

CAMPAIGN FUNDS EXPENDITURE

RESTRICTIONS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tim M. Cosgrove

Senate Sponsor: Karen Mayne

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13	John Dougall		

LONG TITLE

General Description:

This bill modifies the Campaign and Financial Reporting Requirements by amending provisions related to personal use of campaign monies.

Highlighted Provisions:

This bill:

- ▶ defines "personal use expenditure" and provides a list of authorized and prohibited uses of campaign funds;
- ▶ provides for enforcement and assessment of administrative penalties by the lieutenant governor;
- ▶ prohibits a candidate or an officeholder from using campaign contributions for a personal use expenditure; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **20A-11-101**, as last amended by Laws of Utah 2009, Chapters 60 and 361

35 **20A-11-201**, as last amended by Laws of Utah 2009, Chapters 227 and 361

36 **20A-11-301**, as last amended by Laws of Utah 2009, Chapters 227 and 361

37 **20A-11-402**, as last amended by Laws of Utah 2009, Chapter 227

38 **20A-11-1301**, as last amended by Laws of Utah 2009, Chapters 227 and 361

39 ENACTS:

40 **20A-11-104**, Utah Code Annotated 1953



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

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

44 **20A-11-101. Definitions.**

45 As used in this chapter:

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

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

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

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

53 (b) receives contributions, makes expenditures, or gives consent for any other person
54 to receive contributions or make expenditures to bring about the person's nomination or
55 election to a public office.

56 (4) "Chief election officer" means:

57 (a) the lieutenant governor for state office candidates, legislative office candidates,
58 officeholders, political parties, political action committees, corporations, political issues
59 committees, and state school board candidates; and

- 60 (b) the county clerk for local school board candidates.
- 61 (5) "Continuing political party" means an organization of voters that participated in
62 the last regular general election and polled a total vote equal to 2% or more of the total votes
63 cast for all candidates for the United States House of Representatives.
- 64 (6) (a) "Contribution" means any of the following when done for political purposes:
- 65 (i) a gift, subscription, donation, loan, advance, or deposit of money or anything of
66 value given to the filing entity;
- 67 (ii) an express, legally enforceable contract, promise, or agreement to make a gift,
68 subscription, donation, unpaid or partially unpaid loan, advance, or deposit of money or
69 anything of value to the filing entity;
- 70 (iii) any transfer of funds from another reporting entity or a corporation to the filing
71 entity;
- 72 (iv) compensation paid by any person or reporting entity other than the filing entity for
73 personal services provided without charge to the filing entity;
- 74 (v) remuneration from any organization or its directly affiliated organization that has a
75 registered lobbyist to compensate a legislator for a loss of salary or income while the
76 Legislature is in session;
- 77 (vi) salaries or other remuneration paid to a legislator by any agency or subdivision of
78 the state, including school districts, for the period the Legislature is in session; and
- 79 (vii) goods or services provided to or for the benefit of the filing entity at less than fair
80 market value.
- 81 (b) "Contribution" does not include:
- 82 (i) services provided without compensation by individuals volunteering a portion or all
83 of their time on behalf of the filing entity;
- 84 (ii) money lent to the filing entity by a financial institution in the ordinary course of
85 business; or
- 86 (iii) goods or services provided for the benefit of a candidate or political party at less
87 than fair market value that are not authorized by or coordinated with the candidate or political

88 party.

89 (7) "Coordinated with" means that goods or services provided for the benefit of a
90 candidate or political party are provided:

91 (a) with the candidate's or political party's prior knowledge, if the candidate or
92 political party does not object;

93 (b) by agreement with the candidate or political party;

94 (c) in coordination with the candidate or political party; or

95 (d) using official logos, slogans, and similar elements belonging to a candidate or
96 political party.

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

100 (i) the purpose of expressly advocating for political purposes; or

101 (ii) the purpose of expressly advocating the approval or the defeat of any ballot
102 proposition.

