

1                                   **CAMPAIGN FINANCE REFORM AMENDMENTS**

2   2000 GENERAL SESSION

3   STATE OF UTAH

4   **Sponsor: Ralph Becker**

5 David Ure

6 AN ACT RELATING TO THE ELECTION CODE; MODIFYING CERTAIN REQUIREMENTS  
7 GOVERNING THE USE AND DISPOSITION OF CAMPAIGN FUNDS; AND MAKING  
8 TECHNICAL CORRECTIONS.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11           **20A-11-101**, as last amended by Chapters 45 and 93, Laws of Utah 1999

12           **20A-11-201**, as last amended by Chapter 355, Laws of Utah 1997

13           **20A-11-301**, as last amended by Chapter 355, Laws of Utah 1997

14           **20A-11-402**, as last amended by Chapter 355, Laws of Utah 1997

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

16           Section 1. Section **20A-11-101** is amended to read:

17           **20A-11-101. Definitions.**

18           As used in this chapter:

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

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

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

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

26           (b) receives contributions, makes expenditures, or gives consent for any other person to  
27 receive contributions or make expenditures to bring about the person's nomination or election to

28 a public office.

29 (4) "Chief election officer" means:

30 (a) the lieutenant governor for state office candidates, legislative office candidates,  
31 officeholders, political parties, political action committees, corporations, political issues  
32 committees, and state school board candidates; and

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

34 (5) "Continuing political party" means an organization of voters that participated in the last  
35 regular general election and polled a total vote equal to 2% or more of the total votes cast for all  
36 candidates for the United States House of Representatives.

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

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

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

43 (iii) any transfer of funds from another reporting entity or a corporation to the filing entity;

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

46 (v) remuneration from any organization or its directly affiliated organization that has a  
47 registered lobbyist to compensate a legislator for a loss of salary or income while the Legislature  
48 is in session;

49 (vi) salaries or other remuneration paid to a legislator by any agency or subdivision of the  
50 state, including school districts, for the period the Legislature is in session; and

51 (vii) goods or services provided to or for the benefit of the filing entity at less than fair  
52 market value.

53 (b) "Contribution" does not include:

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

56 (ii) money lent to the filing entity by a financial institution in the ordinary course of  
57 business.

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

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

61 (i) political purposes; or

62 (ii) the purpose of influencing the approval or the defeat of any ballot proposition.

63 (b) "Corporation" does not mean:

64 (i) a business organization's political action committee or political issues committee; or

65 (ii) a business entity organized as a partnership or a sole proprietorship.

66 (8) "Detailed listing" means:

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

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

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

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

72 (b) for each expenditure:

73 (i) the amount of the expenditure;

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

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

76 (iv) the date the expenditure was made.

77 (9) "Election" means each:

78 (a) regular general election;

79 (b) regular primary election; and

80 (c) special election at which candidates are eliminated and selected.

81 (10) (a) "Expenditure" means:

82 (i) any disbursement from contributions, receipts, or from the separate bank account  
83 required by this chapter;

84 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or  
85 anything of value made for political purposes;

86 (iii) an express, legally enforceable contract, promise, or agreement to make any purchase,  
87 payment, donation, distribution, loan, advance, deposit, gift of money, or anything of value for  
88 political purposes;

89 (iv) compensation paid by a corporation or filing entity for personal services rendered by

90 a person without charge to a reporting entity;

91 (v) a transfer of funds between the filing entity and a candidate's personal campaign  
92 committee; or

93 (vi) goods or services provided by the filing entity to or for the benefit of another reporting  
94 entity for political purposes at less than fair market value.

95 (b) "Expenditure" does not include:

96 (i) services provided without compensation by individuals volunteering a portion or all of  
97 their time on behalf of a reporting entity;

98 (ii) money lent to a reporting entity by a financial institution in the ordinary course of  
99 business; or

100 (iii) anything listed in Subsection (5)(a) that is given by a corporation or reporting entity  
101 to candidates for office or officeholders in states other than Utah.

102 (11) "Filing entity" means the reporting entity that is filing a report required by this  
103 chapter.

104 (12) "Financial statement" includes any summary report, interim report, or other statement  
105 disclosing contributions, expenditures, receipts, donations, or disbursements that is required by this  
106 chapter.

107 (13) "Governing board" means the individual or group of individuals that determine the  
108 candidates and committees that will receive expenditures from a political action committee.

