

**CAMPAIGN FINANCE PROVISIONS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Brian S. King**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill establishes campaign finance limits.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ establishes contribution limits;
- ▶ makes a violation of contribution limits a class A misdemeanor; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

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

ENACTS:

- 20A-11-604**, Utah Code Annotated 1953
- 20A-11-705**, Utah Code Annotated 1953
- 20A-11-1501**, Utah Code Annotated 1953
- 20A-11-1502**, Utah Code Annotated 1953



28           **20A-11-1503**, Utah Code Annotated 1953

29           **20A-11-1504**, Utah Code Annotated 1953



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

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

33           **20A-11-101. Definitions.**

34           As used in this chapter:

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

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

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

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

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

45           (4) "Cash" means currency or coinage that constitutes legal tender.

46           ~~[(4)]~~ (5) "Chief election officer" means:

47           (a) the lieutenant governor for state office candidates, legislative office candidates,  
48 officeholders, political parties, political action committees, corporations, political issues  
49 committees, and state school board candidates; and

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

51           ~~[(5)]~~ (6) "Continuing political party" means an organization of voters that participated  
52 in the last regular general election and polled a total vote equal to 2% or more of the total votes  
53 cast for all candidates for the United States House of Representatives.

54           ~~[(6)]~~ (7) (a) "Contribution" means any of the following when done for political  
55 purposes:

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

58           (ii) an express, legally enforceable contract, promise, or agreement to make a gift,

59 subscription, donation, unpaid or partially unpaid loan, advance, or deposit of money or  
60 anything of value to the filing entity;

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

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

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

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

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

72 (b) "Contribution" does not include:

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

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

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

80 (8) "Contribution cycle" means a two-year period of time:

81 (a) beginning January 1, 2011, and each January 1 of an odd numbered year thereafter;  
82 and

83 (b) ending December 31 of an even numbered year immediately following an odd  
84 numbered year described in Subsection (8)(a).

85 [~~7~~] (9) "Coordinated with" means that goods or services provided for the benefit of a  
86 candidate or political party are provided:

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

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

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

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

93 ~~[(8)]~~ (10) (a) "Corporation" means a domestic or foreign, profit or nonprofit, business  
94 organization that is registered as a corporation or is authorized to do business in a state and  
95 makes any expenditure from corporate funds for:

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

97 (ii) the purpose of expressly advocating the approval or the defeat of any ballot  
98 proposition.

99 (b) "Corporation" does not mean:

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

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

102 ~~[(9)]~~ (11) "Detailed listing" means:

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

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

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

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

108 (b) for each expenditure:

109 (i) the amount of the expenditure;

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

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

112 (iv) the date the expenditure was made.

113 ~~[(10)]~~ (12) "Election" means each:

114 (a) regular general election;

115 (b) regular primary election; and

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

117 ~~[(11)]~~ (13) (a) "Expenditure" means:

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

120 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money,

121 or anything of value made for political purposes;

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

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

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

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

131 (b) "Expenditure" does not include:

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

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

136 (iii) anything listed in Subsection [~~(11)~~] (13)(a) that is given by a corporation or  
137 reporting entity to candidates for office or officeholders in states other than Utah.

138 [~~(12)~~] (14) "Filing entity" means the reporting entity that is filing a financial statement  
139 required by this chapter.

140 [~~(13)~~] (15) "Financial statement" includes any summary report, interim report, verified  
141 financial statement, or other statement disclosing contributions, expenditures, receipts,  
142 donations, or disbursements that is required by this chapter.

143 [~~(14)~~] (16) "Governing board" means the individual or group of individuals that  
144 determine the candidates and committees that will receive expenditures from a political action  
145 committee.

146 [~~(15)~~] (17) "Incorporation" means the process established by Title 10, Chapter 2, Part  
147 1, Incorporation, by which a geographical area becomes legally recognized as a city or town.

148 [~~(16)~~] (18) "Incorporation election" means the election authorized by Section 10-2-111.

149 [~~(17)~~] (19) "Incorporation petition" means a petition authorized by Section 10-2-109.

150 [~~(18)~~] (20) "Individual" means a natural person.

151 [~~(19)~~] (21) "Interim report" means a report identifying the contributions received and

152 expenditures made since the last report.

153 ~~[(20)]~~ (22) "Legislative office" means the office of state senator, state representative,  
154 speaker of the House of Representatives, president of the Senate, and the leader, whip, and  
155 assistant whip of any party caucus in either house of the Legislature.

156 ~~[(21)]~~ (23) "Legislative office candidate" means a person who:

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

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

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

164 ~~[(22)]~~ (24) "Newly registered political party" means an organization of voters that has  
165 complied with the petition and organizing procedures of this chapter to become a registered  
166 political party.