103 (b) "Corporation" does not mean:

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

105 or

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

107 (9) "Detailed listing" means:

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

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

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

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

113 (b) for each expenditure:

114 (i) the amount of the expenditure;

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

- 116 (iii) the specific purpose, item, or service acquired by the expenditure; and
- 117 (iv) the date the expenditure was made.
- 118 (10) "Election" means each:
- 119 (a) regular general election;
- 120 (b) regular primary election; and
- 121 (c) special election at which candidates are eliminated and selected.
- 122 (11) (a) "Expenditure" means:
- 123 (i) any disbursement from contributions, receipts, or from the separate bank account
- 124 required by this chapter;
- 125 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money,
- 126 or anything of value made for political purposes;
- 127 (iii) an express, legally enforceable contract, promise, or agreement to make any
- 128 purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything
- 129 of value for political purposes;
- 130 (iv) compensation paid by a corporation or filing entity for personal services rendered
- 131 by a person without charge to a reporting entity;
- 132 (v) a transfer of funds between the filing entity and a candidate's personal campaign
- 133 committee; or
- 134 (vi) goods or services provided by the filing entity to or for the benefit of another
- 135 reporting entity for political purposes at less than fair market value.
- 136 (b) "Expenditure" does not include:
- 137 (i) services provided without compensation by individuals volunteering a portion or all
- 138 of their time on behalf of a reporting entity;
- 139 (ii) money lent to a reporting entity by a financial institution in the ordinary course of
- 140 business; or
- 141 (iii) anything listed in Subsection (11)(a) that is given by a corporation or reporting
- 142 entity to candidates for office or officeholders in states other than Utah.
- 143 (12) "Filing entity" means the reporting entity that is filing a financial statement

144 required by this chapter.

145 (13) "Financial statement" includes any summary report, interim report, verified
146 financial statement, or other statement disclosing contributions, expenditures, receipts,
147 donations, or disbursements that is required by this chapter.

148 (14) "Governing board" means the individual or group of individuals that determine
149 the candidates and committees that will receive expenditures from a political action
150 committee.

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

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

154 (17) "Incorporation petition" means a petition authorized by Section 10-2-109.

155 (18) "Individual" means a natural person.

156 (19) "Interim report" means a report identifying the contributions received and
157 expenditures made since the last report.

158 (20) "Legislative office" means the office of state senator, state representative, speaker
159 of the House of Representatives, president of the Senate, and the leader, whip, and assistant
160 whip of any party caucus in either house of the Legislature.

161 (21) "Legislative office candidate" means a person who:

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

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

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

170 (22) "Newly registered political party" means an organization of voters that has
171 complied with the petition and organizing procedures of this chapter to become a registered

172 political party.

173 (23) "Officeholder" means a person who holds a public office.

174 (24) "Party committee" means any committee organized by or authorized by the
175 governing board of a registered political party.

176 (25) "Person" means both natural and legal persons, including individuals, business
177 organizations, personal campaign committees, party committees, political action committees,
178 political issues committees, labor unions, and labor organizations.

179 (26) "Personal campaign committee" means the committee appointed by a candidate
180 to act for the candidate as provided in this chapter.

181 (27) "Personal use expenditure" has the same meaning as provided under Section
182 20A-11-104.

183 [~~(27)~~] (28) (a) "Political action committee" means an entity, or any group of
184 individuals or entities within or outside this state, a major purpose of which is to:

185 (i) solicit or receive contributions from any other person, group, or entity for political
186 purposes; or

187 (ii) make expenditures to expressly advocate for any person to refrain from voting or
188 to vote for or against any candidate for a municipal or county office.

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

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

193 (i) a party committee;

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

196 (iii) an individual;

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

199 (v) a corporation, except a corporation a major purpose of which is to act as a political

200 action committee; or

201 (vi) a personal campaign committee.

202 [~~28~~] (29) "Political convention" means a county or state political convention held by
203 a registered political party to select candidates.

204 [~~29~~] (30) (a) "Political issues committee" means an entity, or any group of
205 individuals or entities within or outside this state, a major purpose of which is to:

206 (i) solicit or receive donations from any other person, group, or entity to assist in
207 placing a ballot proposition on the ballot, assist in keeping a ballot proposition off the ballot,
208 or to advocate that a voter refrain from voting or vote for or vote against any ballot
209 proposition;

210 (ii) make expenditures to expressly advocate for any person to sign or refuse to sign a
211 ballot proposition or incorporation petition or refrain from voting, vote for, or vote against any
212 proposed ballot proposition or an incorporation in an incorporation election; or

213 (iii) make expenditures to assist in qualifying or placing a ballot proposition on the
214 ballot or to assist in keeping a ballot proposition off the ballot.