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

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

112 (16) "Incorporation petition" means a petition authorized by Section 10-2-109.

113 (17) "Individual" means a natural person.

114 (18) "Interim report" means a report identifying the contributions received and  
115 expenditures made since the last report.

116 (19) "Legislative office" means the office of state senator, state representative, speaker of  
117 the House of Representatives, president of the Senate, and the leader, whip, and assistant whip of  
118 any party caucus in either house of the Legislature.

119 (20) "Legislative office candidate" means a person who:

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

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

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

127 (21) "Newly registered political party" means an organization of voters that has complied  
128 with the petition and organizing procedures of this chapter to become a registered political party.

129 (22) "Officeholder" means a person who holds a public office.

130 (23) "Party committee" means any committee organized by or authorized by the governing  
131 board of a registered political party.

132 (24) "Person" means both natural and legal persons, including individuals, business  
133 organizations, personal campaign committees, party committees, political action committees,  
134 political issues committees, labor unions, and labor organizations.

135 (25) "Personal campaign committee" means the committee appointed by a candidate to act  
136 for the candidate as provided in this chapter.

137 (26) (a) "Personal use" means an expenditure that provides a direct or indirect benefit of  
138 any kind to a candidate, legislative office candidate, or officeholder that is not reasonably related  
139 to political purposes.

140 (b) "Personal use" does not mean an expenditure for political purposes.

141 [~~26~~] (27) (a) "Political action committee" means an entity, or any group of individuals  
142 or entities within or outside this state, that solicits or receives contributions from any other person,  
143 group, or entity or makes expenditures for political purposes. A group or entity may not divide or  
144 separate into units, sections, or smaller groups for the purpose of avoiding the financial reporting  
145 requirements of this chapter, and substance shall prevail over form in determining the scope or size  
146 of a political action committee.

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

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

151 (i) a party committee;

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

154 (iii) an individual;

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

157 (v) a corporation; or

158 (vi) a personal campaign committee.

159 [~~27~~] (28) "Political convention" means a county or state political convention held by a  
160 registered political party to select candidates.

161 [~~28~~] (29) (a) "Political issues committee" means an entity, or any group of individuals  
162 or entities within or outside this state, that solicits or receives donations from any other person,  
163 group, or entity or makes disbursements to influence, or to intend to influence, directly or  
164 indirectly, any person to:

165 (i) assist in placing a statewide ballot proposition on the ballot, assist in keeping a  
166 statewide ballot proposition off the ballot, or refrain from voting or vote for or vote against any  
167 statewide ballot proposition; or

168 (ii) sign or refuse to sign an incorporation petition or refrain from voting, vote for, or vote  
169 against any proposed incorporation in an incorporation election.

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

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

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

174 (iii) an individual;

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

177 (v) a corporation, except a corporation whose apparent purpose is to act as a political  
178 issues committee.

179 [~~29~~] (30) (a) "Political issues contribution" means any of the following:

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

182 (ii) an express, legally enforceable contract, promise, or agreement to make a political

183 issues donation to influence the approval or defeat of any ballot proposition;

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

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

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

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

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

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

194 [~~(30)~~] (31) (a) "Political issues expenditure" means any of the following:

195 (i) any payment from political issues contributions made for the purpose of influencing the  
196 approval or the defeat of a statewide ballot proposition;

197 (ii) a purchase, payment, distribution, loan, advance, deposit, or gift of money made for  
198 the purpose of influencing the approval or the defeat of a statewide ballot proposition;

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

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

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

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

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

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

210 [~~(31)~~] (32) "Political purposes" means an act done with the intent or in a way to influence  
211 or tend to influence, directly or indirectly, any person to refrain from voting or to vote for or  
212 against any candidate for public office at any caucus, political convention, primary, or election.

213 [~~(32)~~] (33) "Primary election" means any regular primary election held under the election

214 laws.

215 [~~33~~] (34) "Public office" means the office of governor, lieutenant governor, state auditor,  
216 state treasurer, attorney general, state or local school board member, state senator, state  
217 representative, speaker of the House of Representatives, president of the Senate, and the leader,  
218 whip, and assistant whip of any party caucus in either house of the Legislature.

219 [~~34~~] (35) (a) "Public service assistance" means the following when given or provided to  
220 an officeholder to defray the costs of functioning in a public office or aid the officeholder to  
221 communicate with the officeholder's constituents:

222 (i) a gift, subscription, donation, unpaid or partially unpaid loan, advance, or deposit of  
223 money or anything of value to an officeholder; or

224 (ii) goods or services provided at less than fair market value to or for the benefit of the  
225 officeholder.

