

**Representative Craig Hall** proposes the following substitute bill:

1                   **FAILURE TO REPORT CONTRIBUTIONS OR PUBLIC**

2                                   **SERVICE ASSISTANCE**

3   2014 GENERAL SESSION

4   STATE OF UTAH

5                                   **Chief Sponsor: Craig Hall**

6                                   Senate Sponsor: Curtis S. Bramble

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8                   **LONG TITLE**

9                   **General Description:**

10                   This bill amends provisions of the Election Code by imposing a penalty for failure to  
11                   report contributions or public service assistance within the time period required by law.

12                   **Highlighted Provisions:**

13                   This bill:

- 14                   ▶ imposes a penalty for a state office candidate, a legislative office candidate, a school  
15                   board office candidate, or a judge, that fails to report contributions or public service  
16                   assistance, as applicable, within the time period required by law; and  
17                   ▶ provides for publication of information relating to a penalty described in the  
18                   preceding paragraph.

19                   **Money Appropriated in this Bill:**

20                   None

21                   **Other Special Clauses:**

22                   This bill provides an immediate effective date.

23                   **Utah Code Sections Affected:**

24                   AMENDS:

25                   **20A-11-201**, as last amended by Laws of Utah 2012, Chapter 230



26           20A-11-301, as last amended by Laws of Utah 2012, Chapter 230  
27           20A-11-1301, as last amended by Laws of Utah 2012, Chapter 230  
28           20A-12-303, as last amended by Laws of Utah 2011, Chapter 396

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

31           Section 1. Section 20A-11-201 is amended to read:

32           **20A-11-201. State office candidate -- Separate bank account for campaign funds**  
33 **-- No personal use -- Report contributions within 30 days -- Report other accounts.**

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

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

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

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

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

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

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

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

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

57 of the candidate's personal campaign committee;

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

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

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

65 (c) Except as provided in Subsection (5)(d), for each contribution or provision of  
66 public service assistance that a state office candidate fails to report within the time period  
67 described in Subsection (5)(b), the lieutenant governor shall impose a fine against the state  
68 office candidate in an amount equal to:

69 (i) the greater of \$50 or 15% of the amount of the contribution; or

70 (ii) the greater of \$50 or 15% of the value of the public service assistance.

71 (d) A fine described in Subsection (5)(c) may not exceed the amount of the  
72 contribution or the value of the public service assistance to which the fine relates.

73 (e) The lieutenant governor shall:

74 (i) deposit money received under Subsection (5)(c) into the General Fund; and

75 (ii) report on the lieutenant governor's website, in the location where reports relating to  
76 each state office candidate are available for public access:

77 (A) each fine imposed by the lieutenant governor against the state office candidate;

78 (B) the amount of the fine;

79 (C) the amount of the contribution to which the fine relates; and

80 (D) the date of the contribution.

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

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

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

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

90 (i) a contribution deposited in an account:

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

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

93 (ii) an expenditure made from an account:

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

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

96 Section 2. Section **20A-11-301** is amended to read:

97 **20A-11-301. Legislative office candidate -- Campaign finance requirements --**  
98 **Candidate as a political action committee officer -- No personal use -- Contribution**  
99 **reporting deadline -- Report other accounts.**

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

103 (ii) A legislative office candidate may:

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

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

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

110 (i) a personal use expenditure; or

111 (ii) an expenditure prohibited by law.

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

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

118 (4) (a) Except as provided in Subsection (4)(b) and Section **20A-11-402**, a person who

119 is no longer a legislative office candidate may not expend or transfer the money in a campaign  
120 account in a manner that would cause the former legislative office candidate to recognize the  
121 money as taxable income under federal tax law.

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

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

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

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

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

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

136 (c) Except as provided in Subsection (5)(d), for each contribution or provision of  
137 public service assistance that a legislative office candidate fails to report within the time period  
138 described in Subsection (5)(b), the lieutenant governor shall impose a fine against the  
139 legislative office candidate in an amount equal to:

140 (i) the greater of \$50 or 15% of the amount of the contribution; or

141 (ii) the greater of \$50 or 15% of the value of the public service assistance.

142 (d) A fine described in Subsection (5)(c) may not exceed the amount of the  
143 contribution or the value of the public service assistance to which the fine relates.

