

Senator Margaret Dayton proposes the following substitute bill:

ELECTION LAW - FINANCIAL REPORTING

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley M. Daw

Senate Sponsor: Margaret Dayton

LONG TITLE

General Description:

This bill modifies election financial reporting provisions in the Election Code, the Municipal Code, and Title 17, Counties.

Highlighted Provisions:

This bill:

- ▶ requires municipalities and counties to make campaign finance disclosure statements that are filed by candidates for elective office available for public copying and inspection no later than the working day following the date of filing;
- ▶ requires municipalities and counties to either:
 - post an electronic copy or the contents of the disclosure statement on the municipality's or county's website and provide the link to the lieutenant governor's office; or
 - submit a copy of the statement for posting on the lieutenant governor's campaign finance disclosure website;
- ▶ expands the regulation of political issues committees to include committees that receive contributions or make expenditures in relation to local ballot issues, instead of only statewide ballot issues;
- ▶ expands the regulation of political action committees to include committees that



26 receive contributions or make expenditures to influence the election of a candidate for county
27 or municipal office;

- 28 ▶ clarifies definitions;
- 29 ▶ requires the lieutenant governor to make campaign finance disclosure statements
30 available for public copying and inspection no later than the working day following
31 the date of filing;

- 32 ▶ provides a statutory requirement for the lieutenant governor to post campaign
33 finance disclosure statements on the Internet;

- 34 ▶ requires the lieutenant governor to post each campaign finance statement that is
35 provided by a municipality or a county on its website; and

- 36 ▶ makes technical changes.

37 **Monies Appropriated in this Bill:**

38 None

39 **Other Special Clauses:**

40 None

41 **Utah Code Sections Affected:**

42 **AMENDS:**

43 **10-3-208**, as last amended by Laws of Utah 2007, Chapter 256

44 **17-16-6.5**, as last amended by Laws of Utah 2003, Chapter 215

45 **20A-11-101**, as last amended by Laws of Utah 2004, Chapter 90

46 **20A-11-602**, as last amended by Laws of Utah 1999, Chapters 45 and 86

47 **20A-11-103**, as last amended by Laws of Utah 2001, Chapter 166

48 **20A-11-802**, as last amended by Laws of Utah 2003, Chapters 160 and 304



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

51 Section 1. Section **10-3-208** is amended to read:

52 **10-3-208. Campaign finance statement in municipal election.**

53 (1) As used in this section:

54 (a) "Reporting date" means:

- 55 (i) ten days before a municipal general election, for a campaign finance statement
56 required to be filed no later than seven days before a municipal general election; and

57 (ii) the day of filing, for a campaign finance statement required to be filed no later than
58 30 days after a municipal primary or general election.

59 (b) "Reporting limit" means:

60 (i) \$50; or

61 (ii) an amount lower than \$50 that is specified in an ordinance of the municipality.

62 (2) (a) (i) Each candidate for municipal office who is not eliminated at a municipal
63 primary election shall file with the municipal clerk or recorder a campaign finance statement:

64 (A) no later than seven days before the date of the municipal general election; and

65 (B) no later than 30 days after the date of the municipal general election.

66 (ii) Each candidate for municipal office who is eliminated at a municipal primary
67 election shall file with the municipal clerk or recorder a campaign finance statement no later
68 than 30 days after the date of the municipal primary election.

69 (b) Each campaign finance statement under Subsection (2)(a) shall:

70 (i) except as provided in Subsection (2)(b)(ii):

71 (A) report all of the candidate's itemized and total:

72 (I) campaign contributions, including in-kind and other nonmonetary contributions,
73 received before the close of the reporting date; and

74 (II) campaign expenditures made through the close of the reporting date; and

75 (B) identify:

76 (I) for each contribution that exceeds the reporting limit, the amount of the contribution
77 and the name of the donor;

78 (II) the aggregate total of all contributions that individually do not exceed the reporting
79 limit; and

80 (III) for each campaign expenditure, the amount of the expenditure and the name of the
81 recipient of the expenditure; or

82 (ii) report the total amount of all campaign contributions and expenditures if the
83 candidate receives \$500 or less in campaign contributions and spends \$500 or less on the
84 candidate's campaign.

