

HB0493S05 compared with HB0493S04

~~text~~ shows text that was in HB0493S04 but was deleted in HB0493S05.

text shows text that was not in HB0493S04 but was inserted into HB0493S05.

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Senator ~~Peter C.~~Curtis S. ~~Knudson~~Bramble 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~~campaign finance provisions related to ~~reporting~~ contributions and expenditures.

Highlighted Provisions:

This bill:

- ▶ requires a candidate to report on the reports that are required for a candidate for that office the contributions and expenditures from all campaign or officeholder accounts the person has;
- ▶ requires a candidate in a municipal election or a county election to have a separate campaign account;
- ▶ requires a political action committee and a political issues committee to report a

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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:

10-3-208, as last amended by Laws of Utah 2008, Chapters 49 and 382

17-16-6.5, as last amended by Laws of Utah 2008, Chapter 49

20A-11-101, as last amended by Laws of Utah 2011, Chapter 396

20A-11-201, as last amended by Laws of Utah 2010, Chapter 246

20A-11-301, as last amended by Laws of Utah 2011, Chapter 347

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

20A-11-1301, as last amended by Laws of Utah 2011, Chapter 347

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

Section 1. Section 10-3-208 is amended to read:

10-3-208. Campaign finance statement in municipal election.

(1) As used in this section:

(a) "Reporting date" means:

- (i) 10 days before a municipal general election, for a campaign finance statement required to be filed no later than seven days before a municipal general election; and
- (ii) the day of filing, for a campaign finance statement required to be filed no later than 30 days after a municipal primary or general election.

(b) "Reporting limit" means:

(i) \$50; or

(ii) an amount lower than \$50 that is specified in an ordinance of the municipality.

(2) (a) (i) Each candidate for municipal office:

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(A) shall deposit a campaign contribution in a separate campaign account in a financial institution; and

(B) may not deposit or mingle any campaign contributions received into a personal or business account.

~~[(2)(a)(i)]~~ (ii) Each candidate for municipal office who is not eliminated at a municipal primary election shall file with the municipal clerk or recorder a campaign finance statement:

(A) no later than seven days before the date of the municipal general election; and

(B) no later than 30 days after the date of the municipal general election.

~~[(ii)]~~ (iii) Each candidate for municipal office who is eliminated at a municipal primary election shall file with the municipal clerk or recorder a campaign finance statement no later than 30 days after the date of the municipal primary election.

(b) Each campaign finance statement under Subsection (2)(a) shall:

(i) except as provided in Subsection (2)(b)(ii):

(A) report all of the candidate's itemized and total:

(I) campaign contributions, including in-kind and other nonmonetary contributions, received before the close of the reporting date; and

(II) campaign expenditures made through the close of the reporting date; and

(B) identify:

(I) for each contribution that exceeds the reporting limit, the amount of the contribution and the name of the donor;

(II) the aggregate total of all contributions that individually do not exceed the reporting limit; and

(III) for each campaign expenditure, the amount of the expenditure and the name of the recipient of the expenditure; or

(ii) report the total amount of all campaign contributions and expenditures if the candidate receives \$500 or less in campaign contributions and spends \$500 or less on the candidate's campaign.

(3) (a) As used in this Subsection (3), "account" means an account in a financial institution;

(i) that is not described in Subsection (2)(a)(i)(A); and

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(ii) into which or from which a person who, as a candidate for an office, other than a municipal office for which the person files a declaration of candidacy or federal office, or as a holder of an office, other than a municipal office for which the person files a declaration of candidacy or federal office, deposits a contribution or makes an expenditure.

(b) A municipal office candidate shall include on any campaign finance statement filed in accordance with this section:

(i) a contribution deposited in an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account; or

(ii) an expenditure made from an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account.

~~[(3)]~~ (4) (a) A municipality may, by ordinance:

(i) provide a reporting limit lower than \$50;

(ii) require greater disclosure of campaign contributions and expenditures than is required in this section; and

(iii) impose additional penalties on candidates who fail to comply with the applicable requirements beyond those imposed by this section.