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

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

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

219 (iii) an individual;

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

222 (v) a corporation, except a corporation a major purpose of which is to act as a political
223 issues committee.

224 [~~30~~] (31) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

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

240 ~~[(31)]~~ (32) (a) "Political issues expenditure" means any of the following:

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

243 (A) a ballot proposition; or

244 (B) an incorporation petition or incorporation election;

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

247 (A) a ballot proposition; or

248 (B) an incorporation petition or incorporation election;

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

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

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

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

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

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

260 [~~(32)~~] (33) "Political purposes" means an act done with the intent or in a way to
261 influence or tend to influence, directly or indirectly, any person to refrain from voting or to
262 vote for or against any candidate for public office or municipal or county office at any caucus,
263 political convention, primary, or election.

264 [~~(33)~~] (34) "Primary election" means any regular primary election held under the
265 election laws.

266 [~~(34)~~] (35) "Public office" means the office of governor, lieutenant governor, state
267 auditor, state treasurer, attorney general, state or local school board member, state senator,
268 state representative, speaker of the House of Representatives, president of the Senate, and the
269 leader, whip, and assistant whip of any party caucus in either house of the Legislature.

270 [~~(35)~~] (36) (a) "Public service assistance" means the following when given or provided
271 to an officeholder to defray the costs of functioning in a public office or aid the officeholder to
272 communicate with the officeholder's constituents:

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

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

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

278 (i) anything provided by the state;

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

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

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

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

287 [~~(36)~~] (37) "Publicly identified class of individuals" means a group of 50 or more
288 individuals sharing a common occupation, interest, or association that contribute to a political
289 action committee or political issues committee and whose names can be obtained by
290 contacting the political action committee or political issues committee upon whose financial
291 report they are listed.

292 [~~(37)~~] (38) "Receipts" means contributions and public service assistance.

293 [~~(38)~~] (39) "Registered lobbyist" means a person registered under Title 36, Chapter 11,
294 Lobbyist Disclosure and Regulation Act.

295 [~~(39)~~] (40) "Registered political action committee" means any political action
296 committee that is required by this chapter to file a statement of organization with the
297 lieutenant governor's office.

298 [~~(40)~~] (41) "Registered political issues committee" means any political issues
299 committee that is required by this chapter to file a statement of organization with the
300 lieutenant governor's office.

301 [~~(41)~~] (42) "Registered political party" means an organization of voters that:

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

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

306 [~~(42)~~] (43) "Reporting entity" means a candidate, a candidate's personal campaign
307 committee, an officeholder, a party committee, a political action committee, and a political
308 issues committee.

309 [~~(43)~~] (44) "School board office" means the office of state school board or local school
310 board.

311 [~~(44)~~] (45) (a) "Source" means the person or entity that is the legal owner of the

312 tangible or intangible asset that comprises the contribution.

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

316 [~~(45)~~] (46) "State office" means the offices of governor, lieutenant governor, attorney
317 general, state auditor, and state treasurer.

318 [~~(46)~~] (47) "State office candidate" means a person who:

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

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

323 [~~(47)~~] (48) "Summary report" means the year end report containing the summary of a
324 reporting entity's contributions and expenditures.

325 [~~(48)~~] (49) "Supervisory board" means the individual or group of individuals that
326 allocate expenditures from a political issues committee.

327 Section 2. Section **20A-11-104** is enacted to read:

328 **20A-11-104. Personal use expenditure -- Authorized and prohibited uses of**
329 **campaign funds -- Enforcement -- Penalties.**

330 (1) (a) As used in this chapter, "personal use expenditure" means an expenditure that:

331 (i) (A) is not excluded from the definition of personal use expenditure by Subsection
332 (2); and

333 (B) primarily furthers a personal interest of a candidate or officeholder or a candidate's
334 or officeholder's family, which interest is not connected with the performance of an activity as
335 a candidate or an activity or duty of an officeholder; or

336 (ii) would cause the candidate or officeholder to recognize the expenditure as taxable
337 income under federal law.