167 ~~[(23)]~~ (25) "Officeholder" means a person who holds a public office.

168 ~~[(24)]~~ (26) "Party committee" means any committee organized by or authorized by the  
169 governing board of a registered political party.

170 ~~[(25)]~~ (27) "Person" means both natural and legal persons, including individuals,  
171 business organizations, personal campaign committees, party committees, political action  
172 committees, political issues committees, labor unions, and labor organizations.

173 ~~[(26)]~~ (28) "Personal campaign committee" means the committee appointed by a  
174 candidate to act for the candidate as provided in this chapter.

175 ~~[(27)]~~ (29) (a) "Political action committee" means an entity, or any group of  
176 individuals or entities within or outside this state, a major purpose of which is to:

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

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

181 (b) "Political action committee" includes groups affiliated with a registered political  
182 party but not authorized or organized by the governing board of the registered political party

183 that receive contributions or makes expenditures for political purposes.

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

185 (i) a party committee;

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

188 (iii) an individual;

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

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

193 (vi) a personal campaign committee.

194 [~~28~~] (30) "Political convention" means a county or state political convention held by  
195 a registered political party to select candidates.

196 [~~29~~] (31) (a) "Political issues committee" means an entity, or any group of individuals  
197 or entities within or outside this state, a major purpose of which is to:

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

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

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

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

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

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

210 (iii) an individual;

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

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

214 issues committee.

215 ~~[(30)]~~ (32) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

231 ~~[(31)]~~ (33) (a) "Political issues expenditure" means any of the following:

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

234 (A) a ballot proposition; or

235 (B) an incorporation petition or incorporation election;

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

238 (A) a ballot proposition; or

239 (B) an incorporation petition or incorporation election;

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

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

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



245 than fair market value.

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

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

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

251 [~~(32)~~] (34) "Political purposes" means an act done with the intent or in a way to  
252 influence or tend to influence, directly or indirectly, any person to refrain from voting or to vote  
253 for or against any candidate for public office or municipal or county office at any caucus,  
254 political convention, primary, or election.

255 [~~(33)~~] (35) "Primary election" means any regular primary election held under the  
256 election laws.

257 [~~(34)~~] (36) "Public office" means the office of governor, lieutenant governor, state  
258 auditor, state treasurer, attorney general, state or local school board member, state senator, state  
259 representative, speaker of the House of Representatives, president of the Senate, and the leader,  
260 whip, and assistant whip of any party caucus in either house of the Legislature.

261 [~~(35)~~] (37) (a) "Public service assistance" means the following when given or provided  
262 to an officeholder to defray the costs of functioning in a public office or aid the officeholder to  
263 communicate with the officeholder's constituents:

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

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

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

269 (i) anything provided by the state;

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

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

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

275 (v) any article, story, or other coverage as part of any regular publication of any

276 organization unless substantially all the publication is devoted to information about the  
277 officeholder.

278 ~~[(36)]~~ (38) "Publicly identified class of individuals" means a group of 50 or more  
279 individuals sharing a common occupation, interest, or association that contribute to a political  
280 action committee or political issues committee and whose names can be obtained by contacting  
281 the political action committee or political issues committee upon whose financial report they  
282 are listed.

283 ~~[(37)]~~ (39) "Receipts" means contributions and public service assistance.

284 ~~[(38)]~~ (40) "Registered lobbyist" means a person registered under Title 36, Chapter 11,  
285 Lobbyist Disclosure and Regulation Act.

286 ~~[(39)]~~ (41) "Registered political action committee" means any political action  
287 committee that is required by this chapter to file a statement of organization with the lieutenant  
288 governor's office.

289 ~~[(40)]~~ (42) "Registered political issues committee" means any political issues  
290 committee that is required by this chapter to file a statement of organization with the lieutenant  
291 governor's office.

292 ~~[(41)]~~ (43) "Registered political party" means an organization of voters that:

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

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

297 ~~[(42)]~~ (44) "Reporting entity" means a candidate, a candidate's personal campaign  
298 committee, an officeholder, a party committee, a political action committee, and a political  
299 issues committee.

300 ~~[(43)]~~ (45) "School board office" means the office of state school board or local school  
301 board.

302 (46) "Solicitation and administration costs" means the cost of office space, phones,  
303 salaries, utilities, supplies, legal and accounting fees, fund-raising and other expenses incurred  
304 in setting up and running a political action committee established by a corporation or labor  
305 organization.

306 ~~[(44)]~~ (47) (a) "Source" means the person or entity that is the legal owner of the

307 tangible or intangible asset that comprises the contribution.