(b) A candidate for municipal office is subject to the provisions of this section and not the provisions of an ordinance adopted by the municipality under Subsection ~~[(3)]~~ (4)(a) if:

(i) the municipal ordinance establishes requirements or penalties that differ from those established in this section; and

(ii) the municipal clerk or recorder fails to notify the candidate of the provisions of the ordinance as required in Subsection ~~[(4)]~~ (5).

~~[(4)]~~ (5) Each municipal clerk or recorder shall, at the time the candidate for municipal office files a declaration of candidacy, and again 14 days before each municipal general election, notify the candidate in writing of:

(a) the provisions of statute or municipal ordinance governing the disclosure of campaign contributions and expenditures;

(b) the dates when the candidate's campaign finance statement is required to be filed; and

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(c) the penalties that apply for failure to file a timely campaign finance statement, including the statutory provision that requires removal of the candidate's name from the ballot for failure to file the required campaign finance statement when required.

~~[(5)]~~ [(6)] Notwithstanding any provision of Title 63G, Chapter 2, Government Records Access and Management Act, the municipal clerk or recorder shall:

(a) make each campaign finance statement filed by a candidate available for public inspection and copying no later than one business day after the statement is filed; and

(b) make the campaign finance statement filed by a candidate available for public inspection by:

(i) (A) posting an electronic copy or the contents of the statement on the municipality's website no later than seven business days after the statement is filed; and

(B) verifying that the address of the municipality's website has been provided to the lieutenant governor in order to meet the requirements of Subsection 20A-11-103(5); or

(ii) submitting a copy of the statement to the lieutenant governor for posting on the website established by the lieutenant governor under Section 20A-11-103 no later than two business days after the statement is filed.

~~[(6)]~~ [(7)] (a) If a candidate fails to file a campaign finance statement before the municipal general election by the deadline specified in Subsection (2)(a) ~~[(+)]~~ [(ii)](A), the municipal clerk or recorder shall inform the appropriate election official who:

(i) shall:

(A) if practicable, remove the candidate's name from the ballot by blacking out the candidate's name before the ballots are delivered to voters; or

(B) if removing the candidate's name from the ballot is not practicable, inform the voters by any practicable method that the candidate has been disqualified and that votes cast for the candidate will not be counted; and

(ii) may not count any votes for that candidate.

(b) Notwithstanding Subsection ~~[(6)]~~ [(7)](a), a candidate who files a campaign finance statement seven days before a municipal general election is not disqualified if:

(i) the statement details accurately and completely the information required under Subsection (2)(b), except for inadvertent omissions or insignificant errors or inaccuracies; and

(ii) the omissions, errors, or inaccuracies are corrected in an amended report or in the

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next scheduled report.

~~[(7)]~~ [(8)] A campaign finance statement required under this section is considered filed if it is received in the municipal clerk or recorder's office by 5 p.m. on the date that it is due.

~~[(8)]~~ [(9)] (a) A private party in interest may bring a civil action in district court to enforce the provisions of this section or an ordinance adopted under this section.

(b) In a civil action under Subsection ~~[(8)]~~ [(9)](a), the court may award costs and attorney's fees to the prevailing party.

Section 2. Section 17-16-6.5 is amended to read:

17-16-6.5. Campaign financial disclosure in county elections.

(1) (a) ~~[By January 1, 1996, each]~~ [A] county shall adopt an ordinance establishing campaign finance disclosure requirements for candidates for county office.

(b) The ordinance required by Subsection (1)(a) shall include:

(i) a requirement that each candidate for county office report ~~[his]~~ the candidate's itemized and total campaign contributions and expenditures at least once within the two weeks before the election and at least once within two months after the election;

(ii) a definition of "contribution" and "expenditure" that requires reporting of nonmonetary contributions such as in-kind contributions and contributions of tangible things; ~~[and]~~

(iii) a requirement that the financial reports identify:

(A) for each contribution of more than \$50, the name of the donor of the contribution and the amount of the contribution; and

(B) for each expenditure, the name of the recipient and the amount of the expenditure;

~~(2) [(1)]:~~

(iv) a requirement that a candidate for county office deposit a contribution in a separate campaign account in a financial institution; and

(v) a prohibition against a candidate for county office depositing or mingling any contributions received into a personal or business account.

