapter in relation to all contributions received, and all expenditures  
67 made, before, at, or after dissolution.

68 (c) A political action committee shall, before filing a notice of dissolution, dispose of  
69 any money remaining in an account described in Subsection (1)(c) by:

70 (i) returning the money to the donors;

71 (ii) donating the money to the campaign account of a candidate or officeholder;

72 (iii) donating the money to another political action committee;

73 (iv) donating the money to a political party;

74 (v) donating the money to an organization that is exempt from federal income taxation  
75 under Section 501(c)(3), Internal Revenue Code; or

76 (vi) making another lawful expenditure of the money for a political purpose.

77 (d) A political action committee shall report all money donated or expended under  
78 Subsection (4)(c) in a financial report to the lieutenant governor, in accordance with the  
79 financial reporting requirements described in this chapter.

80 (5) (a) Unless the political action committee has filed a notice of dissolution under  
81 Subsection (4), a political action committee shall file, with the lieutenant governor's office,  
82 notice of any change of an officer described in Subsection (2)(a).

83 (b) A political action committee may not accept a contribution from a political issues  
84 committee, but may donate money to a political issues committee.

85 (c) A political action committee shall:

86           ~~[(b)]~~ (i) ~~[Notice]~~ file a notice of a change of a primary officer described in Subsection  
 87 (2)(a) ~~[shall:]~~ within 10 days after the day on which the change occurs; and

88           ~~[(i) be filed within 10 days of the date of the change; and]~~

89           (ii) ~~[contain]~~ include in the notice of change the name and title of the officer being  
 90 replaced, and the name, street address, occupation, and title of the new officer.

91           (6) (a) A person is guilty of providing false information in relation to a political action  
 92 committee if the person intentionally or knowingly gives false or misleading material  
 93 information in the statement of organization or the notice of change of primary officer.

94           (b) Each primary officer designated in Subsection (2)(a) or (5)(c) is guilty of accepting  
 95 an unlawful contribution if the political action committee knowingly or recklessly accepts a  
 96 contribution from a corporation that:

97           (i) was organized less than 90 days before the date of the general election; and

98           (ii) at the time the political action committee accepts the contribution, has failed to file  
 99 a statement of organization with the lieutenant governor's office as required by Section

100 [20A-11-704](#).

101           (c) A violation of this Subsection (6) is a third degree felony.

102           Section 2. Section **20A-11-801** is amended to read:

103           **20A-11-801. Political issues committees -- Registration -- Criminal penalty for**  
 104 **providing false information or accepting unlawful contribution.**

105           (1) (a) Each political issues committee shall file a statement of organization with the  
 106 lieutenant governor's office ~~[by]~~ on or before January 10 of each year, unless the political  
 107 issues committee has filed a notice of dissolution under Subsection (4).

108           (b) If a political issues committee is organized after the January 10 filing date, the  
 109 political issues committee shall file an initial statement of organization no later than seven days  
 110 after the day on which the political issues committee:

111           (i) ~~[receiving]~~ receives political issues contributions totaling at least \$750; or

112           (ii) ~~[disbursing]~~ distributes political issues expenditures totaling at least \$750.

113           (c) Each political issues committee shall deposit each contribution received into one or

114 more separate accounts in a financial institution that are dedicated only to that purpose.

115 (2) (a) Each political issues committee shall designate two officers that have primary  
116 decision-making authority for the political issues committee.

117 (b) An individual may not exercise primary decision-making authority for a political  
118 issues committee if the individual is not designated under Subsection (2)(a).

119 (3) The statement of organization shall include:

120 (a) the name and street address of the political issues committee;

121 (b) the name, street address, phone number, occupation, and title of the two primary  
122 officers designated under Subsection (2);

123 (c) the name, street address, occupation, and title of all other officers of the political  
124 issues committee;

125 (d) the name and street address of the organization, individual, corporation,  
126 association, unit of government, or union that the political issues committee represents, if any;

127 (e) the name and street address of all affiliated or connected organizations and their  
128 relationships to the political issues committee;

129 (f) the name, street address, business address, occupation, and phone number of the  
130 committee's treasurer or chief financial officer;

131 (g) the name, street address, and occupation of each member of the supervisory and  
132 advisory boards, if any; and

133 (h) the ballot proposition whose outcome they wish to affect, and whether they support  
134 or oppose it.

135 (4) (a) ~~Any~~ A registered political issues committee that intends to permanently cease  
136 operations during a calendar year shall:

137 (i) dispose of all remaining funds by returning the funds to donors or donating the  
138 funds to an organization that is exempt from federal income taxation under Section 501(c)(3),  
139 Internal Revenue Code; and

140 (ii) after complying with Subsection (4)(a)(i), file a notice of dissolution with the  
141 lieutenant governor's office.

142 (b) A political issues committee may not donate money to a political action committee,  
143 but may accept a contribution from a political action committee.

144 ~~[(b)]~~ (c) Any notice of dissolution filed by a political issues committee does not  
145 exempt that political issues committee from complying with the financial reporting  
146 requirements of this chapter in relation to all contributions received, and all expenditures made,  
147 before, at, or after dissolution.

148 (d) A political issues committee shall report all money donated or expended under  
149 Subsection (4)(a) in a financial report to the lieutenant governor, in accordance with the  
150 financial reporting requirements described in this chapter.

151 (5) (a) Unless the political issues committee has filed a notice of dissolution under  
152 Subsection (4), a political issues committee shall file, with the lieutenant governor's office,  
153 notice of any change of an officer described in Subsection (2).

154 (b) A political issues committee shall:

155 ~~[(b)]~~ (i) ~~[Notice]~~ file a notice of a change of a primary officer described in Subsection  
156 ~~[(2) shall:]~~ (2)(a) within 10 days after the day on which the change occurs; and

157 ~~[(i) be filed within 10 days of the date of the change; and]~~

158 (ii) ~~[contain]~~ include in the notice of change the name and title of the officer being  
159 replaced and the name, street address, occupation, and title of the new officer.

160 (6) (a) A person is guilty of providing false information in relation to a political issues  
161 committee if the person intentionally or knowingly gives false or misleading material  
162 information in the statement of organization or the notice of change of primary officer.

163 (b) Each primary officer designated in Subsection (2)(a) or (5)(b) is guilty of accepting  
164 an unlawful contribution if the political issues committee knowingly or recklessly accepts a  
165 contribution from a corporation that:

166 (i) was organized less than 90 days before the date of the general election; and

167 (ii) at the time the political issues committee accepts the contribution, has failed to file  
168 a statement of organization with the lieutenant governor's office as required by Section  
169 [20A-11-704](#).

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(c) A violation of this Subsection (6) is a third degree felony.