226 (b) "Public service assistance" does not include:

227 (i) anything provided by the state;

228 (ii) services provided without compensation by individuals volunteering a portion or all  
229 of their time on behalf of an officeholder;

230 (iii) money lent to an officeholder by a financial institution in the ordinary course of  
231 business;

232 (iv) news coverage or any publication by the news media; or

233 (v) any article, story, or other coverage as part of any regular publication of any  
234 organization unless substantially all the publication is devoted to information about the  
235 officeholder.

236 [~~35~~] (36) "Publicly identified class of individuals" means a group of 50 or more  
237 individuals sharing a common occupation, interest, or association that contribute to a political  
238 action committee or political issues committee and whose names can be obtained by contacting  
239 the political action committee or political issues committee upon whose financial report they are  
240 listed.

241 [~~36~~] (37) "Receipts" means contributions and public service assistance.

242 [~~37~~] (38) "Registered lobbyist" means a person registered under Title 36, Chapter 11,  
243 Lobbyist Disclosure and Regulation Act.

244 [~~38~~] (39) "Registered political action committee" means any political action committee



245 that is required by this chapter to file a statement of organization with the lieutenant governor's  
246 office.

247 [~~(39)~~] (40) "Registered political issues committee" means any political issues committee  
248 that is required by this chapter to file a statement of organization with the lieutenant governor's  
249 office.

250 [~~(40)~~] (41) "Registered political party" means an organization of voters that:

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

254 (b) has complied with the petition and organizing procedures of this chapter.

255 [~~(41)~~] (42) "Report" means a verified financial statement.

256 [~~(42)~~] (43) "Reporting entity" means a candidate, a candidate's personal campaign  
257 committee, an officeholder, and a party committee, a political action committee, and a political  
258 issues committee.

259 [~~(43)~~] (44) "School board office" means the office of state school board or local school  
260 board.

261 [~~(44)~~] (45) (a) "Source" means the person or entity that is the legal owner of the tangible  
262 or intangible asset that comprises the contribution.

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

266 [~~(45)~~] (46) "State office" means the offices of governor, lieutenant governor, attorney  
267 general, state auditor, and state treasurer.

268 [~~(46)~~] (47) "State office candidate" means a person who:

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

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

273 [~~(47)~~] (48) "Summary report" means the year end report containing the summary of a  
274 reporting entity's contributions and expenditures.

275 [~~(48)~~] (49) "Supervisory board" means the individual or group of individuals that allocate

276 expenditures from a political issues committee.

277 Section 2. Section **20A-11-201** is amended to read:

278 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**

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

282 (b) (i) The state office candidate or the candidate's personal campaign committee may use  
283 the monies in those accounts only for political purposes.

284 (ii) The state office candidate or the candidate's personal committee may not use the  
285 monies in those accounts for personal use.

285a h (iii) NOTHING IN SUBSECTION (1)(b)(ii) REQUIRES THE LIEUTENANT GOVERNOR TO  
285b INVESTIGATE, SANCTION, IMPOSE PENALTIES, SUBMIT FOR PROSECUTION, OR OTHERWISE  
285c RESPOND TO AN ALLEGATION THAT A STATE OFFICE CANDIDATE HAS EXPENDED MONIES FROM  
285d THE ACCOUNTS REQUIRED BY THIS SECTION FOR PERSONAL USE. h

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

288 (3) (a) If a person [who] withdraws or is eliminated in a convention, primary, or regular  
289 general election, or is no longer a state office candidate [chooses not to expend the monies  
290 remaining in his campaign account], the person shall, within 60 calendar days of the date of  
291 withdrawal or elimination, dispose of monies remaining in the person's campaign account by:

292 (i) donating the monies to a registered political party or political action committee;

293 (ii) donating the monies to the state general fund;

294 (iii) expending the monies for political purposes;

295 (iv) donating the monies to a tax-exempt nonprofit entity;

296 (v) repaying documented loans to the state office candidate's campaign;

297 (vi) donating the monies to another candidate's campaign account;

298 (vii) transferring the monies to an escrow account for the person to use as a candidate for  
299 public office within the next four years; or

300 (viii) some combination of Subsections (4)(a)(i) through (vii).