(c) (i) As used in this Subsection (1)(c), "account" means an account in a financial institution:

(A) that is not described in Subsection (1)(b)(iv); and

(B) into which or from which a person who, as a candidate for an office, other than a

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county office for which the person files a declaration of candidacy or federal office, or as a holder of an office, other than a county office for which the person files a declaration of candidacy or federal office, deposits a contribution or makes an expenditure.

(ii) The ordinance required by Subsection (1)(a) shall include a requirement that a candidate for county office include on a financial report filed in accordance with the ordinance a contribution deposited in or an expenditure made from an account:

(A) since the last financial report was filed; or

(B) that has not been reported under a statute or ordinance that governs the account.

(2) [(a) Except as provided in Subsection (2)(b), if] If any county fails to adopt a campaign finance disclosure ordinance [by January 1, 1996] described in Subsection (1), candidates for county office, other than community council office, shall comply with the financial reporting requirements contained in Subsections (3) through [(6)] (7).

[(b) If, after August 1, 1995, any county adopts a campaign finance ordinance meeting the requirements of Subsection (1), that county need not comply with the requirements of Subsections (3) through (6).]

[(3)(a) Except as provided in Subsection (3)(b), and if there is no county ordinance meeting the requirements of this section, each]

(3) A candidate for elective office in a county:

(a) shall deposit a contribution in a separate campaign account in a financial institution;

and

(b) may not deposit or mingle any contributions received into a personal or business account.

(4) Each candidate for elective office in any county who is not required to submit a campaign financial statement to the lieutenant governor shall file a signed campaign financial statement with the county clerk:

[(i)] (a) seven days before the date of the regular general election, reporting each contribution of more than \$50 and each expenditure as of 10 days before the date of the regular general election; and

[(ii)] (b) no later than 30 days after the date of the regular general election.

[(b) Candidates for community council offices are exempt from the requirements of this section.]

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~~(4)~~(5) (a) The statement filed seven days before the regular general election shall include:

(i) a list of each contribution of more than \$50 received by the candidate, and the name of the donor;

(ii) an aggregate total of all contributions of \$50 or less received by the candidate; and

(iii) a list of each expenditure for political purposes made during the campaign period, and the recipient of each expenditure.

(b) The statement filed 30 days after the regular general election shall include:

(i) a list of each contribution of more than \$50 received after the cutoff date for the statement filed seven days before the election, and the name of the donor;

(ii) an aggregate total of all contributions of \$50 or less received by the candidate after the cutoff date for the statement filed seven days before the election; and

(iii) a list of all expenditures for political purposes made by the candidate after the cutoff date for the statement filed seven days before the election, and the recipient of each expenditure.

(6) (a) As used in this Subsection (6), "account" means an account in a financial institution:

(i) that is not described in Subsection (3)(a); and

(ii) into which or from which a person who, as a candidate for an office, other than a county office for which the person filed a declaration of candidacy or federal office, or as a holder of an office, other than a county office for which the person filed a declaration of candidacy or federal office, deposits a contribution or makes an expenditure.

(b) A county office candidate shall include on any campaign financial statement filed in accordance with Subsection (4) or (5):

(i) a contribution deposited in an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account; or

(ii) an expenditure made from an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account.

~~(5)~~(7) Candidates for elective office in any county who are eliminated at a primary

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election shall file a signed campaign financial statement containing the information required by this section not later than 30 days after the primary election.

~~[(6)]~~ [(8)] Any person who fails to comply with this section is guilty of an infraction.

~~[(7)]~~ [(9)] Counties may, by ordinance, enact requirements that:

- (a) require greater disclosure of campaign contributions and expenditures; and
- (b) impose additional penalties.

