

Representative Tim M. Cosgrove proposes the following substitute bill:

**POLITICAL ACTION COMMITTEE AND POLITICAL
ISSUES COMMITTEE EXPENDITURE REVISIONS**

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tim M. Cosgrove

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies Title 20A, Chapter 11, Campaign and Financial Reporting Requirements, to restrict expenditures by a political action committee or a political issues committee for certain purposes.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ requires a political action committee to report the purposes of an expenditure;
- ▶ provides that a political action committee may only make an expenditure for a political purpose or for solicitation and administration costs and provides for penalties and reporting a violation;
- ▶ requires a political issues committee to report the purposes of an expenditure;
- ▶ provides that a political issues committee may only make a political issues expenditure or an expenditure for solicitation and administrative costs and provides for penalties and reporting a violation; and
- ▶ makes technical changes.

Money Appropriated in this Bill:



26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **20A-11-101**, as last amended by Laws of Utah 2010, Chapters 197, 246, and 389

32 **20A-11-602**, as last amended by Laws of Utah 2010, Chapter 389

33 **20A-11-603**, as last amended by Laws of Utah 2010, Chapter 389

34 **20A-11-802**, as last amended by Laws of Utah 2010, Chapters 235 and 389

35 **20A-11-803**, as last amended by Laws of Utah 2008, Chapter 14



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

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

39 **20A-11-101. Definitions.**

40 As used in this chapter:

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

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

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

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

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

51 (4) "Chief election officer" means:

52 (a) the lieutenant governor for state office candidates, legislative office candidates,
53 officeholders, political parties, political action committees, corporations, political issues
54 committees, state school board candidates, judges, and labor organizations, as defined in
55 Section 20A-11-1501; and

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

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

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

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

63 (iii) any transfer of funds from another reporting entity to the filing entity;

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

66 (v) remuneration from:

67 (A) any organization or its directly affiliated organization that has a registered lobbyist;

68 or

69 (B) any agency or subdivision of the state, including school districts; and

70 (vi) 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 (6) "Coordinated with" means that goods or services provided for the benefit of a
81 candidate or political party are provided:

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

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

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

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

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

91 (i) the purpose of expressly advocating for political purposes; or
92 (ii) the purpose of expressly advocating the approval or the defeat of any ballot
93 proposition.

94 (b) "Corporation" does not mean:

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

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

97 (8) "Detailed listing" means:

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

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

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

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

103 (b) for each expenditure:

104 (i) the amount of the expenditure;

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

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

107 (iv) the date the expenditure was made.

108 (9) "Election" means each:

109 (a) regular general election;

110 (b) regular primary election; and

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

112 (10) "Electioneering communication" means a communication that:

113 (a) has at least a value of \$10,000;

114 (b) clearly identifies a candidate or judge; and

115 (c) is disseminated through the Internet, newspaper, magazine, outdoor advertising
116 facility, direct mailing, broadcast, cable, or satellite provider within 45 days of the clearly
117 identified candidate's or judge's election date.

118 (11) (a) "Expenditure" means:

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

121 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money,
122 or anything of value made for political purposes;

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

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

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

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

132 (b) "Expenditure" does not include:

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

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

137 (iii) anything listed in Subsection (11)(a) that is given by a reporting entity to
138 candidates for office or officeholders in states other than Utah.

139 (12) "Filing entity" means the reporting entity that is required to file a financial
140 statement required by this chapter or Chapter 12, Part 2, Judicial Retention Elections.

141 (13) "Financial statement" includes any summary report, interim report, verified
142 financial statement, or other statement disclosing contributions, expenditures, receipts,
143 donations, or disbursements that is required by this chapter or Chapter 12, Part 2, Judicial
144 Retention Elections.

145 (14) "Governing board" means the individual or group of individuals that determine the
146 candidates and committees that will receive expenditures from a political action committee,
147 political party, or corporation.

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

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

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

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

153 (19) "Interim report" means a report identifying the contributions received and

154 expenditures made since the last report.

155 (20) "Legislative office" means the office of state senator, state representative, speaker

156 of the House of Representatives, president of the Senate, and the leader, whip, and assistant

157 whip of any party caucus in either house of the Legislature.

