

Representative Tim M. Cosgrove proposes the following substitute bill:

CAMPAIGN FUNDS EXPENDITURE

RESTRICTIONS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tim M. Cosgrove

Senate Sponsor: Karen Mayne

Cosponsors:

John Dougall

Carol Spackman Moss

Johnny Anderson

Kevin S. Garn

Kraig Powell

Trisha S. Beck

Lynn N. Hemingway

Phil Riesen

Laura Black

Brian S. King

Christine F. Watkins

Rebecca Chavez-Houck

Bradley G. Last

Mark A. Wheatley

Brad L. Dee

David Litvack

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, investigation of complaints, and assessment of administrative penalties by the lieutenant governor;

▶ prohibits a candidate, a judge, or an officeholder from using campaign contributions for a personal use expenditure; and

▶ makes technical changes.



27 **Monies Appropriated in this Bill:**

28 None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 **AMENDS:**

33 **20A-11-101**, as last amended by Laws of Utah 2009, Chapters 60 and 361

34 **20A-11-201**, as last amended by Laws of Utah 2009, Chapters 227 and 361

35 **20A-11-301**, as last amended by Laws of Utah 2009, Chapters 227 and 361

36 **20A-11-402**, as last amended by Laws of Utah 2009, Chapter 227

37 **20A-11-1301**, as last amended by Laws of Utah 2009, Chapters 227 and 361

38 **20A-12-303**, as enacted by Laws of Utah 2001, Chapter 166

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 to
54 receive contributions or make expenditures to bring about the person's nomination or election
55 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 the
62 last regular general election and polled a total vote equal to 2% or more of the total votes cast
63 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 political
92 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; or

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

106 (9) "Detailed listing" means:

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

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

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

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

112 (b) for each expenditure:

113 (i) the amount of the expenditure;

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

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

116 (iv) the date the expenditure was made.

117 (10) "Election" means each:

118 (a) regular general election;

119 (b) regular primary election; and

- 120 (c) special election at which candidates are eliminated and selected.
- 121 (11) (a) "Expenditure" means:
- 122 (i) any disbursement from contributions, receipts, or from the separate bank account
123 required by this chapter;
- 124 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money,
125 or anything of value made for political purposes;
- 126 (iii) an express, legally enforceable contract, promise, or agreement to make any
127 purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of
128 value for political purposes;
- 129 (iv) compensation paid by a corporation or filing entity for personal services rendered
130 by a person without charge to a reporting entity;
- 131 (v) a transfer of funds between the filing entity and a candidate's personal campaign
132 committee; or
- 133 (vi) goods or services provided by the filing entity to or for the benefit of another
134 reporting entity for political purposes at less than fair market value.
- 135 (b) "Expenditure" does not include:
- 136 (i) services provided without compensation by individuals volunteering a portion or all
137 of their time on behalf of a reporting entity;
- 138 (ii) money lent to a reporting entity by a financial institution in the ordinary course of
139 business; or
- 140 (iii) anything listed in Subsection (11)(a) that is given by a corporation or reporting
141 entity to candidates for office or officeholders in states other than Utah.
- 142 (12) "Filing entity" means the reporting entity that is filing a financial statement
143 required by this chapter.
- 144 (13) "Financial statement" includes any summary report, interim report, verified
145 financial statement, or other statement disclosing contributions, expenditures, receipts,
146 donations, or disbursements that is required by this chapter.
- 147 (14) "Governing board" means the individual or group of individuals that determine the
148 candidates and committees that will receive expenditures from a political action committee.
- 149 (15) "Incorporation" means the process established by Title 10, Chapter 2, Part 1,
150 Incorporation, by which a geographical area becomes legally recognized as a city or town.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

178 (27) "Personal use expenditure" has the same meaning as provided under Section
179 20A-11-104.

180 [~~27~~] (28) (a) "Political action committee" means an entity, or any group of
181 individuals or entities within or outside this state, a major purpose of which is to:

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

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

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

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

190 (i) a party committee;

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

193 (iii) an individual;

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

196 (v) a corporation, except a corporation a major purpose of which is to act as a political
197 action committee; or

198 (vi) a personal campaign committee.