~~[(8)]~~ [(10)] (a) If a candidate fails to file an interim report due before the election, the county clerk shall, after making a reasonable attempt to discover if the report was timely mailed, inform the appropriate election officials who:

(i) [(A)] shall, if practicable, remove the name of the candidate by blacking out the candidate's name before the ballots are delivered to voters; or

~~[(ii)]~~ [(B)] shall, if removing the candidate's name from the ballot is not practicable, inform the voters by any practicable method that the candidate has been disqualified and that votes cast for the candidate will not be counted; and

~~[(iii)]~~ [(ii)] may not count any votes for that candidate.

(b) Notwithstanding Subsection ~~[(8)]~~ [(10)](a), a candidate is not disqualified if:

(i) the candidate files the reports required by this section;

(ii) those reports are completed, detailing accurately and completely the information required by this section except for inadvertent omissions or insignificant errors or inaccuracies; and

(iii) those omissions, errors, or inaccuracies are corrected in an amended report or in the next scheduled report.

(c) A report is considered filed if:

(i) it is received in the county clerk's office no later than 5 p.m. on the date that it is due;

(ii) it is received in the county clerk's office with a ~~[(U.S.)]~~ United States Postal Service postmark three days or more before the date that the report was due; or

(iii) the candidate has proof that the report was mailed, with appropriate postage and addressing, three days before the report was due.

~~[(9)]~~ [(11)] (a) Any private party in interest may bring a civil action in district court to enforce the provisions of this section or any ordinance adopted under this section.

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(b) In a civil action filed under Subsection ~~[(9)](11)~~(a), the court shall award costs and attorney's fees to the prevailing party.

~~[(10)](12)~~ Notwithstanding any provision of Title 63G, Chapter 2, Government Records Access and Management Act, the county clerk shall:

(a) make each campaign finance statement filed by a candidate available for public inspection and copying no later than one business day after the statement is filed; and

(b) make the campaign finance statement filed by a candidate available for public inspection by:

(i) (A) posting an electronic copy or the contents of the statement on the county's website no later than seven business days after the statement is filed; and

(B) verifying that the address of the county's website has been provided to the lieutenant governor in order to meet the requirements of Subsection 20A-11-103(5); or

(ii) submitting a copy of the statement to the lieutenant governor for posting on the website established by the lieutenant governor under Section 20A-11-103 no later than two business days after the statement is filed.

Section 3. Section 20A-11-101 is amended to read:

20A-11-101. Definitions.

As used in this chapter:

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

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

(3) "Candidate" means any person who:

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

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

(4) "Chief election officer" means:

(a) the lieutenant governor for state office candidates, legislative office candidates, officeholders, political parties, political action committees, corporations, political issues

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committees, state school board candidates, judges, and labor organizations, as defined in Section 20A-11-1501; and

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

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

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

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

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

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

(v) remuneration from:

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

or

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

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

(b) "Contribution" does not include:

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

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

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

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

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

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

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

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

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

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

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

(b) "Corporation" does not mean:

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

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

(8) "County political party" means, for each registered political party, all of the persons within a single county who, under definitions established by the political party, are members of the registered political party.

(9) "County political party officer" means a person whose name is required to be submitted by a county political party to the lieutenant governor in accordance with Section 20A-8-402.

(10) "Detailed listing" means:

(a) for each contribution or public service assistance:

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

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

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

(b) for each expenditure:

(i) the amount of the expenditure;

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

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

(iv) the date the expenditure was made.

(11) "Election" means each:

(a) regular general election;

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- (b) regular primary election; and
 - (c) special election at which candidates are eliminated and selected.
- (12) "Electioneering communication" means a communication that:

- (a) has at least a value of \$10,000;
- (b) clearly identifies a candidate or judge; and
- (c) is disseminated through the Internet, newspaper, magazine, outdoor advertising facility, direct mailing, broadcast, cable, or satellite provider within 45 days of the clearly identified candidate's or judge's election date.

(13) (a) "Expenditure" means:

- (i) any disbursement from contributions, receipts, or from the separate bank account required by this chapter;
- (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of value made for political purposes;
- (iii) an express, legally enforceable contract, promise, or agreement to make any purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of value for political purposes;
- (iv) compensation paid by a filing entity for personal services rendered by a person without charge to a reporting entity;
- (v) a transfer of funds between the filing entity and a candidate's personal campaign committee; or
- (vi) goods or services provided by the filing entity to or for the benefit of another reporting entity for political purposes at less than fair market value.