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

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

160 (b) declares oneself to be a candidate for, or actively campaigns for, the position of

161 speaker of the House of Representatives, president of the Senate, or the leader, whip, and

162 assistant whip of any party caucus in either house of the Legislature; or

163 (c) receives contributions, makes expenditures, or gives consent for any other person to

164 receive contributions or make expenditures to bring about the person's nomination or election

165 to a legislative office.

166 (22) "Officeholder" means a person who holds a public office.

167 (23) "Party committee" means any committee organized by or authorized by the

168 governing board of a registered political party.

169 (24) "Person" means both natural and legal persons, including individuals, business

170 organizations, personal campaign committees, party committees, political action committees,

171 political issues committees, and labor organizations, as defined in Section 20A-11-1501.

172 (25) "Personal campaign committee" means the committee appointed by a candidate to

173 act for the candidate as provided in this chapter.

174 (26) "Personal use expenditure" has the same meaning as provided under Section

175 20A-11-104.

176 (27) (a) "Political action committee" means an entity, or any group of individuals or

177 entities within or outside this state, a major purpose of which is to:

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

179 purposes; or

180 (ii) make expenditures to expressly advocate for any person to refrain from voting or to

181 vote for or against any candidate or person seeking election to a municipal or county office.

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

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

186 (i) a party committee;

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

189 (iii) an individual;

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

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

194 (vi) a personal campaign committee.

195 (28) "Political convention" means a county or state political convention held by a
196 registered political party to select candidates.

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

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

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

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

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

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

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

211 (iii) an individual;

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

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

216 (30) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

232 (31) (a) "Political issues expenditure" means any of the following:

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

235 (A) a ballot proposition; or

236 (B) an incorporation petition or incorporation election;

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

239 (A) a ballot proposition; or

240 (B) an incorporation petition or incorporation election;

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

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

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

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

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

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

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

256 (33) "Primary election" means any regular primary election held under the election
257 laws.

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

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

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

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

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

270 (i) anything provided by the state;

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

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

274 business;

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

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

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

278 officeholder.

279 (36) "Publicly identified class of individuals" means a group of 50 or more individuals

280 sharing a common occupation, interest, or association that contribute to a political action

281 committee or political issues committee and whose names can be obtained by contacting the

282 political action committee or political issues committee upon whose financial statement the

283 individuals are listed.

284 (37) "Receipts" means contributions and public service assistance.

285 (38) "Registered lobbyist" means a person registered under Title 36, Chapter 11,

286 Lobbyist Disclosure and Regulation Act.

287 (39) "Registered political action committee" means any political action committee that

288 is required by this chapter to file a statement of organization with the lieutenant governor's

289 office.

290 (40) "Registered political issues committee" means any political issues committee that

291 is required by this chapter to file a statement of organization with the lieutenant governor's

292 office.

293 (41) "Registered political party" means an organization of voters that:

294 (a) participated in the last regular general election and polled a total vote equal to 2%

295 or more of the total votes cast for all candidates for the United States House of Representatives

296 for any of its candidates for any office; or

297 (b) has complied with the petition and organizing procedures of Chapter 8, Political

298 Party Formation and Procedures.

299 (42) (a) "Remuneration" means a payment:

300 (i) made to a legislator for the period the Legislature is in session; and

301 (ii) that is approximately equivalent to an amount a legislator would have earned

302 during the period the Legislature is in session in the legislator's ordinary course of business.

303 (b) "Remuneration" does not mean anything of economic value given to a legislator by:

304 (i) the legislator's primary employer in the ordinary course of business; or

305 (ii) a person or entity in the ordinary course of business:

306 (A) because of the legislator's ownership interest in the entity; or

307 (B) for services rendered by the legislator on behalf of the person or entity.

308 (43) "Reporting entity" means a candidate, a candidate's personal campaign committee,
309 a judge, a judge's personal campaign committee, an officeholder, a party committee, a political
310 action committee, a political issues committee, a corporation, or a labor organization, as
311 defined in Section 20A-11-1501.

