

Effective 5/12/2015

10-3-209 Personal use expenditure -- Authorized and prohibited uses of campaign funds -- Enforcement -- Penalties.

- (1) Unless a municipality adopts by ordinance more stringent definitions, the following are defined terms for the purposes of this section:
 - (a) "Candidate" means a person who:
 - (i) files a declaration of candidacy for municipal office; or
 - (ii) receives contributions, makes expenditures, or gives consent for any other person to receive contributions or make expenditures to bring about the person's nomination or election to a public office.
 - (b) "Officeholder" means a person who is elected to and currently holds a municipal office.
 - (c)
 - (i) "Personal use expenditure" means an expenditure that:
 - (A) is not excluded from the definition of personal use expenditure by Subsection (2) and primarily furthers a personal interest of a candidate or officeholder or a candidate's or officeholder's family, which interest is not connected with the performance of an activity as a candidate or an activity or duty of an officeholder; or
 - (B) would cause the candidate or officeholder to recognize the expenditure as taxable income under federal law.
 - (ii) "Personal use expenditure" includes:
 - (A) a mortgage, rent, utility, or vehicle payment;
 - (B) a household food item or supply;
 - (C) clothing, except for clothing bearing the candidate's name or campaign slogan or logo and that is used in the candidate's campaign;
 - (D) an admission to a sporting, artistic, or recreational event or other form of entertainment;
 - (E) dues, fees, or gratuities at a country club, health club, or recreational facility;
 - (F) a salary payment made to a candidate, officeholder, or a person who has not provided a bona fide service to a candidate or officeholder;
 - (G) a vacation;
 - (H) a vehicle expense;
 - (I) a meal expense;
 - (J) a travel expense;
 - (K) a payment of an administrative, civil, or criminal penalty;
 - (L) a satisfaction of a personal debt;
 - (M) a personal service, including the service of an attorney, accountant, physician, or other professional person;
 - (N) a membership fee for a professional or service organization; and
 - (O) a payment in excess of the fair market value of the item or service purchased.
- (2) As used in this section, "personal use expenditure" does not mean an expenditure made:
 - (a) for a political purpose;
 - (b) for candidacy for public office;
 - (c) to fulfill a duty or activity of an officeholder;
 - (d) for a donation to a registered political party;
 - (e) for a contribution to another candidate's campaign account, including sponsorship of or attendance at an event, the primary purpose of which is to solicit a contribution for another candidate's campaign account;
 - (f) to return all or a portion of a contribution to a donor;

- (g) for the following items, if made in connection with the candidacy for public office or an activity or duty of an officeholder:
 - (i)
 - (A) a mileage allowance at the rate established by the Division of Finance under Section 63A-3-107; or
 - (B) for motor fuel or special fuel, as defined in Section 59-13-102;
 - (ii) a meal expense;
 - (iii) a travel expense, including an expense incurred for airfare or a rental vehicle;
 - (iv) a payment for a service provided by an attorney or accountant;
 - (v) a tuition payment or registration fee for participation in a meeting or conference;
 - (vi) a gift;
 - (vii) a payment for the following items in connection with an office space:
 - (A) rent;
 - (B) utilities;
 - (C) a supply; or
 - (D) furnishing;
 - (viii) a booth at a meeting or event; or
 - (ix) educational material;
 - (h) to purchase or mail informational material, a survey, or a greeting card;
 - (i) for a donation to a charitable organization, as defined by Section 13-22-2, including admission to or sponsorship of an event, the primary purpose of which is charitable solicitation, as defined in Section 13-22-2;
 - (j) to repay a loan a candidate makes from the candidate's personal account to the candidate's campaign account;
 - (k) to pay membership dues to a national organization whose primary purpose is to address general public policy;
 - (l) for admission to or sponsorship of an event, the primary purpose of which is to promote the social, educational, or economic well-being of the state or the candidate's or officeholder's community; or
 - (m) for one or more guests of an officeholder or candidate to attend an event, meeting, or conference described in this Subsection (2).
- (3)
- (a) A municipality may adopt an ordinance prohibiting a personal use expenditure by a candidate with requirements that are more stringent than the requirements provided in Subsection (4).
 - (b) The municipality may adopt definitions that are more stringent than those provided in Subsection (1) or (2).
 - (c) If a municipality fails to adopt a personal use expenditure ordinance described in Subsection (3)(a), a candidate shall comply with the requirements contained in Subsection (4).
- (4) A candidate or an officeholder may not use money deposited into a campaign account for:
- (a) a personal use expenditure; or
 - (b) an expenditure prohibited by law.
- (5) A municipality may enforce this section by adopting an ordinance:
- (a) to provide for the evaluation of a campaign finance statement to identify a personal use expenditure; and
 - (b) to commence informal adjudicative proceedings if, after an evaluation described in Subsection (5)(a), there is probable cause to believe that a candidate or officeholder has made a personal use expenditure.

- (6) If, in accordance with the proceedings described in Subsection (5)(b) established in municipal ordinance, a municipality determines that a candidate or officeholder has made a personal use expenditure, the municipality:
- (a) may require the candidate or officeholder to:
 - (i) remit an administrative penalty of an amount equal to 50% of the personal use expenditure to the municipality; and
 - (ii) deposit the amount of the personal use expenditure into the campaign account from which the personal use expenditure was disbursed; and
 - (b) shall deposit the money received under Subsection (6)(a)(i) into the municipal general fund.

Enacted by Chapter 247, 2015 General Session