(b) "Expenditure" does not include:

- (i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of a reporting entity;
- (ii) money lent to a reporting entity by a financial institution in the ordinary course of business; or
- (iii) anything listed in Subsection (13)(a) that is given by a reporting entity to candidates for office or officeholders in states other than Utah.

(14) "Federal office" means the office of President of the United States, United States Senator, or United States Representative.

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~~[(14)]~~[(15)] "Filing entity" means the reporting entity that is required to file a financial statement required by this chapter or Chapter 12, Part 2, Judicial Retention Elections.

~~[(15)]~~[(16)] "Financial statement" includes any summary report, interim report, verified financial statement, or other statement disclosing contributions, expenditures, receipts, donations, or disbursements that is required by this chapter or Chapter 12, Part 2, Judicial Retention Elections.

~~[(16)]~~[(17)] "Governing board" means the individual or group of individuals that determine the candidates and committees that will receive expenditures from a political action committee, political party, or corporation.

~~[(17)]~~[(18)] "Incorporation" means the process established by Title 10, Chapter 2, Part 1, Incorporation, by which a geographical area becomes legally recognized as a city or town.

~~[(18)]~~[(19)] "Incorporation election" means the election authorized by Section 10-2-111.

~~[(19)]~~[(20)] "Incorporation petition" means a petition authorized by Section 10-2-109.

~~[(20)]~~[(21)] "Individual" means a natural person.

~~[(21)]~~[(22)] "Interim report" means a report identifying the contributions received and expenditures made since the last report.

~~[(22)]~~[(23)] "Legislative office" means the office of state senator, state representative, speaker of the House of Representatives, president of the Senate, and the leader, whip, and assistant whip of any party caucus in either house of the Legislature.

~~[(23)]~~[(24)] "Legislative office candidate" means a person who:

- (a) files a declaration of candidacy for the office of state senator or state representative;
- (b) declares oneself to be a candidate for, or actively campaigns for, the position of speaker of the House of Representatives, president of the Senate, or the leader, whip, and assistant whip of any party caucus in either house of the Legislature; or
- (c) receives contributions, makes expenditures, or gives consent for any other person to receive contributions or make expenditures to bring about the person's nomination or election to a legislative office.

~~[(24)]~~[(25)] "Officeholder" means a person who holds a public office.

~~[(25)]~~[(26)] "Party committee" means any committee organized by or authorized by the governing board of a registered political party.

~~[(26)]~~[(27)] "Person" means both natural and legal persons, including individuals,

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business organizations, personal campaign committees, party committees, political action committees, political issues committees, and labor organizations, as defined in Section 20A-11-1501.

~~[(27)]~~ [(28)] "Personal campaign committee" means the committee appointed by a candidate to act for the candidate as provided in this chapter.

~~[(28)]~~ [(29)] "Personal use expenditure" has the same meaning as provided under Section 20A-11-104.

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

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

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

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

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

(i) a party committee;

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

(iii) an individual;

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

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

(vi) a personal campaign committee.

~~[(30)]~~ [(31)] "Political convention" means a county or state political convention held by a registered political party to select candidates.

~~[(31)]~~ [(32)] (a) "Political issues committee" means an entity, or any group of individuals or entities within or outside this state, a major purpose of which is to:

(i) solicit or receive donations from any other person, group, or entity to assist in

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placing a ballot proposition on the ballot, assist in keeping a ballot proposition off the ballot, or to advocate that a voter refrain from voting or vote for or vote against any ballot proposition;

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

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

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

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

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

(iii) an individual;

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

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

~~(32)~~ (33) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

(ii) money lent to a political issues committee by a financial institution in the ordinary

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course of business.