338 (b) "Personal use expenditure" includes:

339 (i) a mortgage, rent, utility, or vehicle payment;

- 340 (ii) a household food item or supply;
- 341 (iii) clothing, except for clothing:
- 342 (A) bearing the candidate's name or campaign slogan or logo; and
- 343 (B) used in the candidate's campaign;
- 344 (iv) an admission to a sporting, artistic, or recreational event or other form of
- 345 entertainment;
- 346 (v) dues, fees, or gratuities at a country club, health club, or recreational facility;
- 347 (vi) a salary payment made to:
- 348 (A) a candidate or officeholder; or
- 349 (B) a person who has not provided a bona fide service to a candidate or officeholder;
- 350 (vii) a vacation;
- 351 (viii) a vehicle expense;
- 352 (ix) a meal expense;
- 353 (x) a travel expense;
- 354 (xi) a payment of an administrative, civil, or criminal penalty;
- 355 (xii) a satisfaction of a personal debt;
- 356 (xiii) a personal service, including the service of an attorney, accountant, physician, or
- 357 other professional person;
- 358 (xiv) a membership fee for a professional or service organization; and
- 359 (xv) a payment in excess of the fair market value of the item or service purchased.
- 360 (2) "Personal use expenditure" does not mean an expenditure made:
- 361 (a) for a political purpose;
- 362 (b) for candidacy for public office;
- 363 (c) to fulfill a duty or activity of an officeholder;
- 364 (d) for a donation to a registered political party;
- 365 (e) for a contribution to another candidate's campaign account, including sponsorship
- 366 of or attendance at an event, the primary purpose of which is to solicit a contribution for
- 367 another candidate's campaign account;

- 368 (f) to return all or a portion of a contribution to a contributor;
- 369 (g) for the following items, if made in connection with the candidacy for public office
- 370 or an activity or duty of an officeholder:
- 371 (i) (A) a mileage allowance at the rate established by the Division of Finance under
- 372 Section 63A-3-107; or
- 373 (B) for motor fuel or special fuel, as defined in Section 59-13-102;
- 374 (ii) a meal expense;
- 375 (iii) a travel expense, including an expense incurred for airfare or a rental vehicle;
- 376 (iv) a payment for a service provided by an attorney or accountant;
- 377 (v) a tuition payment or registration fee for participation in a meeting or conference;
- 378 (vi) a gift;
- 379 (vii) a payment for the following items in connection with an office space:
- 380 (A) rent;
- 381 (B) utilities;
- 382 (C) a supply; or
- 383 (D) furnishing;
- 384 (viii) a booth at a meeting or event; or
- 385 (ix) educational material;
- 386 (h) to purchase or mail informational material, a survey, or a greeting card;
- 387 (i) for a donation to a charitable organization, as defined by Section 13-22-2,
- 388 including admission to or sponsorship of an event, the primary purpose of which is charitable
- 389 solicitation, as defined in Section 13-22-2;
- 390 (j) to repay a loan a candidate makes from the candidate's personal account to the
- 391 candidate's campaign account;
- 392 (k) to pay membership dues to a national organization whose primary purpose is to
- 393 address general public policy;
- 394 (l) for admission to or sponsorship of an event, the primary purpose of which is to
- 395 promote the social, educational, or economic well-being of the state or the candidate's or

396 officeholder's community; or

397 (m) for one or more guests of an officeholder or candidate to attend an event, meeting,
398 or conference described in this Subsection (2).

399 (3) (a) The lieutenant governor shall enforce this section by:

400 (i) evaluating a financial statement to identify a personal use expenditure; and

401 (ii) commencing an informal adjudicative proceeding in accordance with Title 63G,
402 Chapter 4, Administrative Procedures Act, if the lieutenant governor has probable cause to
403 believe a candidate or officeholder has made a personal use expenditure.

404 (b) Following the proceeding, the lieutenant governor may issue a signed order
405 requiring a candidate or officeholder who has made a personal use expenditure to:

406 (i) remit an administrative penalty of an amount equal to 50% of the personal use
407 expenditure to the lieutenant governor; and

408 (ii) deposit the amount of the personal use expenditure in the campaign account from
409 which the personal use expenditure was disbursed.

410 (c) The lieutenant governor shall deposit money received under Subsection (3)(b)(i) in
411 the General Fund.