199 [~~(28)~~] (29) "Political convention" means a county or state political convention held by
200 a registered political party to select candidates.

201 [~~(29)~~] (30) (a) "Political issues committee" means an entity, or any group of individuals
202 or entities within or outside this state, a major purpose of which is to:

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

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

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

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

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

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

215 (iii) an individual;

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

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

220 [~~30~~] (31) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

236 [~~31~~] (32) (a) "Political issues expenditure" means any of the following:

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

239 (A) a ballot proposition; or

240 (B) an incorporation petition or incorporation election;

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

243 (A) a ballot proposition; or

- 244 (B) an incorporation petition or incorporation election;
- 245 (iii) an express, legally enforceable contract, promise, or agreement to make any
- 246 political issues expenditure;
- 247 (iv) compensation paid by a reporting entity for personal services rendered by a person
- 248 without charge to a political issues committee; or
- 249 (v) goods or services provided to or for the benefit of another reporting entity at less
- 250 than fair market value.

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

- 252 (i) services provided without compensation by individuals volunteering a portion or all
- 253 of their time on behalf of a political issues committee; or
- 254 (ii) money lent to a political issues committee by a financial institution in the ordinary
- 255 course of business.

256 [~~(32)~~] (33) "Political purposes" means an act done with the intent or in a way to

257 influence or tend to influence, directly or indirectly, any person to refrain from voting or to vote

258 for or against any candidate for public office or municipal or county office at any caucus,

259 political convention, primary, or election.

260 [~~(33)~~] (34) "Primary election" means any regular primary election held under the

261 election laws.

262 [~~(34)~~] (35) "Public office" means the office of governor, lieutenant governor, state

263 auditor, state treasurer, attorney general, state or local school board member, state senator, state

264 representative, speaker of the House of Representatives, president of the Senate, and the leader,

265 whip, and assistant whip of any party caucus in either house of the Legislature.

266 [~~(35)~~] (36) (a) "Public service assistance" means the following when given or provided

267 to an officeholder to defray the costs of functioning in a public office or aid the officeholder to

268 communicate with the officeholder's constituents:

- 269 (i) a gift, subscription, donation, unpaid or partially unpaid loan, advance, or deposit of
- 270 money or anything of value to an officeholder; or
- 271 (ii) goods or services provided at less than fair market value to or for the benefit of the
- 272 officeholder.

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

- 274 (i) anything provided by the state;

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

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

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

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

283 [~~36~~] (37) "Publicly identified class of individuals" means a group of 50 or more
284 individuals sharing a common occupation, interest, or association that contribute to a political
285 action committee or political issues committee and whose names can be obtained by contacting
286 the political action committee or political issues committee upon whose financial report they
287 are listed.

288 [~~37~~] (38) "Receipts" means contributions and public service assistance.

289 [~~38~~] (39) "Registered lobbyist" means a person registered under Title 36, Chapter 11,
290 Lobbyist Disclosure and Regulation Act.

291 [~~39~~] (40) "Registered political action committee" means any political action
292 committee that is required by this chapter to file a statement of organization with the lieutenant
293 governor's office.

294 [~~40~~] (41) "Registered political issues committee" means any political issues
295 committee that is required by this chapter to file a statement of organization with the lieutenant
296 governor's office.

297 [~~41~~] (42) "Registered political party" means an organization of voters that:

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

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

302 [~~42~~] (43) "Reporting entity" means a candidate, a candidate's personal campaign
303 committee, an officeholder, a party committee, a political action committee, and a political
304 issues committee.

305 [~~43~~] (44) "School board office" means the office of state school board or local school

306 board.

307 [~~(44)~~] (45) (a) "Source" means the person or entity that is the legal owner of the
308 tangible or intangible asset that comprises the contribution.

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

312 [~~(45)~~] (46) "State office" means the offices of governor, lieutenant governor, attorney
313 general, state auditor, and state treasurer.