85 (3) (a) A municipality may, by ordinance:

86 (i) provide a reporting limit lower than \$50;

87 (ii) require greater disclosure of campaign contributions and expenditures than is

88 required in this section; and

89 (iii) impose additional penalties on candidates who fail to comply with the applicable
90 requirements beyond those imposed by this section.

91 (b) A candidate for municipal office is subject to the provisions of this section and not
92 the provisions of an ordinance adopted by the municipality under Subsection (3)(a) if:

93 (i) the municipal ordinance establishes requirements or penalties that differ from those
94 established in this section; and

95 (ii) the municipal clerk or recorder fails to notify the candidate of the provisions of the
96 ordinance as required in Subsection (4).

97 (4) Each municipal clerk or recorder shall, at the time the candidate for municipal
98 office files a declaration of candidacy, and again 14 days before each municipal general
99 election, notify the candidate in writing of:

100 (a) the provisions of statute or municipal ordinance governing the disclosure of
101 campaign contributions and expenditures;

102 (b) the dates when the candidate's campaign finance statement is required to be filed;
103 and

104 (c) the penalties that apply for failure to file a timely campaign finance statement,
105 including the statutory provision that requires removal of the candidate's name from the ballot
106 for failure to file the required campaign finance statement when required.

107 (5) Notwithstanding any provision of Title 63, Chapter 2, Government Records Access
108 and Management Act, the municipal clerk or recorder shall:

109 (a) make each campaign finance statement filed by a candidate available for public
110 inspection and copying no later than one business day after the statement is filed[-]; and

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

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

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

117 (ii) submitting a copy of the statement to the lieutenant governor for posting on the
118 website established by the lieutenant governor under Section 20A-11-103 no later than two

119 business days after the statement is filed.

120 (6) (a) If a candidate fails to file a campaign finance statement before the municipal
121 general election by the deadline specified in Subsection (2)(a)(i)(A), the municipal clerk or
122 recorder shall inform the appropriate election official who:

123 (i) shall:

124 (A) if practicable, remove the candidate's name from the ballot by blacking out the
125 candidate's name before the ballots are delivered to voters; or

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

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

130 (b) Notwithstanding Subsection (6)(a), a candidate who files a campaign finance
131 statement seven days before a municipal general election is not disqualified if:

132 (i) the statement details accurately and completely the information required under
133 Subsection (2)(b), except for inadvertent omissions or insignificant errors or inaccuracies; and

134 (ii) the omissions, errors, or inaccuracies are corrected in an amended report or in the
135 next scheduled report.

136 (7) A campaign finance statement required under this section is considered filed if it is
137 received in the municipal clerk or recorder's office by 5 p.m. on the date that is it due.

138 (8) (a) A private party in interest may bring a civil action in district court to enforce the
139 provisions of this section or an ordinance adopted under this section.

140 (b) In a civil action under Subsection (8)(a), the court may award costs and attorney's
141 fees to the prevailing party.

142 Section 2. Section **17-16-6.5** is amended to read:

143 **17-16-6.5. Campaign financial disclosure in county elections.**

144 (1) (a) By January 1, 1996, each county shall adopt an ordinance establishing campaign
145 finance disclosure requirements for candidates for county office.

146 (b) The ordinance shall include:

147 (i) a requirement that each candidate for county office report his itemized and total
148 campaign contributions and expenditures at least once within the two weeks before the election
149 and at least once within two months after the election;

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

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

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

156 (B) for each expenditure, the name of the recipient and the amount of the expenditure.

157 (2) (a) Except as provided in Subsection (2)(b), if any county fails to adopt a campaign
158 finance disclosure ordinance by January 1, 1996, candidates for county office shall comply
159 with the financial reporting requirements contained in Subsections (3) through (6).

160 (b) If, after August 1, 1995, any county adopts a campaign finance ordinance meeting
161 the requirements of Subsection (1), that county need not comply with the requirements of
162 Subsections (3) through (6).