144 (e) The lieutenant governor shall:

145 (i) deposit money received under Subsection (5)(c) into the General Fund; and

146 (ii) report on the lieutenant governor's website, in the location where reports relating to  
147 each legislative office candidate are available for public access:

148 (A) each fine imposed by the lieutenant governor against the legislative office  
149 candidate;

150 (B) the amount of the fine;

151 (C) the amount of the contribution to which the fine relates; and

152 (D) the date of the contribution.

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

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

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

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

162 (i) a contribution deposited in an account:

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

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

165 (ii) an expenditure made from an account:

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

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

168 Section 3. Section **20A-11-1301** is amended to read:

169 **20A-11-1301. School board office candidate -- Campaign finance requirements --**  
170 **Candidate as a political action committee officer -- No personal use -- Contribution**  
171 **reporting deadline -- Report other accounts.**

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

175 (ii) A school board office candidate may:

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

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

180 (b) A school board office candidate may not use money deposited in an account

181 described in Subsection (1)(a)(i) for:

182 (i) a personal use expenditure; or

183 (ii) an expenditure prohibited by law.

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

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

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

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

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

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

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

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

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

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

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

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

212 (c) Except as provided in Subsection (6)(d), for each contribution or provision of  
213 public service assistance that a school board office candidate fails to report within the time  
214 period described in Subsection (6)(b), the chief election officer shall impose a fine against the  
215 school board office candidate in an amount equal to:

- 216 (i) the greater of \$50 or 15% of the amount of the contribution; or
- 217 (ii) the greater of \$50 or 15% of the value of the public service assistance.
- 218 (d) A fine described in Subsection (6)(c) may not exceed the amount of the  
219 contribution or the value of the public service assistance to which the fine relates.

220 (e) The chief election officer shall:

- 221 (i) deposit money received under Subsection (6)(c) into the General Fund; and
- 222 (ii) report on the chief election officer's website, in the location where reports relating  
223 to each school board office candidate are available for public access:

224 (A) each fine imposed by the chief election officer against the school board office  
225 candidate;

- 226 (B) the amount of the fine;
- 227 (C) the amount of the contribution to which the fine relates; and
- 228 (D) the date of the contribution.

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

- 231 (i) that is not described in Subsection (1)(a)(i); and
- 232 (ii) into which or from which a person who, as a candidate for an office, other than a  
233 school board office for which the person files a declaration of candidacy or federal office, or as  
234 a holder of an office, other than a school board office for which the person files a declaration of  
235 candidacy or federal office, deposits a contribution or makes an expenditure.

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

- 238 (i) a contribution deposited in an account:
  - 239 (A) since the last campaign finance statement was filed; or
  - 240 (B) that has not been reported under a statute or ordinance that governs the account; or
- 241 (ii) an expenditure made from an account:
  - 242 (A) since the last campaign finance statement was filed; or

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

244 Section 4. Section 20A-12-303 is amended to read:

245 **20A-12-303. Separate account for campaign funds -- Reporting contributions.**

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

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

250 (3) (a) As used in this Subsection (3) and Section 20A-12-305, "received" means:

251 (i) for a cash contribution, that the cash is given to a judge or the judge's personal  
252 campaign committee;

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

255 (iii) for any other type of contribution, that any portion of the contribution's benefit  
256 inures to the judge.

257 (b) The judge or the judge's personal campaign committee shall report to the lieutenant  
258 governor each contribution within 30 days after the contribution is received.

259 (c) Except as provided in Subsection (3)(d), for each contribution that a judge fails to  
260 report within the time period described in Subsection (3)(b), the lieutenant governor shall  
261 impose a fine against the judge in an amount equal to the greater of \$50 or 15% of the amount  
262 of the contribution.

263 (d) A fine described in Subsection (3)(c) may not exceed the amount of the  
264 contribution to which the fine relates.

265 (e) The lieutenant governor shall:

266 (i) deposit money received under Subsection (3)(c) into the General Fund; and

267 (ii) report on the lieutenant governor's website, in the location where reports relating to  
268 each judge are available for public access:

269 (A) each fine imposed by the lieutenant governor against the judge;

270 (B) the amount of the fine;

271 (C) the amount of the contribution to which the fine relates; and

272 (D) the date of the contribution.

273           Section 5. **Effective date.**

274           If approved by two-thirds of all the members elected to each house, this bill takes effect

275 upon approval by the governor, or the day following the constitutional time limit of Utah

276 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,

277 the date of veto override.