314 [~~(46)~~] (47) "State office candidate" means a person who:

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

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

319 [~~(47)~~] (48) "Summary report" means the year end report containing the summary of a
320 reporting entity's contributions and expenditures.

321 [~~(48)~~] (49) "Supervisory board" means the individual or group of individuals that
322 allocate expenditures from a political issues committee.

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

324 **20A-11-104. Personal Use Expenditure -- Authorized and Prohibited Uses of**
325 **Campaign Funds - -- Enforcement -- Penalties.**

326 (1) (a) As used in this chapter, "personal use expenditure" means an expenditure that
327 primarily furthers an individual or family purpose not connected with the performance of an
328 activity as a candidate or a duty of an officeholder.

329 (b) "Personal use expenditure" includes:

330 (i) a mortgage, rent, utility, or vehicle payment, except as provided by Subsection
331 (2)(g)(vii);

332 (ii) a household food item or supply;

333 (iii) clothing, except for clothing;

334 (A) bearing the candidate's name or campaign slogan or logo; and

335 (B) used in the candidate's campaign;

336 (iv) a funeral, cremation, or burial expense;

337 (v) an admission to a sporting, artistic, or recreational event or other form of
338 entertainment, except as provided by Subsection (2)(l);
339 (vi) dues, fees, or gratuities at a country club, health club, or recreational facility,
340 except for a fee or due for an event described in Subsection (2);
341 (vii) a salary payment made to:
342 (A) a candidate or officeholder; or
343 (B) a person who has not provided a bona fide service to a candidate or officeholder;
344 (viii) a vacation;
345 (ix) a vehicle expense, except as provided by Subsections (2)(g)(i) and (iii);
346 (x) a meal expense, except as provided by Subsection (2)(g)(ii);
347 (xi) a travel expense, except as provided by Subsection (2)(g)(iii);
348 (xii) a payment of an administrative, civil, or criminal penalty;
349 (xiii) a satisfaction of a personal debt, except as provided by Subsection (2)(j);
350 (xiv) a personal service, including the service of an attorney, accountant, physician, or
351 other professional person, except as provided by Subsection (2)(g)(iv);
352 (xv) a membership fee for a professional or service organization, except as provided by
353 Subsection (2)(k); and
354 (xvi) a payment in excess of the fair market value of the item or service purchased.
355 (2) "Personal use expenditure" does not mean an expenditure made:
356 (a) for a political purpose;
357 (b) for candidacy for public office;
358 (c) to fulfill a duty of an officeholder;
359 (d) for a donation to a registered political party;
360 (e) for a contribution to another candidate's campaign account, including sponsorship
361 of or attendance at an event, the primary purpose of which is to solicit a contribution for
362 another candidate's campaign account;
363 (f) to return all or a portion of a contribution to a contributor;
364 (g) for the following items, if made in connection with the candidacy for public office
365 or a duty of an officeholder:
366 (i) (A) a mileage allowance at the rate established by the Division of Finance under
367 Section 63A-3-107; or

368 (B) for motor fuel or special fuel, as defined in Section 59-13-102;
369 (ii) a meal expense;
370 (iii) a travel expense, including an expense incurred for airfare or a rental vehicle;
371 (iv) a payment for a service provided by an attorney or accountant;
372 (v) a tuition payment or registration fee for participation in a meeting or conference;
373 (vi) a gift;
374 (vii) a payment for the following items in connection with an office space:
375 (A) rent;
376 (B) utilities;
377 (C) a supply; or
378 (D) furnishing;
379 (viii) a fee for booth space at a meeting or event; or
380 (ix) educational material;
381 (h) to purchase or mail informational material, a survey, or a greeting card:
382 (i) for a donation to a charitable organization, as defined by Section 13-22-2, including
383 admission to or sponsorship of an event, the primary purpose of which is charitable solicitation,
384 as defined in Section 13-22-2;
385 (j) to repay a loan a candidate makes from the candidate's personal account to the
386 candidate's campaign account;
387 (k) to pay membership dues to a national organization whose primary purpose is to
388 address general public policy;
389 (l) for admission to or sponsorship of an event, the primary purpose of which is to
390 promote the social, educational, or economic well-being of the state or the candidate's or
391 officeholder's community; or
392 (m) for one or more guests of an officeholder or candidate at an event described in this
393 Subsection (2).
394 (3) (a) The lieutenant governor shall enforce this section by:
395 (i) evaluating a financial statement to identify a personal use expenditure;
396 (ii) investigating a complaint of an alleged violation of this section; or
397 (iii) commencing an informal adjudicative proceeding in accordance with Title 63G,
398 Chapter 4, Administrative Procedures Act, if the lieutenant governor has reason to believe a