301 (b) After four years, if the person has not run for public office, the person shall expend the  
302 monies in the escrow account according to the requirements of Subsection (3)(a).

303 (4) The person shall continue to file the year-end summary report required by Section  
304 20A-11-203 until the statement of dissolution and final summary report required by Section  
305 20A-11-205 are filed with the lieutenant governor.

306 Section 3. Section **20A-11-301** is amended to read:

307 **20A-11-301. Legislative office candidate -- Campaign requirements.**

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

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

313 (3) (a) A legislative office candidate may not make any political expenditures prohibited  
314 by law.

315 (b) A legislative office candidate may not use monies in the accounts required by this  
316 section for personal use.

316a **h (c) NOTHING IN SUBSECTION (3)(b) REQUIRES THE LIEUTENANT GOVERNOR TO**  
316b **INVESTIGATE, SANCTION, IMPOSE PENALTIES, SUBMIT FOR PROSECUTION, OR OTHERWISE**  
316c **RESPOND TO AN ALLEGATION THAT A LEGISLATIVE OFFICE CANDIDATE HAS EXPENDED MONIES**  
316d **FROM THE ACCOUNTS REQUIRED BY THIS SECTION FOR PERSONAL USE.** h

317 (4) (a) If a person [~~who~~] withdraws or is eliminated in a convention, primary, or regular  
318 general election, or is no longer a legislative candidate [~~chooses not to expend the monies~~  
319 remaining in his campaign account], the person shall, within 60 calendar days of the date of the  
320 withdrawal or elimination, dispose of monies remaining in the person's campaign account by:

321 (i) donating the monies to a registered political party or political action committee;

322 (ii) donating the monies to the state general fund;

323 (iii) expending the monies for political purposes;

324 (iv) donating the monies to a tax-exempt nonprofit entity;

325 (v) repaying documented loans to the legislative candidate's campaign;

326 (vi) donating the monies to another candidate's campaign account;

327 (vii) transferring the monies to an escrow account for the person to use as a candidate for  
328 public office within the next four years; or

329 (viii) some combination of Subsections (4)(a)(i) through (vii).

330 (b) After four years, if the person has not run for public office, the person shall expend the  
331 monies in the escrow account according to the requirements of Subsection (4)(a).

332 (5) The person shall continue to file the year-end summary report required by Section  
333 20A-11-302 until the statement of dissolution and final summary report required by Section  
334 20A-11-304 are filed with the lieutenant governor.

335 Section 4. Section **20A-11-402** is amended to read:

336 **20A-11-402. Officeholder financial reporting requirements -- Termination of duty**  
337 **to report.**

338 (1) An officeholder is active and subject to reporting requirements until the officeholder  
339 has filed a statement of dissolution with the lieutenant governor stating that:

340 (a) the officeholder is no longer receiving contributions or public service assistance and  
341 is no longer making expenditures;

342 (b) the ending balance on the last summary report filed is zero and the balance in the  
343 separate bank account required by Sections 20A-11-201 and 20A-11-301 is zero; and

344 (c) a final summary report in the form required by Section 20A-11-401 showing a zero  
345 balance is attached to the statement of dissolution.

346 (2) A statement of dissolution and a final summary report may be filed at any time.

347 (3) Each officeholder shall continue to file the year-end summary report required by  
348 Section 20A-11-401 until the statement of dissolution and final summary report required by this  
349 section are filed with the lieutenant governor.

350 (4) (a) When an officeholder leaves office, the person shall, within 60 calendar days of  
351 leaving office, dispose of monies remaining in the person's campaign accounts required by  
352 Sections 20A-11-201 and 20A-11-301 by:

353 (i) donating the monies to a registered political party or political action committee;

354 (ii) donating the monies to the state general fund;

355 (iii) expending the monies for political purposes;

356 (iv) donating the monies to a tax-exempt nonprofit entity;

357 (v) repaying documented loans to the officeholder's campaign;

358 (vi) donating the monies to another candidate's campaign account;

359 (vii) transferring the monies to an escrow account for the person to use as a candidate for  
360 public office within the next four years; or

361 (viii) some combination of Subsections (4)(a)(i) through (vii).

362 (b) After four years, if the person has not run for public office, the person shall expend the  
363 monies in the escrow account according to the requirements of Subsection (4)(a).

---

---

**Legislative Review Note**

**as of 2-9-00 9:05 AM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**