163 (3) (a) Except as provided in Subsection (3)(b), and if there is no county ordinance
164 meeting the requirements of this section, each candidate for elective office in any county who
165 is not required to submit a campaign financial statement to the lieutenant governor shall file a
166 signed campaign financial statement with the county clerk:

167 (i) seven days before the date of the regular general election, reporting each
168 contribution of more than \$50 and each expenditure as of ten days before the date of the regular
169 general election; and

170 (ii) no later than 30 days after the date of the regular general election.

171 (b) Candidates for community council offices are exempt from the requirements of this
172 section.

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

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

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

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

179 (b) The statement filed 30 days after the regular general election shall include:

180 (i) a list of each contribution of more than \$50 received after the cutoff date for the

181 statement filed seven days before the election, and the name of the donor;

182 (ii) an aggregate total of all contributions of \$50 or less received by the candidate after
183 the cutoff date for the statement filed seven days before the election; and

184 (iii) a list of all expenditures for political purposes made by the candidate after the
185 cutoff date for the statement filed seven days before the election, and the recipient of each
186 expenditure.

187 (5) Candidates for elective office in any county who are eliminated at a primary
188 election shall file a signed campaign financial statement containing the information required by
189 this section not later than 30 days after the primary election.

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

191 (7) Counties may, by ordinance, enact requirements that:

192 (a) require greater disclosure of campaign contributions and expenditures; and

193 (b) impose additional penalties.

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

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

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

202 (iii) may not count any votes for that candidate.

203 (b) Notwithstanding Subsection (8)(a), a candidate is not disqualified if:

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

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

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

210 (c) A report is considered filed if:

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

212 due;

213 (ii) it is received in the county clerk's office with a U.S. Postal Service postmark three
214 days or more before the date that the report was due; or

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

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

219 (b) In a civil action filed under Subsection (9)(a), the court shall award costs and
220 attorney's fees to the prevailing party.

221 (10) Notwithstanding any provision of Title 63, Chapter 2, Government Records
222 Access and Management Act, the county clerk shall:

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

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

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

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

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

234 Section 3. Section **20A-11-101** is amended to read:

235 **20A-11-101. Definitions.**

236 As used in this chapter:

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

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

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

- 243 (a) files a declaration of candidacy for a public office; or
244 (b) receives contributions, makes expenditures, or gives consent for any other person to
245 receive contributions or make expenditures to bring about the person's nomination or election
246 to a public office.
- 247 (4) "Chief election officer" means:
248 (a) the lieutenant governor for state office candidates, legislative office candidates,
249 officeholders, political parties, political action committees, corporations, political issues
250 committees, and state school board candidates; and
251 (b) the county clerk for local school board candidates.
- 252 (5) "Continuing political party" means an organization of voters that participated in the
253 last regular general election and polled a total vote equal to 2% or more of the total votes cast
254 for all candidates for the United States House of Representatives.
- 255 (6) (a) "Contribution" means any of the following when done for political purposes:
256 (i) a gift, subscription, donation, loan, advance, or deposit of money or anything of
257 value given to the filing entity;
258 (ii) an express, legally enforceable contract, promise, or agreement to make a gift,
259 subscription, donation, unpaid or partially unpaid loan, advance, or deposit of money or
260 anything of value to the filing entity;
261 (iii) any transfer of funds from another reporting entity or a corporation to the filing
262 entity;
263 (iv) compensation paid by any person or reporting entity other than the filing entity for
264 personal services provided without charge to the filing entity;
265 (v) remuneration from any organization or its directly affiliated organization that has a
266 registered lobbyist to compensate a legislator for a loss of salary or income while the
267 Legislature is in session;
268 (vi) salaries or other remuneration paid to a legislator by any agency or subdivision of
269 the state, including school districts, for the period the Legislature is in session; and
270 (vii) goods or services provided to or for the benefit of the filing entity at less than fair
271 market value.
- 272 (b) "Contribution" does not include:
273 (i) services provided without compensation by individuals volunteering a portion or all

274 of their time on behalf of the filing entity; or

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

277 (7) (a) "Corporation" means a domestic or foreign, profit or nonprofit, business
278 organization that is registered as a corporation or is authorized to do business in a state and
279 makes any expenditure from corporate funds for:

280 (i) political purposes; or

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

282 (b) "Corporation" does not mean:

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

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

285 (8) "Detailed listing" means:

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

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

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

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

291 (b) for each expenditure:

292 (i) the amount of the expenditure;

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

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

295 (iv) the date the expenditure was made.

