

**Senator John L. Valentine** proposes the following substitute bill:

**CAMPAIGN FUNDS EXPENDITURE**

**RESTRICTIONS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tim M. Cosgrove**

Senate Sponsor: Karen Mayne

7	Cosponsors:	Kevin S. Garn	Carol Spackman Moss
8	Johnny Anderson	Lynn N. Hemingway	Kraig Powell
9	Trisha S. Beck	Eric K. Hutchings	Paul Ray
10	Laura Black	Brian S. King	Phil Riesen
11	Rebecca Chavez-Houck	Bradley G. Last	Christine F. Watkins
12	Brad L. Dee	David Litvack	Mark A. Wheatley
13	John Dougall		

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**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.



28 **Monies Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 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 **20A-12-303**, as enacted by Laws of Utah 2001, Chapter 166

40 ENACTS:

41 **20A-11-104**, Utah Code Annotated 1953



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

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

45 **20A-11-101. Definitions.**

46 As used in this chapter:

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

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

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

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

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

57 (4) "Chief election officer" means:

58 (a) the lieutenant governor for state office candidates, legislative office candidates,

59 officeholders, political parties, political action committees, corporations, political issues  
60 committees, and state school board candidates; and

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

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

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

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

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

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

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

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

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

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

82 (b) "Contribution" does not include:

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

85 (ii) money lent to the filing entity by a financial institution in the ordinary course of  
86 business; or

87 (iii) goods or services provided for the benefit of a candidate or political party at less  
88 than fair market value that are not authorized by or coordinated with the candidate or political  
89 party.

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

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

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

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

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

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

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

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

104 (b) "Corporation" does not mean:

105 (i) a business organization's political action committee or political issues committee; 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 of  
129 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 the  
149 candidates and committees that will receive expenditures from a political action committee.
- 150 (15) "Incorporation" means the process established by Title 10, Chapter 2, Part 1,  
151 Incorporation, by which a geographical area becomes legally recognized as a city or town.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

179 (27) "Personal use expenditure" has the same meaning as provided under Section  
180 20A-11-104.

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

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

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

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

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

191 (i) a party committee;

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

194 (iii) an individual;

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

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

199 (vi) a personal campaign committee.

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

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

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

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

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

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

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

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

216 (iii) an individual;

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

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

221 [~~30~~] (31) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

237 [~~31~~] (32) (a) "Political issues expenditure" means any of the following:

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

240 (A) a ballot proposition; or

241 (B) an incorporation petition or incorporation election;

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

244 (A) a ballot proposition; or



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

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

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

257 [~~(32)~~] (33) "Political purposes" means an act done with the intent or in a way to

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

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

260 political convention, primary, or election.

261 [~~(33)~~] (34) "Primary election" means any regular primary election held under the

262 election laws.

263 [~~(34)~~] (35) "Public office" means the office of governor, lieutenant governor, state

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

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

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

267 [~~(35)~~] (36) (a) "Public service assistance" means the following when given or provided

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

269 communicate with the officeholder's constituents:

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

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

- 275 (i) anything provided by the state;

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

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

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

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

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

289 [~~37~~] (38) "Receipts" means contributions and public service assistance.

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

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

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

298 [~~41~~] (42) "Registered political party" means an organization of voters that:

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

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

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

306 [~~43~~] (44) "School board office" means the office of state school board or local school

307 board.

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

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

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

315 [~~(46)~~] (47) "State office candidate" means a person who:

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

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

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

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

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

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

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

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

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

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

335 (b) "Personal use expenditure" includes:

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

337 (ii) a household food item or supply;

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

369 Section 63A-3-107; or  
370 (B) for motor fuel or special fuel, as defined in Section 59-13-102;  
371 (ii) a meal expense;  
372 (iii) a travel expense, including an expense incurred for airfare or a rental vehicle;  
373 (iv) a payment for a service provided by an attorney or accountant;  
374 (v) a tuition payment or registration fee for participation in a meeting or conference;  
375 (vi) a gift;  
376 (vii) a payment for the following items in connection with an office space:  
377 (A) rent;  
378 (B) utilities;  
379 (C) a supply; or  
380 (D) furnishing;  
381 (viii) a booth at a meeting or event; or  
382 (ix) educational material;  
383 (h) to purchase or mail informational material, a survey, or a greeting card;  
384 (i) for a donation to a charitable organization, as defined by Section 13-22-2, including  
385 admission to or sponsorship of an event, the primary purpose of which is charitable solicitation,  
386 as defined in Section 13-22-2;  
387 (j) to repay a loan a candidate makes from the candidate's personal account to the  
388 candidate's campaign account;  
389 (k) to pay membership dues to a national organization whose primary purpose is to  
390 address general public policy;  
391 (l) for admission to or sponsorship of an event, the primary purpose of which is to  
392 promote the social, educational, or economic well-being of the state or the candidate's or  
393 officeholder's community; or  
394 (m) for one or more guests of an officeholder or candidate at an event described in this  
395 Subsection (2).  
396 (3) (a) The lieutenant governor shall enforce this section by:  
397 (i) evaluating a financial statement to identify a personal use expenditure; and  
398 (ii) commencing an informal adjudicative proceeding in accordance with Title 63G,  
399 Chapter 4, Administrative Procedures Act, if the lieutenant governor has probable cause to

400 believe a candidate or officeholder has made a personal use expenditure.

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

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

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

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

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

410 **20A-11-201. State office candidate -- Separate bank account for campaign funds.**

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

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

417 (i) a personal use expenditure; or

418 (ii) an expenditure prohibited by law.

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

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

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

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

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

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

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

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

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

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

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

444 **20A-11-301. Legislative office candidate -- Campaign requirements.**

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

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

450 (i) a personal use expenditure; or

451 (ii) an expenditure prohibited by law.

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

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

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

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

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

464 (b) A person who is no longer a legislative office candidate may 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 if the transfer is made to a  
467 campaign account for federal office.

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

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

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

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

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

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

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

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

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

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

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

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

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



493 this section are filed with the lieutenant governor.

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

496 (a) a personal use expenditure; or

497 (b) an expenditure prohibited by law.

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

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

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

507 **20A-11-1301. School board office candidate -- Campaign requirements.**

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

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

513 (i) a personal use expenditure; or

514 (ii) an expenditure prohibited by law.

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

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

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

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

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

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

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

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

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

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

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

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

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

544 **20A-12-303. Separate account for campaign funds.**

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

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

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

549 (ii) an expenditure prohibited by law.

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

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**H.B. 124 2nd Sub. (Gray) - Campaign Funds Expenditure Restrictions**

**Fiscal Note**

2010 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**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.

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