

**Representative Jon Cox** proposes the following substitute bill:

**INCORPORATION ELECTION AMENDMENTS**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jon Cox**

Senate Sponsor: Kevin T. Van Tassell

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**LONG TITLE**

**General Description:**

This bill amends provisions related to an election held to determine the incorporation of a city or town.

**Highlighted Provisions:**

This bill:

- ▶ authorizes a county to hold a local special election on the proposed incorporation of a city or town;
- ▶ amends the definitions of "incorporation election" and "incorporation petition"; and
- ▶ makes technical corrections.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**10-2-111**, as last amended by Laws of Utah 2012, Chapter 359

**10-2-127**, as enacted by Laws of Utah 2012, Chapter 359

**20A-1-203**, as last amended by Laws of Utah 2013, Chapters 320 and 415



26 [20A-11-101](#), as last amended by Laws of Utah 2013, Chapters 86, 170, 318, and 420  
27 [20A-11-1203](#), as last amended by Laws of Utah 2008, Chapter 225



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

30 Section 1. Section **10-2-111** is amended to read:

31 **10-2-111. Incorporation election.**

32 (1) (a) At the next regular general election date under Section [20A-1-201](#) more than 60  
33 days after the county legislative body's receipt of the certified petition or certified modified  
34 petition under Subsection [10-2-110\(1\)\(b\)\(i\)](#), or at the next local special election held in  
35 accordance with Section [20A-1-203](#) more than 65 days after the county legislative body's  
36 receipt of the certified petition or certified modified petition under Subsection  
37 [10-2-110\(1\)\(b\)\(i\)](#), the county legislative body shall hold an election on the proposed  
38 incorporation.

39 (b) Unless a person is a registered voter who resides, as defined in Section [20A-1-102](#),  
40 within the boundaries of the proposed city, the person may not vote on the proposed  
41 incorporation.

42 (2) (a) The county clerk shall publish notice of the election:

43 (i) in a newspaper of general circulation within the area proposed to be incorporated at  
44 least once a week for three successive weeks; and

45 (ii) in accordance with Section [45-1-101](#) for three weeks.

46 (b) The notice required by Subsection (2)(a) shall contain:

47 (i) a statement of the contents of the petition;

48 (ii) a description of the area proposed to be incorporated as a city;

49 (iii) a statement of the date and time of the election and the location of polling places;

50 and

51 (iv) the feasibility study summary under Subsection [10-2-106\(3\)\(b\)](#) and a statement  
52 that a full copy of the study is available for inspection and copying at the office of the county  
53 clerk.

54 (c) The last publication of notice required under Subsection (2)(a) shall occur at least  
55 one day but no more than seven days before the election.

56 (d) (i) In accordance with Subsection (2)(a)(i), if there is no newspaper of general

57 circulation within the proposed city, the county clerk shall post at least one notice of the  
58 election per 1,000 population in conspicuous places within the proposed city that are most  
59 likely to give notice of the election to the voters of the proposed city.

60 (ii) The clerk shall post the notices under Subsection (2)(d)(i) at least seven days before  
61 the election under Subsection (1).

62 (3) If a majority of those casting votes within the area boundaries of the proposed city  
63 vote to incorporate as a city, the area shall incorporate.

64 Section 2. Section 10-2-127 is amended to read:

65 **10-2-127. Incorporation of town -- Election to incorporate -- Ballot form.**

66 (1) (a) At the next regular general election, as defined in Section 20A-1-102, more than  
67 60 days after the public hearing described in Section 10-2-126, or at the next local special  
68 election held in accordance with Section 20A-1-203 at least 65 days after the public hearing  
69 described in Section 10-2-126, the county legislative body shall hold an election on the  
70 proposed incorporation unless prohibited under the provisions of Section 10-2-126.

71 (b) Unless a person is a registered voter who resides, as defined in Section 20A-1-102,  
72 within the boundaries of the proposed town, the person may not vote on the proposed  
73 incorporation.

74 (2) (a) The county clerk shall publish notice of the election:

75 (i) in a newspaper of general circulation, within the area proposed to be incorporated,  
76 at least once a week for three successive weeks; and

77 (ii) in accordance with Section 45-1-101 for three weeks.

78 (b) The notice required by Subsection (2)(a) shall contain:

79 (i) a statement of the contents of the petition;

80 (ii) a description of the area proposed to be incorporated as a town;

81 (iii) a statement of the date and time of the election and the location of polling places;

82 and

83 (iv) the county Internet website address, if applicable, and the address of the county  
84 office where the feasibility study is available for review.

85 (c) The last publication of notice required under Subsection (2)(a) shall occur at least  
86 one day but no more than seven days before the election.