296 (9) "Election" means each:

297 (a) regular general election;

298 (b) regular primary election; and

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

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

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

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

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

308 (iv) compensation paid by a corporation or filing entity for personal services rendered
309 by a person without charge to a reporting entity;

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

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

314 (b) "Expenditure" does not include:

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

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

319 (iii) anything listed in Subsection (10)(a) that is given by a corporation or reporting
320 entity to candidates for office or officeholders in states other than Utah.

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

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

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

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

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

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

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

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

335 (19) "Legislative office" means the office of state senator, state representative, speaker

336 of the House of Representatives, president of the Senate, and the leader, whip, and assistant
337 whip of any party caucus in either house of the Legislature.

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

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

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

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

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

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

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

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

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

357 (26) (a) "Political action committee" means an entity, or any group of individuals or
358 entities within or outside this state, that solicits or receives contributions from any other person,
359 group, or entity or makes expenditures;

360 (i) for political purposes~~[- A group or entity may not divide or separate into units,~~
361 ~~sections, or smaller groups for the purpose of avoiding the financial reporting requirements of~~
362 ~~this chapter, and substance shall prevail over form in determining the scope or size of a~~
363 ~~political action committee.]; or~~

364 (ii) with the intent or in a way to influence or tend to influence, directly or indirectly,
365 any person to refrain from voting or to vote for or against any candidate for a municipal or
366 county office.

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

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

371 (i) a party committee;

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

374 (iii) an individual;

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

377 (v) a corporation; or

378 (vi) a personal campaign committee.

379 (27) "Political convention" means a county or state political convention held by a
380 registered political party to select candidates.

381 (28) (a) "Political issues committee" means an entity, or any group of individuals or
382 entities within or outside this state, that solicits or receives donations from any other person,
383 group, or entity or makes disbursements to influence, or to intend to influence, directly or
384 indirectly, any person to:

385 (i) assist in placing a [statewide] ballot proposition on the ballot, assist in keeping a
386 [statewide] ballot proposition off the ballot, or refrain from voting or vote for or vote against
387 any [statewide] ballot proposition; or

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

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

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

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

394 (iii) an individual;

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

397 (v) a corporation, except a corporation whose apparent purpose is to act as a political

398 issues committee.

399 (29) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

415 (30) (a) "Political issues expenditure" means any of the following:

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

418 (A) a [statewide] ballot proposition; or

419 (B) an incorporation petition or incorporation election;

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

422 (A) a [statewide] ballot proposition; or

423 (B) an incorporation petition or incorporation election;

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

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

428 (v) goods or services provided to or for the benefit of another reporting entity at less

429 than fair market value.

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

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

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

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

438 (32) "Primary election" means any regular primary election held under the election
439 laws.

440 (33) "Public office" means the office of governor, lieutenant governor, state auditor,
441 state treasurer, attorney general, state or local school board member, state senator, state
442 representative, speaker of the House of Representatives, president of the Senate, and the leader,
443 whip, and assistant whip of any party caucus in either house of the Legislature.

444 (34) (a) "Public service assistance" means the following when given or provided to an
445 officeholder to defray the costs of functioning in a public office or aid the officeholder to
446 communicate with the officeholder's constituents:

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

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

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

452 (i) anything provided by the state;

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

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

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

458 (v) any article, story, or other coverage as part of any regular publication of any
459 organization unless substantially all the publication is devoted to information about the

460 officeholder.