312 (44) "School board office" means the office of state school board or local school board.

313 (45) "Solicitation and administration costs" means the cost of office space, phones,
314 salaries, employee benefits, utilities, supplies, legal and accounting fees, fund-raising, and
315 other expenses incurred in setting up and running a political action committee or political
316 issues committee.

317 [~~45~~] (46) (a) "Source" means the person or entity that is the legal owner of the
318 tangible or intangible asset that comprises the contribution.

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

322 [~~46~~] (47) "State office" means the offices of governor, lieutenant governor, attorney
323 general, state auditor, and state treasurer.

324 [~~47~~] (48) "State office candidate" means a person who:

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

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

329 [~~48~~] (49) "Summary report" means the year end report containing the summary of a
330 reporting entity's contributions and expenditures.

331 [~~49~~] (50) "Supervisory board" means the individual or group of individuals that
332 allocate expenditures from a political issues committee.

333 Section 2. Section **20A-11-602** is amended to read:

334 **20A-11-602. Political action committees -- Financial reporting.**

335 (1) (a) [~~Each~~] A registered political action committee that has received contributions

336 totaling at least \$750, or disbursed expenditures totaling at least \$50, during a calendar year
337 shall file a verified financial statement with the lieutenant governor's office:

338 (i) on January 10, reporting contributions and expenditures as of December 31 of the
339 previous year;

340 (ii) seven days before the regular primary election date;

341 (iii) on August 31; and

342 (iv) seven days before the regular general election date.

343 (b) The registered political action committee shall report:

344 (i) a detailed listing of ~~[aH]~~ the contributions received and expenditures made since the
345 last statement; and

346 (ii) for financial statements filed under Subsections (1)(a)(ii) through (iv), ~~[aH]~~ the
347 contributions and expenditures as of five days before the required filing date of the financial
348 statement.

349 (c) The registered political action committee need not file a statement under this
350 section if it received no contributions and made no expenditures during the reporting period.

351 (2) (a) The verified financial statement shall include:

352 (i) the name and address of any individual that makes a contribution to the reporting
353 political action committee, and the amount of the contribution;

354 (ii) the identification of any publicly identified class of individuals that makes a
355 contribution to the reporting political action committee, and the amount of the contribution;

356 (iii) the name and address of any political action committee, group, or entity that makes
357 a contribution to the reporting political action committee, and the amount of the contribution;

358 (iv) for ~~[each]~~ a nonmonetary contribution, the fair market value of the contribution;

359 (v) the name and address of ~~[each]~~ a reporting entity that received an expenditure from
360 the reporting political action committee, the purpose of the expenditure, and the amount of
361 ~~[each]~~ the expenditure;

362 (vi) for ~~[each]~~ a nonmonetary expenditure, the fair market value of the expenditure;

363 (vii) the total amount of contributions received and expenditures disbursed by the
364 reporting political action committee;

365 (viii) a statement by the political action committee's treasurer or chief financial officer
366 certifying that, to the best of the person's knowledge, the financial report is accurate; and

367 (ix) a summary page in the form required by the lieutenant governor that identifies:

368 (A) beginning balance;

369 (B) total contributions during the period since the last statement;

370 (C) total contributions to date;

371 (D) total expenditures during the period since the last statement; and

372 (E) total expenditures to date.

373 (b) (i) Contributions received by a political action committee that have a value of \$50
374 or less need not be reported individually, but shall be listed on the report as an aggregate total.

375 (ii) Two or more contributions from the same source that have an aggregate total of
376 more than \$50 may not be reported in the aggregate, but shall be reported separately.

377 (3) A group or entity may not divide or separate into units, sections, or smaller groups
378 for the purpose of avoiding the financial reporting requirements of this chapter, and substance
379 shall prevail over form in determining the scope or size of a political action committee.

380 Section 3. Section **20A-11-603** is amended to read:

381 **20A-11-603. Criminal offenses -- Expenditure limitations -- Penalties.**

382 (1) (a) [~~Each~~] A political action committee that fails to file the financial statement due
383 before the regular primary election, on August 31, or before the regular general session is:

384 (i) subject to a fine imposed in accordance with Section 20A-11-1005; and

385 (ii) guilty of a class B misdemeanor.

