

1 **USE OF CAMPAIGN FUNDS AMENDMENTS**

2 2009 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: John L. Valentine**

5 House Sponsor: John Dougall

7 **LONG TITLE**

8 **General Description:**

9 This bill prohibits the use of campaign and officeholder funds for a purpose that would
10 result in the funds' recognition as taxable income under federal tax law.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ prohibits the use of campaign and officeholder funds for a purpose that would
- 14 result in the candidate or officeholder recognizing the funds as taxable income
- 15 under federal tax law; and
- 16 ▶ makes technical changes.

17 **Monies Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 **AMENDS:**

- 23 **20A-11-201**, as last amended by Laws of Utah 1997, Chapter 355
- 24 **20A-11-301**, as last amended by Laws of Utah 1997, Chapter 355
- 25 **20A-11-402**, as last amended by Laws of Utah 1997, Chapter 355
- 26 **20A-11-1301**, as enacted by Laws of Utah 1997, Chapter 355

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

29 Section 1. Section **20A-11-201** is amended to read:

30 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**

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

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

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

38 (3) If a person who is no longer a state office candidate chooses not to expend the
39 monies remaining in [~~his~~] a campaign account, the person shall continue to file the year-end
40 summary report required by Section 20A-11-203 until the statement of dissolution and final
41 summary report required by Section 20A-11-205 are filed with the lieutenant governor.

42 (4) (a) Except as provided in Subsection (4)(b) and Section 20A-11-402, a person
43 who is no longer a state office candidate may not expend or transfer the monies in a campaign
44 account in a manner that would cause the former state office candidate to recognize the
45 monies as taxable income under federal tax law.

46 (b) A person who is no longer a state office candidate may transfer the monies in a
47 campaign account in a manner that would cause the former state office candidate to recognize
48 the monies as taxable income under federal tax law if the transfer is made to a campaign
49 account for federal office.

50 Section 2. Section **20A-11-301** is amended to read:

51 **20A-11-301. Legislative office candidate -- Campaign requirements.**

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

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

57 (3) A legislative office candidate may not make any political expenditures prohibited

58 by law.

59 (4) If a person who is no longer a legislative candidate chooses not to expend the
60 monies remaining in [his] a campaign account, the person shall continue to file the year-end
61 summary report required by Section 20A-11-302 until the statement of dissolution and final
62 summary report required by Section 20A-11-304 are filed with the lieutenant governor.

63 (5) (a) Except as provided in Subsection (5)(b) and Section 20A-11-402, a person who
64 is no longer a legislative office candidate may not expend or transfer the monies in a campaign
65 account in a manner that would cause the former legislative office candidate to recognize the
66 monies as taxable income under federal tax law.

67 (b) A person who is no longer a legislative office candidate may transfer the monies in
68 a campaign account in a manner that would cause the former legislative office candidate to
69 recognize the monies as taxable income under federal tax law if the transfer is made to a
70 campaign account for federal office.

71 Section 3. Section **20A-11-402** is amended to read:

72 **20A-11-402. Officeholder financial reporting requirements -- Termination of**
73 **duty to report.**

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

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

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

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

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

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

86 (4) (a) Except as provided in Subsection (4)(b), a person who is no longer an
87 officeholder may not expend or transfer the monies in a campaign account in a manner that
88 would cause the former officeholder to recognize the monies as taxable income under federal
89 tax law.

90 (b) A person who is no longer an officeholder may transfer the monies in a campaign
91 account in a manner that would cause the former officeholder to recognize the monies as
92 taxable income under federal tax law if the transfer is made to a campaign account for federal
93 office.

94 Section 4. Section **20A-11-1301** is amended to read:

95 **20A-11-1301. School board office candidate -- Campaign requirements.**

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

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

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

103 (4) If a person who is no longer a school board candidate chooses not to expend the
104 monies remaining in [~~his~~] a campaign account, the person shall continue to file the year-end
105 summary report required by Section 20A-11-1302 until the statement of dissolution and final
106 summary report required by Section 20A-11-1304 are filed with:

107 (a) the lieutenant governor in the case of a state school board candidate; and

108 (b) the county clerk, in the case of a local school board candidate.

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

113 (b) A person who is no longer a school board candidate may transfer the monies in a

114 campaign account in a manner that would cause the former school board candidate to
115 recognize the monies as taxable income under federal tax law if the transfer is made to a
116 campaign account for federal office.