461 (35) "Publicly identified class of individuals" means a group of 50 or more individuals
462 sharing a common occupation, interest, or association that contribute to a political action
463 committee or political issues committee and whose names can be obtained by contacting the
464 political action committee or political issues committee upon whose financial report they are
465 listed.

466 (36) "Receipts" means contributions and public service assistance.

467 (37) "Registered lobbyist" means a person registered under Title 36, Chapter 11,
468 Lobbyist Disclosure and Regulation Act.

469 (38) "Registered political action committee" means any political action committee that
470 is required by this chapter to file a statement of organization with the lieutenant governor's
471 office.

472 (39) "Registered political issues committee" means any political issues committee that
473 is required by this chapter to file a statement of organization with the lieutenant governor's
474 office.

475 (40) "Registered political party" means an organization of voters that:

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

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

480 (41) "Report" means a verified financial statement.

481 (42) "Reporting entity" means a candidate, a candidate's personal campaign committee,
482 an officeholder, and a party committee, a political action committee, and a political issues
483 committee.

484 (43) "School board office" means the office of state school board or local school board.

485 (44) (a) "Source" means the person or entity that is the legal owner of the tangible or
486 intangible asset that comprises the contribution.

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

490 (45) "State office" means the offices of governor, lieutenant governor, attorney general,

491 state auditor, and state treasurer.

492 (46) "State office candidate" means a person who:

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

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

497 (47) "Summary report" means the year end report containing the summary of a
498 reporting entity's contributions and expenditures.

499 (48) "Supervisory board" means the individual or group of individuals that allocate
500 expenditures from a political issues committee.

501 Section 4. Section **20A-11-103** is amended to read:

502 **20A-11-103. Reports -- Form of submission -- Public availability -- Notice of**
503 **local filings.**

504 (1) (a) (i) Ten days before a report from a state office candidate, legislative office
505 candidate, state school board candidate, political party, political action committee, political
506 issues committee, or judge is due under this chapter, the lieutenant governor shall inform those
507 candidates, judges, and entities by postal mail or, if requested by the candidate, judge, party, or
508 committee, by electronic mail:

509 (A) that the report is due; and

510 (B) the date that the report is due.

511 (ii) In addition to the information required by Subsection (1)(a)(i) and in the same
512 mailing, ten days before the interim reports for candidates or judges are due, the lieutenant
513 governor shall inform the candidate or judge that if the report is not received in the lieutenant
514 governor's office by 5 p.m. on the date that it is due, voters will be informed that the candidate
515 or judge has been disqualified and any votes cast for the candidate or judge will not be counted.

516 (iii) In addition to the information required by Subsection (1)(a)(i) and in the same
517 mailing, ten days before the interim reports or verified financial statements for entities that are
518 due September 15 and before the regular general election are due, and ten days before summary
519 reports or January 5 financial statements are due, the lieutenant governor shall inform the
520 entity, candidate, judge, or officeholder that if the report is not received in the lieutenant
521 governor's office by the date that it is due, the entity, candidate, judge, or officeholder may be

522 guilty of a class B misdemeanor for failing to file the report or statement.

523 (b) Ten days before a report from a local school board candidate is due under this
524 chapter, the county clerk shall inform the candidate by postal mail or, if requested, by
525 electronic mail:

526 (i) that the report is due;

527 (ii) the date that the report is due; and

528 (iii) if the report is not received in the county clerk's office by 5 p.m. on the date that it
529 is due, voters will be informed that the candidate has been disqualified and any votes cast for
530 the candidate will not be counted.

531 (2) Persons or entities submitting reports required by this chapter may submit them:

532 (a) on paper, printed, typed, or legibly handwritten or hand printed;

533 (b) on a computer disk according to specifications established by the chief election
534 officer that protect against fraudulent filings and secure the accuracy of the information
535 contained on the computer disk;

536 (c) via fax; or

537 (d) via electronic mail according to specifications established by the chief election
538 officer.

