

Senator Peter C. Knudson proposes the following substitute bill:

CAMPAIGN FINANCE DISCLOSURE AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kraig Powell

Senate Sponsor: Peter C. Knudson

LONG TITLE

General Description:

This bill amends Title 20A, Chapter 11, Campaign and Financial Reporting Requirements related to reporting contributions and expenditures.

Highlighted Provisions:

This bill:

- ▶ requires a political action committee and a political issues committee to report a contribution within 30 days of receipt; and
- ▶ amends the scope of an electioneering communication reporting requirement.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

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

20A-11-802, as last amended by Laws of Utah 2011, Chapter 396

20A-11-901, as last amended by Laws of Utah 2011, Chapter 396



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

27 Section 1. Section **20A-11-602** is amended to read:

28 **20A-11-602. Political action committees -- Financial reporting.**

29 (1) (a) Each registered political action committee that has received contributions
30 totaling at least \$750, or disbursed expenditures totaling at least \$50, during a calendar year
31 shall file a verified financial statement with the lieutenant governor's office:

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

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

35 (iii) on August 31; and

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

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

38 (i) a detailed listing of all contributions received and expenditures made since the last
39 statement; and

40 (ii) for financial statements filed under Subsections (1)(a)(ii) through (iv), all
41 contributions and expenditures as of five days before the required filing date of the financial
42 statement.

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

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

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

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

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

52 (iv) for each nonmonetary contribution, the fair market value of the contribution;

53 (v) the name and address of each reporting entity that received an expenditure from the
54 reporting political action committee, and the amount of each expenditure;

55 (vi) for each nonmonetary expenditure, the fair market value of the expenditure;

56 (vii) the total amount of contributions received and expenditures disbursed by the

57 reporting political action committee;

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

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

61 (A) beginning balance;

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

63 (C) total contributions to date;

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

65 (E) total expenditures to date.

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

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

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

73 (4) (a) As used in this Subsection (4), "received" means:

74 (i) for a cash contribution, that the cash is given to a political action committee;

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

77 (iii) for any other type of contribution, that any portion of the contribution's benefit
78 inures to the political action committee.

79 (b) A political action committee shall report each contribution to the lieutenant
80 governor within 30 days after the contribution is received.

81 Section 2. Section **20A-11-802** is amended to read:

82 **20A-11-802. Political issues committees -- Financial reporting.**

83 (1) (a) Each registered political issues committee that has received political issues
84 contributions totaling at least \$750, or disbursed political issues expenditures totaling at least
85 \$50, during a calendar year, shall file a verified financial statement with the lieutenant
86 governor's office:

87 (i) on January 10, reporting contributions and expenditures as of December 31 of the

88 previous year;

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

91 (iii) at least three days before the first public hearing held as required by Section
92 20A-7-204.1;

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

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

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

97 (v) on August 31; and

98 (vi) seven days before the regular general election.

99 (b) The political issues committee shall report:

100 (i) a detailed listing of all contributions received and expenditures made since the last
101 statement; and

102 (ii) all contributions and expenditures as of five days before the required filing date of
103 the financial statement, except for a financial statement filed on January 10.

104 (c) The political issues committee need not file a statement under this section if it
105 received no contributions and made no expenditures during the reporting period.

106 (2) (a) That statement shall include:

107 (i) the name and address of any individual that makes a political issues contribution to
108 the reporting political issues committee, and the amount of the political issues contribution;

109 (ii) the identification of any publicly identified class of individuals that makes a
110 political issues contribution to the reporting political issues committee, and the amount of the
111 political issues contribution;

112 (iii) the name and address of any political issues committee, group, or entity that makes
113 a political issues contribution to the reporting political issues committee, and the amount of the
114 political issues contribution;

115 (iv) the name and address of each reporting entity that makes a political issues
116 contribution to the reporting political issues committee, and the amount of the political issues
117 contribution;

118 (v) for each nonmonetary contribution, the fair market value of the contribution;

119 (vi) except as provided in Subsection (2)(c), the name and address of each individual,
120 entity, or group of individuals or entities that received a political issues expenditure of more
121 than \$50 from the reporting political issues committee, and the amount of each political issues
122 expenditure;

123 (vii) for each nonmonetary expenditure, the fair market value of the expenditure;

124 (viii) the total amount of political issues contributions received and political issues
125 expenditures disbursed by the reporting political issues committee;

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

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

129 (A) beginning balance;

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

131 (C) total contributions to date;

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

133 (E) total expenditures to date.

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

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

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

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

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

144 (3) (a) As used in this Subsection (3), "received" means:

145 (i) for a cash contribution, that the cash is given to a political issues committee;

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

148 (iii) for any other type of contribution, that any portion of the contribution's benefit
149 inures to the political issues committee.

150 (b) A political issues committee shall report each contribution to the lieutenant
151 governor within 30 days after the contribution is received.

152 Section 3. Section **20A-11-901** is amended to read:

153 **20A-11-901. Political advertisements -- Requirement that ads designate**
154 **responsibility and authorization -- Report to lieutenant governor -- Unauthorized use of**
155 **endorsements.**

156 (1) (a) Whenever any person makes an expenditure for the purpose of financing an
157 advertisement expressly advocating the election or defeat of a clearly identified candidate, or
158 solicits any contribution through any broadcasting station, newspaper, magazine, outdoor
159 advertising facility, direct mailing, or any other type of general public political advertising, the
160 advertisement:

161 (i) if paid for and authorized by a candidate or the candidate's campaign committee,
162 shall clearly state that the advertisement has been paid for by the candidate or the campaign
163 committee;

164 (ii) if paid for by another person but authorized by a candidate or the candidate's
165 campaign committee, shall clearly state who paid for the advertisement and that the candidate
166 or the campaign committee authorized the advertisement; or

167 (iii) if not authorized by a candidate or his campaign committee, shall clearly state the
168 name of the person who paid for the advertisement and state that the advertisement is not
169 authorized by any candidate or candidate's committee.

170 (b) The requirements of Subsection (1)(a) do not apply to:

171 (i) lawn signs with dimensions of four by eight feet or smaller;

172 (ii) bumper stickers;

173 (iii) campaign pins, buttons, and pens; and

174 (iv) similar small items upon which the disclaimer cannot be conveniently printed.

175 (2) (a) A person who is not a reporting entity and pays for an electioneering
176 communication shall file a report with the lieutenant governor within 24 hours of making the
177 payment or entering into a contract to make the payment.

178 (b) The report shall include:

179 (i) the name and address of the person described in Subsection (2)(a);

180 (ii) the name and address of each person contributing at least \$100 to the person

181 described in Subsection (2)(a) for the purpose of disseminating the electioneering
182 communication;

183 (iii) the amount spent on the electioneering communication;

184 (iv) the name of the identified referenced candidate; and

185 (v) the medium used to disseminate the electioneering communication.

186 (3) A person may not, in order to promote the success of any candidate for nomination
187 or election to any public office, or in connection with any question submitted to the voters,
188 include or cause to be included the name of any person as endorser or supporter in any political
189 advertisement, circular, poster, or publication without the express consent of that person.

190 (4) (a) It is unlawful for a person to pay the owner, editor, publisher, or agent of any
191 newspaper or other periodical to induce him to advocate or oppose editorially any candidate for
192 nomination or election.

193 (b) It is unlawful for any owner, editor, publisher, or agent to accept any payment to
194 advocate or oppose editorially any candidate for nomination or election.

195 Section 4. **Effective date.**

196 If approved by two-thirds of all the members elected to each house, this bill takes effect
197 upon approval by the governor, or the day following the constitutional time limit of Utah
198 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
199 the date of veto override.