~~[(33)]~~ [(34)] (a) "Political issues expenditure" means any of the following:

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

(A) a ballot proposition; or

(B) an incorporation petition or incorporation election;

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

(A) a ballot proposition; or

(B) an incorporation petition or incorporation election;

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

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

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

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

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

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

~~[(34)]~~ [(35)] "Political purposes" means an act done with the intent or in a way to influence or tend to influence, directly or indirectly, any person to refrain from voting or to vote for or against any candidate or a person seeking a municipal or county office at any caucus, political convention, or election.

~~[(35)]~~ [(36)] "Primary election" means any regular primary election held under the election laws.

~~[(36)]~~ [(37)] "Public office" means the office of governor, lieutenant governor, state auditor, state treasurer, attorney general, state or local school board member, state senator, state representative, speaker of the House of Representatives, president of the Senate, and the leader, whip, and assistant whip of any party caucus in either house of the Legislature.

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~~[(37)]~~ [(38)] (a) "Public service assistance" means the following when given or provided to an officeholder to defray the costs of functioning in a public office or aid the officeholder to communicate with the officeholder's constituents:

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

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

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

(i) anything provided by the state;

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

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

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

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

~~[(38)]~~ [(39)] "Publicly identified class of individuals" means a group of 50 or more individuals sharing a common occupation, interest, or association that contribute to a political action committee or political issues committee and whose names can be obtained by contacting the political action committee or political issues committee upon whose financial statement the individuals are listed.

~~[(39)]~~ [(40)] "Receipts" means contributions and public service assistance.

~~[(40)]~~ [(41)] "Registered lobbyist" means a person registered under Title 36, Chapter 11, Lobbyist Disclosure and Regulation Act.

~~[(41)]~~ [(42)] "Registered political action committee" means any political action committee that is required by this chapter to file a statement of organization with the lieutenant governor's office.

~~[(42)]~~ [(43)] "Registered political issues committee" means any political issues committee that is required by this chapter to file a statement of organization with the lieutenant governor's office.

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~~[(43)]~~ [(44)] "Registered political party" means an organization of voters that:

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

(b) has complied with the petition and organizing procedures of Chapter 8, Political Party Formation and Procedures.

~~[(44)]~~ [(45)] (a) "Remuneration" means a payment:

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

(ii) that is approximately equivalent to an amount a legislator would have earned during the period the Legislature is in session in the legislator's ordinary course of business.

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

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

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

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

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

~~[(45)]~~ [(46)] "Reporting entity" means a candidate, a candidate's personal campaign committee, a judge, a judge's personal campaign committee, an officeholder, a party committee, a political action committee, a political issues committee, a corporation, or a labor organization, as defined in Section 20A-11-1501.

~~[(46)]~~ [(47)] "School board office" means the office of state school board or local school board.

~~[(47)]~~ [(48)] (a) "Source" means the person or entity that is the legal owner of the tangible or intangible asset that comprises the contribution.

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

~~[(48)]~~ [(49)] "State office" means the offices of governor, lieutenant governor, attorney general, state auditor, and state treasurer.

~~[(49)]~~ [(50)] "State office candidate" means a person who:

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

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

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receive contributions or make expenditures to bring about the person's nomination or election to a state office.

~~[(50)]~~ [(51)] "Summary report" means the year end report containing the summary of a reporting entity's contributions and expenditures.

~~[(51)]~~ [(52)] "Supervisory board" means the individual or group of individuals that allocate expenditures from a political issues committee.

Section 4. Section 20A-11-201 is amended to read:

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

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

(b) A state office candidate or a candidate's personal campaign committee may not use money deposited in a campaign account for:

- (i) a personal use expenditure; or
- (ii) an expenditure prohibited by law.

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

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

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

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

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

- (i) for a cash contribution, that the cash is given to a state office candidate or a member

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of the candidate's personal campaign committee;

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

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

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

(6) (a) As used in this Subsection (6), "account" means an account in a financial institution:

(i) that is not described in Subsection (1)(a); and

(ii) into which or from which a person who, as a candidate for an office, other than the state office for which the person files a declaration of candidacy or federal office, or as a holder of an office, other than a state office for which the person files a declaration of candidacy or federal office, deposits a contribution or makes an expenditure.