539 (3) A report is considered filed if:

540 (a) it is received in the chief election officer's office no later than 5:00 p.m. on the date
541 that it is due;

542 (b) it is received in the chief election officer's office with a postmark three days or
543 more before the date that the report was due; or

544 (c) the candidate, judge, or entity has proof that the report was mailed, with appropriate
545 postage and addressing, three days before the report was due.

546 (4) Notwithstanding any provision of Title 63, Chapter 2, Government Records Access
547 and Management Act, the lieutenant governor shall:

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

550 (b) post an electronic copy or the contents of each campaign finance statement on a
551 website established by the lieutenant governor:

552 (i) for campaign finance statements submitted to the lieutenant governor under the

553 requirements of Section 10-3-208 or Section 17-16-6.5, no later than seven business days after
554 the date of receipt of the campaign finance statement; or

555 (ii) for a campaign finance statement filed under the requirements of this chapter, no
556 later than seven business days after the date the statement is due.

557 (5) If a municipality, under Section 10-3-208, or a county, under Section 17-16-6.5,
558 elects to provide campaign finance disclosure on its own websites, rather than through the
559 lieutenant governor, the website established by the lieutenant governor shall contain a link or
560 other access point to the municipality or county website.

561 Section 5. Section **20A-11-602** is amended to read:

562 **20A-11-602. Political action committees -- Financial reporting.**

563 (1) (a) Each registered political action committee that has received contributions or
564 made expenditures that total at least \$750 during a calendar year shall file a verified financial
565 statement with the lieutenant governor's office on:

566 (i) January 5, reporting contributions and expenditures as of December 31 of the
567 previous year;

568 (ii) September 15; and

569 (iii) seven days before the regular general election.

570 (b) The registered political action committee shall report:

571 (i) a detailed listing of all contributions received and expenditures made since the last
572 statement; and

573 (ii) for financial statements filed on September 15 and before the general election, all
574 contributions and expenditures as of three days before the required filing date of the financial
575 statement.

576 (c) The registered political action committee need not file a statement under this
577 section if it received no contributions and made no expenditures during the reporting period.

578 (2) (a) The verified financial statement shall include:

579 (i) the name, address, and occupation of any individual that makes a contribution to the
580 reporting political action committee, and the amount of the contribution;

581 (ii) the identification of any publicly identified class of individuals that makes a
582 contribution to the reporting political action committee, and the amount of the contribution;

583 (iii) the name and address of any political action committee, group, or entity that makes

584 a contribution to the reporting political action committee, and the amount of the contribution;
585 (iv) for each nonmonetary contribution, the fair market value of the contribution;
586 (v) the name and address of each reporting entity that received an expenditure from the
587 reporting political action committee, and the amount of each expenditure;
588 (vi) for each nonmonetary expenditure, the fair market value of the expenditure;
589 (vii) the total amount of contributions received and expenditures disbursed by the
590 reporting political action committee;
591 (viii) a paragraph signed by the political action committee's treasurer or chief financial
592 officer verifying that, to the best of the signer's knowledge, the financial report is accurate; and
593 (ix) a summary page in the form required by the lieutenant governor that identifies:
594 (A) beginning balance;
595 (B) total contributions during the period since the last statement;
596 (C) total contributions to date;
597 (D) total expenditures during the period since the last statement; and
598 (E) total expenditures to date.
599 (b) (i) Contributions received by a political action committee that have a value of \$50
600 or less need not be reported individually, but shall be listed on the report as an aggregate total.
601 (ii) Two or more contributions from the same source that have an aggregate total of
602 more than \$50 may not be reported in the aggregate, but shall be reported separately.
603 (3) A group or entity may not divide or separate into units, sections, or smaller groups
604 for the purpose of avoiding the financial reporting requirements of this chapter, and substance
605 shall prevail over form in determining the scope or size of a political action committee.