412 Section 3. Section **20A-11-201** is amended to read:

413 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**

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

417 (b) ~~[The]~~ A state office candidate or ~~[the]~~ a candidate's personal campaign committee
418 ~~[may use the monies in those accounts only for political purposes.]~~ may not use money
419 deposited in a campaign account for:

420 (i) a personal use expenditure; or

421 (ii) an expenditure prohibited by law.

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

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

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

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

436 (5) (a) As used in this Subsection (5) and Section 20A-11-204, "received" means:

437 (i) for a cash contribution, that the cash is given to a state office candidate or a
438 member of the candidate's personal campaign committee;

439 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
440 instrument or check is negotiated; and

441 (iii) for any other type of contribution, that any portion of the contribution's benefit
442 inures to the state office candidate.

443 (b) Each state office candidate shall report each contribution and public service
444 assistance to the lieutenant governor within 30 days after the contribution or public service
445 assistance is received.

446 Section 4. Section **20A-11-301** is amended to read:

447 **20A-11-301. Legislative office candidate -- Campaign requirements.**

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

451 (b) A legislative office candidate or the candidate's personal campaign committee may

452 not use money deposited in an account described in Subsection (1)(a) for:

453 (i) a personal use expenditure; or

454 (ii) an expenditure prohibited by law.

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

457 [~~(3) A legislative office candidate may not make any political expenditures prohibited~~
458 ~~by law.~~]

459 [~~(4)~~ (3) If a person who is no longer a legislative candidate chooses not to expend the
460 monies remaining in a campaign account, the person shall continue to file the year-end
461 summary report required by Section 20A-11-302 until the statement of dissolution and final
462 summary report required by Section 20A-11-304 are filed with the lieutenant governor.

463 [~~(5)~~ (4) (a) Except as provided in Subsection [~~(5)~~ (4)(b) and Section 20A-11-402, a
464 person who is no longer a legislative office candidate may not expend or transfer the monies in
465 a campaign account in a manner that would cause the former legislative office candidate to
466 recognize the monies as taxable income under federal tax law.

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

471 [~~(6)~~ (5) (a) As used in this Subsection [~~(6)~~ (5) and Section 20A-11-303, "received"
472 means:

473 (i) for a cash contribution, that the cash is given to a legislative office candidate or a
474 member of the candidate's personal campaign committee;

475 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
476 instrument or check is negotiated; and

477 (iii) for any other type of contribution, that any portion of the contribution's benefit
478 inures to the legislative office candidate.

479 (b) Each legislative office candidate shall report each contribution and public service

480 assistance to the lieutenant governor within 30 days after the contribution or public service
481 assistance is received.

482 Section 5. Section **20A-11-402** is amended to read:

483 **20A-11-402. Officeholder financial reporting requirements -- Termination of**
484 **duty to report.**

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

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

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

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

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

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

497 (4) An officeholder may not use a contribution deposited in an account in accordance
498 with this chapter for:

499 (a) a personal use expenditure; or

500 (b) an expenditure prohibited by law.

501 [~~4~~] (5) (a) Except as provided in Subsection [~~4~~] (5)(b), a person who is no longer
502 an officeholder may not expend or transfer the monies in a campaign account in a manner that
503 would cause the former officeholder to recognize the monies as taxable income under federal
504 tax law.

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

508 office.

509 Section 6. Section **20A-11-1301** is amended to read:

510 **20A-11-1301. School board office candidate -- Campaign requirements.**

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

514 (b) A school board office candidate may not use money deposited in an account
515 described in Subsection (1)(a) for:

516 (i) a personal use expenditure; or

517 (ii) an expenditure prohibited by law.

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

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

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

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

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

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

532 (b) A person who is no longer a school board candidate may transfer the monies in a
533 campaign account in a manner that would cause the former school board candidate to
534 recognize the monies as taxable income under federal tax law if the transfer is made to a
535 campaign account for federal office.

536 (6) (a) As used in this Subsection (6) and Section 20A-11-1303, "received" means:
537 (i) for a cash contribution, that the cash is given to a legislative office candidate or a
538 member of the candidate's personal campaign committee;
539 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
540 instrument or check is negotiated; and
541 (iii) for any other type of contribution, that any portion of the contribution's benefit
542 inures to the legislative office candidate.
543 (b) Each school board office candidate shall report each contribution and public
544 service assistance to the lieutenant governor within 30 days after the contribution or public
545 service assistance is received.