399 candidate or officeholder has made a personal use expenditure.

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

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

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

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

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

409 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**

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

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

416 (i) a personal use expenditure; or

417 (ii) an expenditure prohibited by law.

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

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

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

428 (b) A person who is no longer a state office candidate may transfer the monies in a
429 campaign account in a manner that would cause the former state office candidate to recognize

430 the monies as taxable income under federal tax law if the transfer is made to a campaign
431 account for federal office.

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

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

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

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

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

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

443 **20A-11-301. Legislative office candidate -- Campaign requirements.**

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

447 (b) A legislative office candidate or the candidate's personal campaign committee may
448 not use money deposited in an account described in Subsection (1)(a) for:

449 (i) a personal use expenditure; or

450 (ii) an expenditure prohibited by law.

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

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

455 [(~~4~~) (3) If a person who is no longer a legislative candidate chooses not to expend the
456 monies remaining in a campaign account, the person shall continue to file the year-end
457 summary report required by Section 20A-11-302 until the statement of dissolution and final
458 summary report required by Section 20A-11-304 are filed with the lieutenant governor.

459 [(~~5~~) (4) (a) Except as provided in Subsection [(~~5~~) (4)(b) and Section 20A-11-402, a
460 person who is no longer a legislative office candidate may not expend or transfer the monies in

461 a campaign account in a manner that would cause the former legislative office candidate to
462 recognize the monies as taxable income under federal tax law.

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

467 [~~(6)~~] (5) (a) As used in this Subsection [~~(6)~~] (5) and Section 20A-11-303, "received"
468 means:

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

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

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

475 (b) Each legislative office candidate shall report each contribution and public service
476 assistance to the lieutenant governor within 30 days after the contribution or public service
477 assistance is received.

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

479 **20A-11-402. Officeholder financial reporting requirements -- Termination of**
480 **duty to report.**

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

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

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

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

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

490 (3) Each officeholder shall continue to file the year-end summary report required by
491 Section 20A-11-401 until the statement of dissolution and final summary report required by

492 this section are filed with the lieutenant governor.

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

495 (a) a personal use expenditure; or

496 (b) an expenditure prohibited by law.

497 [~~4~~] (5) (a) Except as provided in Subsection [~~4~~] (5)(b), a person who is no longer an
498 officeholder may not expend or transfer the monies in a campaign account in a manner that
499 would cause the former officeholder to recognize the monies as taxable income under federal
500 tax law.

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

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

506 **20A-11-1301. School board office candidate -- Campaign requirements.**

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

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

512 (i) a personal use expenditure; or

513 (ii) an expenditure prohibited by law.

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

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

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

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

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

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

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

532 (6) (a) As used in this Subsection (6) and Section 20A-11-1303, "received" means:

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

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

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

539 (b) Each school board office candidate shall report each contribution and public service
540 assistance to the lieutenant governor within 30 days after the contribution or public service
541 assistance is received.

542 Section 7. Section **20A-12-303** is amended to read:

543 **20A-12-303. Separate account for campaign funds.**

544 (1) (a) The judge or the judge's personal campaign committee shall deposit each
545 contribution in one or more separate personal campaign accounts in a financial institution.

546 (b) A judge may not use money deposited in a campaign account for:

547 (i) a personal use expenditure, as defined in Section 20A-11-104; or

548 (ii) an expenditure prohibited by law.

549 (2) The judge or the judge's personal campaign committee may not deposit or mingle
550 any contributions received into a personal or business account.