(b) A state office candidate shall include on any financial statement filed in accordance with this part:

(i) a contribution deposited in an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account; or

(ii) an expenditure made from an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account.

Section 5. Section 20A-11-301 is amended to read:

20A-11-301. Legislative office candidate -- Campaign finance requirements -- Candidate as a political action committee officer.

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

(ii) A legislative office candidate may:

(A) receive a contribution or public service assistance from a political action

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committee registered under Section 20A-11-601; and

(B) be designated by a political action committee as an officer who has primary decision-making authority as described in Section 20A-11-601.

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

(i) a personal use expenditure; or

(ii) an expenditure prohibited by law.

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

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

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

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

(5) (a) As used in this Subsection (5) and Section 20A-11-303, "received" means:

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

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

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

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

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(6) (a) As used in this Subsection (6), "account" means an account in a financial institution:

(i) that is not described in Subsection (1)(a)(i); and

(ii) into which or from which a person who, as a candidate for an office, other than a legislative office for which the person files a declaration of candidacy or federal office, or as a holder of an office, other than a legislative office for which the person files a declaration of candidacy or federal office, deposits a contribution or makes an expenditure.

(b) A legislative office candidate shall include on any financial statement filed in accordance with this part:

(i) a contribution deposited in an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account; or

(ii) an expenditure made from an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account.

Section ~~11~~6. Section **20A-11-602** is amended to read:

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

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

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

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

(iii) on August 31; and

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

(b) The registered political action committee shall report:

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) beginning balance;

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

(C) total contributions to date;

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

(E) total expenditures to date.

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

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

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

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

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

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

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

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

Section ~~27~~7. Section **20A-11-802** is amended to read:

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

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

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

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

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

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

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

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

(v) on August 31; and

(vi) seven days before the regular general election.

(b) The political issues committee shall report:

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

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

(c) The political issues committee need not file a statement under this section if it

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received no contributions and made no expenditures during the reporting period.

(2) (a) That statement shall include:

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

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

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

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

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

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

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

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

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

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

(A) beginning balance;

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

(C) total contributions to date;

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

(E) total expenditures to date.

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

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aggregate total.

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

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

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

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

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

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

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

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

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

Section ~~3}8~~. Section **20A-11-901** is amended to read:

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

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

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

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

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

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

- (i) lawn signs with dimensions of four by eight feet or smaller;
- (ii) bumper stickers;
- (iii) campaign pins, buttons, and pens; and
- (iv) similar small items upon which the disclaimer cannot be conveniently printed.

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

(b) The report shall include:

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

(ii) the name and address of each person contributing at least \$100 to the person described in Subsection (2)(a) for the purpose of disseminating the electioneering communication;

(iii) the amount spent on the electioneering communication;

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

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

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

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

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

Section 9. Section 20A-11-1301 is amended to read:

20A-11-1301. School board office candidate -- Campaign finance requirements -- Candidate as a political action committee officer.

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

(ii) A school board office candidate may:

(A) receive a contribution or public service assistance from a political action committee registered under Section 20A-11-601; and

(B) be designated by a political action committee as an officer who has primary decision-making authority as described in Section 20A-11-601.

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

(i) a personal use expenditure; or

(ii) an expenditure prohibited by law.

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

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

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

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

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

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

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

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

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

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

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

(b) Each school board office candidate shall report to the chief election officer each contribution and public service assistance within 30 days after the contribution or public service assistance is received.

(7) (a) As used in this Subsection (7), "account" means an account in a financial institution:

(i) that is not described in Subsection (1)(a)(i); and

(ii) into which or from which a person who, as a candidate for an office, other than a school board office for which the person files a declaration of candidacy or federal office, or as a holder of an office, other than a school board office for which the person files a declaration of candidacy or federal office, deposits a contribution or makes an expenditure.

(b) A school board office candidate shall include on any financial statement filed in accordance with this part:

(i) a contribution deposited in an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account; or

(ii) an expenditure made from an account:

(A) since the last campaign finance statement was filed; or

(B) that has not been reported under a statute or ordinance that governs the account.

Section ~~4~~10. **Effective date.**

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