386 (b) The lieutenant governor shall report [~~all violations~~] a violation of Subsection (1)(a)
387 to the attorney general.

388 (2) Within 30 days after a deadline for the filing of the January 10 statement required
389 by this part, the lieutenant governor shall review [~~each~~] a filed statement to ensure that:

390 (a) [~~each~~] a political action committee that is required to file a statement has filed one;
391 and

392 (b) [~~each~~] the statement contains the information required by this part.

393 (3) If it appears that [~~any~~] a political action committee has failed to file the January 10
394 statement, if it appears that a filed statement does not conform to the law, or if the lieutenant
395 governor has received a written complaint alleging a violation of the law or the falsity of [~~any~~]
396 a statement, the lieutenant governor shall, within five days of discovery of a violation or receipt
397 of a written complaint, notify the political action committee of the violation or written

398 complaint and direct the political action committee to file a statement correcting the problem.

399 (4) (a) ~~[It is unlawful for any]~~ A political action committee ~~[to fail to]~~ shall file or
400 amend a statement within 14 days after receiving notice from the lieutenant governor under this
401 section.

402 (b) ~~[Each]~~ A political action committee ~~[who]~~ that violates Subsection (4)(a) is guilty
403 of a class B misdemeanor.

404 (c) The lieutenant governor shall report ~~[all violations]~~ a violation of Subsection (4)(a)
405 to the attorney general.

406 (5) (a) A political action committee may only make an expenditure for:

407 (i) a political purpose; or

408 (ii) solicitation and administration costs.

409 (b) A political action committee that violates Subsection (5)(a) is guilty of a class B
410 misdemeanor.

411 (c) The lieutenant governor shall report a violation of Subsection (5)(a) to the attorney
412 general.

413 Section 4. Section **20A-11-802** is amended to read:

414 **20A-11-802. Political issues committees -- Financial reporting.**

415 (1) (a) ~~[Each]~~ A registered political issues committee that has received political issues
416 contributions totaling at least \$750, or disbursed political issues expenditures totaling at least
417 \$50, during a calendar year, shall file a verified financial statement with the lieutenant
418 governor's office:

419 (i) on January 10, reporting contributions and expenditures as of December 31 of the
420 previous year;

421 (ii) seven days before the date of an incorporation election, if the political issues
422 committee has received donations or made disbursements to affect an incorporation;

423 (iii) at least three days before the first public hearing held as required by Section
424 20A-7-204.1;

425 (iv) if the political issues committee has received or expended funds in relation to an
426 initiative or referendum, at the time the initiative or referendum sponsors submit:

427 (A) the verified and certified initiative packets as required by Section 20A-7-206; or

428 (B) the signed and verified referendum packets as required by Section 20A-7-306;

- 429 (v) on August 31; and
- 430 (vi) seven days before the regular general election.
- 431 (b) The political issues committee shall report:
- 432 (i) a detailed listing of [~~all~~] the contributions received and expenditures made since the
- 433 last statement; and
- 434 (ii) for financial statements filed on August 31 and before the general election, [~~all~~] the
- 435 contributions and expenditures as of five days before the required filing date of the financial
- 436 statement.
- 437 (c) The political issues committee need not file a statement under this section if it
- 438 received no contributions and made no expenditures during the reporting period.
- 439 (2) (a) That statement shall include:
- 440 (i) the name and address of [~~any~~] an individual that makes a political issues
- 441 contribution to the reporting political issues committee, and the amount of the political issues
- 442 contribution;
- 443 (ii) the identification of any publicly identified class of individuals that makes a
- 444 political issues contribution to the reporting political issues committee, and the amount of the
- 445 political issues contribution;
- 446 (iii) the name and address of [~~any~~] a political issues committee, group, or entity that
- 447 makes a political issues contribution to the reporting political issues committee, and the
- 448 amount of the political issues contribution;
- 449 (iv) the name and address of [~~each~~] a reporting entity that makes a political issues
- 450 contribution to the reporting political issues committee, and the amount of the political issues
- 451 contribution;
- 452 (v) for [~~each~~] a nonmonetary contribution, the fair market value of the contribution;
- 453 (vi) except as provided in Subsection (2)(c), the name and address of [~~each~~] an
- 454 individual, entity, or group of individuals or entities that received a political issues expenditure
- 455 of more than \$50 from the reporting political issues committee, the purpose of the expenditure,
- 456 and the amount of [~~each~~] the political issues expenditure;
- 457 (vii) for [~~each~~] a nonmonetary expenditure, the fair market value of the expenditure;
- 458 (viii) the total amount of political issues contributions received and political issues
- 459 expenditures disbursed by the reporting political issues committee;