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

311 [~~(45)~~] (48) "State office" means the offices of governor, lieutenant governor, attorney  
312 general, state auditor, and state treasurer.

313 [~~(46)~~] (49) "State office candidate" means a person who:

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

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

318 [~~(47)~~] (50) "Summary report" means the year end report containing the summary of a  
319 reporting entity's contributions and expenditures.

320 [~~(48)~~] (51) "Supervisory board" means the individual or group of individuals that  
321 allocate expenditures from a political issues committee.

322 Section 2. Section **20A-11-604** is enacted to read:

323 **20A-11-604. Limits on contributions by political action committees.**

324 (1) A political action committee may not make contributions totaling more than the  
325 following amounts per contribution cycle:

326 (a) \$10,000 to one state office candidate;

327 (b) \$5,000 to one legislative office candidate;

328 (c) \$40,000 to one registered political party;

329 (d) \$10,000 to one political action committee; or

330 (e) \$50,000 in the aggregate to one or more:

331 (i) registered political parties;

332 (ii) labor organizations; and

333 (iii) political action committees.

334 (2) Solicitation or administrative costs incurred by a political action committee are  
335 excluded from the contribution limits specified in Subsection (1).

336 (3) A political action committee may not make a cash contribution in excess of \$50 in  
337 a contribution cycle.

338 Section 3. Section **20A-11-705** is enacted to read:

339 **20A-11-705. Limits on contributions by corporations.**

340 (1) A corporation may not make contributions totaling more than the following  
341 amounts per contribution cycle:

342 (a) \$10,000 to one state office candidate;

343 (b) \$5,000 to one legislative office candidate;

344 (c) \$40,000 to one registered political party;

345 (d) \$10,000 to one political action committee; or

346 (e) \$50,000 in the aggregate to one or more:

347 (i) registered political parties;

348 (ii) labor organizations; and

349 (iii) political action committees.

350 (2) Solicitation or administrative costs incurred by a corporation are excluded from the  
351 contribution limits specified in Subsection (1).

352 (3) A corporation may not make a cash contribution in excess of \$50 in a contribution  
353 cycle.

354 Section 4. Section **20A-11-1501** is enacted to read:

355 **Part 15. Contribution Limits**

356 **20A-11-1501. Limits on contributions by an individual.**

357 (1) An individual may not make contributions totaling more than the following  
358 amounts per contribution cycle:

359 (a) \$10,000 to one state office candidate;

360 (b) \$5,000 to one legislative office candidate;

361 (c) \$40,000 to one registered political party; or

362 (d) \$10,000 to one political action committee.

363 (2) An individual may not make a cash contribution in excess of \$50 in a contribution  
364 cycle.

365 Section 5. Section **20A-11-1502** is enacted to read:

366 **20A-11-1502. Limits on contributions by a labor organization.**

367 (1) As used in this section, "labor organization" is as defined in Section 20A-11-1402.

368 (2) A labor organization may not make contributions totaling more than the following

369 amounts per contribution cycle:

370 (a) \$10,000 to one state office candidate;

371 (b) \$5,000 to one legislative office candidate;

372 (c) \$40,000 to one registered political party;

373 (d) \$10,000 to one political action committee; or

374 (e) \$50,000 in the aggregate to one or more:

375 (i) registered political parties;

376 (ii) labor organizations; and

377 (iii) political action committees.

378 (3) Solicitation or administrative costs incurred by a labor organization are excluded

379 from the contribution limits specified in Subsection (2).

380 (4) A labor organization may not make a cash contribution in excess of \$50 in a

381 contribution cycle.

382 Section 6. Section **20A-11-1503** is enacted to read:

383 **20A-11-1503. Contribution limit transition.**

384 A person may not make a contribution between May 11, 2010 and December 31, 2010,

385 in excess of the contribution limits established in Sections 20A-11-604, 20A-11-705,

386 20A-11-1501, or 20A-11-1502.

387 Section 7. Section **20A-11-1504** is enacted to read:

388 **20A-11-1504. Penalty for contributions in excess of limit.**

389 (1) A person who makes a contribution in excess of the contribution limits established

390 in Sections 20A-11-604, 20A-11-705, 20A-11-1501, 20A-11-1502, or 20A-11-1503 is guilty of

391 a class A misdemeanor.

392 (2) A person who accepts a contribution in excess of the contribution limits established

393 in Sections 20A-11-604, 20A-11-705, 20A-11-1501, 20A-11-1502, or 20A-11-1503 is guilty of

394 a class A misdemeanor.

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**Legislative Review Note**  
as of 2-18-10 3:55 PM

**Office of Legislative Research and General Counsel**

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**H.B. 160 - Campaign Finance Provisions**

**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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