606 Section 6. Section **20A-11-802** is amended to read:

607 **20A-11-802. Political issues committees -- Financial reporting.**

608 (1) (a) Each registered political issues committee that has received political issues
609 contributions totaling at least \$750, or disbursed political issues expenditures totaling at least
610 \$50 during a calendar year [~~on current or proposed statewide ballot propositions, to influence~~
611 ~~an incorporation petition or an incorporation election, or on initiative petitions to be submitted~~
612 ~~to the Legislature~~], shall file a verified financial statement with the lieutenant governor's office:
613 (i) on January 5, reporting contributions and expenditures as of December 31 of the
614 previous year;

615 (ii) seven days before the date of an incorporation election, if the political issues
616 committee has received donations or made disbursements to affect an incorporation;

617 (iii) March 1;

618 (iv) June 1;

619 (v) at least three days before the first public hearing held as required by Section
620 20A-7-204.1;

621 (vi) at the time the sponsors submit the verified and certified initiative packets to the
622 county clerk as required by Section 20A-7-206;

623 (vii) on September 15; and

624 (viii) seven days before the regular general election.

625 (b) The political issues committee shall report:

626 (i) a detailed listing of all contributions received and expenditures made since the last
627 statement; and

628 (ii) for financial statements filed on September 15 and before the general election, all
629 contributions and expenditures as of three days before the required filing date of the financial
630 statement.

631 (c) The political issues committee need not file a statement under this section if it
632 received no contributions and made no expenditures during the reporting period.

633 (2) (a) That statement shall include:

634 (i) the name, address, and occupation of any individual that makes a political issues
635 contribution to the reporting political issues committee, and the amount of the political issues
636 contribution;

637 (ii) the identification of any publicly identified class of individuals that makes a
638 political issues contribution to the reporting political issues committee, and the amount of the
639 political issues contribution;

640 (iii) the name and address of any political issues committee, group, or entity that makes
641 a political issues contribution to the reporting political issues committee, and the amount of the
642 political issues contribution;

643 (iv) the name and address of each reporting entity that makes a political issues
644 contribution to the reporting political issues committee, and the amount of the political issues
645 contribution;

- 646 (v) for each nonmonetary contribution, the fair market value of the contribution;
- 647 (vi) except as provided in Subsection (2)(c), the name and address of each individual,
- 648 entity, or group of individuals or entities that received a political issues expenditure of more
- 649 than \$50 from the reporting political issues committee, and the amount of each political issues
- 650 expenditure;
- 651 (vii) for each nonmonetary expenditure, the fair market value of the expenditure;
- 652 (viii) the total amount of political issues contributions received and political issues
- 653 expenditures disbursed by the reporting political issues committee;
- 654 (ix) a paragraph signed by the political issues committee's treasurer or chief financial
- 655 officer verifying that, to the best of the signer's knowledge, the financial statement is accurate;
- 656 and
- 657 (x) a summary page in the form required by the lieutenant governor that identifies:
- 658 (A) beginning balance;
- 659 (B) total contributions during the period since the last statement;
- 660 (C) total contributions to date;
- 661 (D) total expenditures during the period since the last statement; and
- 662 (E) total expenditures to date.
- 663 (b) (i) Political issues contributions received by a political issues committee that have a
- 664 value of \$50 or less need not be reported individually, but shall be listed on the report as an
- 665 aggregate total.
- 666 (ii) Two or more political issues contributions from the same source that have an
- 667 aggregate total of more than \$50 may not be reported in the aggregate, but shall be reported
- 668 separately.
- 669 (c) When reporting political issue expenditures made to circulators of initiative
- 670 petitions, the political issues committee:
- 671 (i) need only report the amount paid to each initiative petition circulator; and
- 672 (ii) need not report the name or address of the circulator.

H.B. 29 2nd Sub. (Gray) - Election Law - Financial Reporting

Fiscal Note

2008 General Session
State of Utah

State Impact

Passage of this bill would require a General Fund appropriation of \$3,000 to the Lieutenant Governor to create an application to manage the electronic reports established in the bill. There is also an ongoing component of \$57,000 for one FTE to manage the reports and to account for annual information technology costs.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$57,000	\$57,000	\$0	\$0	\$0
General Fund, One-Time	\$0	\$3,000	\$0	\$0	\$0	\$0
Total	\$0	\$60,000	\$57,000	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