460 (ix) a statement by the political issues committee's treasurer or chief financial officer
461 certifying that, to the best of the person's knowledge, the financial statement is accurate; and

462 (x) a summary page in the form required by the lieutenant governor that identifies:

463 (A) beginning balance;

464 (B) total contributions during the period since the last statement;

465 (C) total contributions to date;

466 (D) total expenditures during the period since the last statement; and

467 (E) total expenditures to date.

468 (b) (i) Political issues contributions received by a political issues committee that have a
469 value of \$50 or less need not be reported individually, but shall be listed on the report as an
470 aggregate total.

471 (ii) Two or more political issues contributions from the same source that have an
472 aggregate total of more than \$50 may not be reported in the aggregate, but shall be reported
473 separately.

474 (c) When reporting political issue expenditures made to circulators of initiative
475 petitions, the political issues committee:

476 (i) need only report the amount paid to each initiative petition circulator; and

477 (ii) need not report the name or address of the circulator.

478 Section 5. Section **20A-11-803** is amended to read:

479 **20A-11-803. Criminal offenses -- Expenditure limitations -- Penalties.**

480 (1) (a) [~~Each~~] A political issues committee that fails to file the statement due August
481 31 or before the regular general election is guilty of a class B misdemeanor.

482 (b) The lieutenant governor shall report [~~all violations~~] a violation of Subsection (1)(a)
483 to the attorney general.

484 (2) Within 30 days after a deadline for the filing of the January 10 statement, the
485 lieutenant governor shall review [~~each~~] the filed statement to ensure that:

486 (a) [~~each~~] a political issues committee that is required to file a statement has filed one;
487 and

488 (b) [~~each~~] the statement contains the information required by this part.

489 (3) If it appears that [~~any~~] a political issues committee has failed to file the January 10
490 statement, if it appears that a filed statement does not conform to the law, or if the lieutenant

491 governor has received a written complaint alleging a violation of the law or the falsity of [any]
492 a statement, the lieutenant governor shall, within five days of discovery of a violation or receipt
493 of a written complaint, notify the political issues committee of the violation or written
494 complaint and direct the political issues committee to file a statement correcting the problem.

495 (4) (a) ~~[It is unlawful for any]~~ A political issues committee [to fail to] shall file or
496 amend a statement within 14 days after receiving notice from the lieutenant governor under this
497 section.

498 (b) ~~[Each]~~ A political issues committee [who] that violates Subsection (4)(a) is guilty
499 of a class B misdemeanor.

500 (c) The lieutenant governor shall report ~~[all violations]~~ a violation of Subsection (4)(a)
501 to the attorney general.

502 (5) (a) A political issues committee may only make an expenditure that is:

503 (i) a political issues expenditure; or

504 (ii) for solicitation and administration costs.

505 (b) A political issues committee that violates Subsection (5)(a) is guilty of a class B
506 misdemeanor.

507 (c) The lieutenant governor shall report a violation of Subsection (5)(a) to the attorney
508 general.

FISCAL NOTE

H.B. 294 1st Sub. (Buff)

SHORT TITLE: Political Action Committee and Political Issues Committee Expenditure Revisions

SPONSOR: Cosgrove, T.

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill likely will not materially impact the state budget. Any revenue to the General Fund will depend on the number of political action committees or political issues committees who violate provisions of the bill.

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Political action committees and political issues committees who violate provisions of the bill will be guilty of a class B misdemeanor and subject to a fine of up to \$555.