87 (d) (i) In accordance with Subsection (2)(a)(i), if there is no newspaper of general

88 circulation within the proposed town, the county clerk shall post at least one notice of the  
89 election per 100 population in conspicuous places within the proposed town that are most  
90 likely to give notice of the election to the voters of the proposed town.

91 (ii) The clerk shall post the notices under Subsection (2)(d)(i) at least seven days before  
92 the election under Subsection (1)(a).

93 (3) The ballot at the incorporation election shall pose the incorporation question  
94 substantially as follows:

95 Shall the area described as (insert a description of the proposed town) be incorporated  
96 as the town of (insert the proposed name of the proposed town)?

97 (4) The ballot shall provide a space for the voter to answer yes or no to the question in  
98 Subsection (3).

99 (5) If a majority of those casting votes within the area boundaries of the proposed town  
100 vote to incorporate as a town, the area shall incorporate.

101 Section 3. Section **20A-1-203** is amended to read:

102 **20A-1-203. Calling and purpose of special elections -- Two-thirds vote**  
103 **limitations.**

104 (1) Statewide and local special elections may be held for any purpose authorized by  
105 law.

106 (2) (a) Statewide special elections shall be conducted using the procedure for regular  
107 general elections.

108 (b) Except as otherwise provided in this title, local special elections shall be conducted  
109 using the procedures for regular municipal elections.

110 (3) The governor may call a statewide special election by issuing an executive order  
111 that designates:

112 (a) the date for the statewide special election; and

113 (b) the purpose for the statewide special election.

114 (4) The Legislature may call a statewide special election by passing a joint or  
115 concurrent resolution that designates:

116 (a) the date for the statewide special election; and

117 (b) the purpose for the statewide special election.

118 (5) (a) The legislative body of a local political subdivision may call a local special

- 119 election only for:
- 120 (i) a vote on a bond or debt issue;
- 121 (ii) a vote on a voted local levy authorized by Section 53A-16-110 or 53A-17a-133;
- 122 (iii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - Procedures;
- 123 (iv) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;
- 124 (v) if required or authorized by federal law, a vote to determine whether or not Utah's
- 125 legal boundaries should be changed;
- 126 (vi) a vote authorized or required by Title 59, Chapter 12, Sales and Use Tax Act;
- 127 (vii) a vote to elect members to school district boards for a new school district and a
- 128 remaining school district, as defined in Section 53A-2-117, following the creation of a new
- 129 school district under Section 53A-2-118.1;
- 130 (viii) an election of town officers of a newly incorporated town under Section
- 131 10-2-128;
- 132 (ix) an election of officers for a new city under Section 10-2-116;
- 133 (x) a vote on a municipality providing cable television services or public
- 134 telecommunications services under Section 10-18-204;
- 135 (xi) a vote to create a new county under Section 17-3-1;
- 136 (xii) a vote on the creation of a study committee under Sections 17-52-202 and
- 137 17-52-203.5; [or]
- 138 (xiii) a vote on a special property tax under Section 53A-16-110[-];
- 139 (xiv) a vote on the incorporation of a city in accordance with Section 10-2-111; or
- 140 (xv) a vote on the incorporation of a town in accordance with Section 10-2-127.
- 141 (b) The legislative body of a local political subdivision may call a local special election
- 142 by adopting an ordinance or resolution that designates:
- 143 (i) the date for the local special election as authorized by Section 20A-1-204; and
- 144 (ii) the purpose for the local special election.
- 145 (c) A local political subdivision may not call a local special election unless the
- 146 ordinance or resolution calling a local special election under Subsection (5)(b) is adopted by a
- 147 two-thirds majority of all members of the legislative body, if the local special election is for:
- 148 (i) a vote on a bond or debt issue as described in Subsection (5)(a)(i);
- 149 (ii) a vote on a voted leeway or levy program as described in Subsection (5)(a)(ii); or

150 (iii) a vote authorized or required for a sales tax issue as described in Subsection  
151 (5)(a)(vi).

152 Section 4. Section **20A-11-101** is amended to read:

153 **20A-11-101. Definitions.**

154 As used in this chapter:

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

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

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

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

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

165 (4) "Chief election officer" means:

166 (a) the lieutenant governor for state office candidates, legislative office candidates,  
167 officeholders, political parties, political action committees, corporations, political issues  
168 committees, state school board candidates, judges, and labor organizations, as defined in  
169 Section [20A-11-1501](#); and

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

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

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

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

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

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

180 (v) remuneration from:

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

182 or

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

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

185 market value.

186 (b) "Contribution" does not include:

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

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

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

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

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

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

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

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

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

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

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

208 (b) "Corporation" does not mean:

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

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

211 (8) "County political party" means, for each registered political party, all of the persons

212 within a single county who, under definitions established by the political party, are members of  
213 the registered political party.

214 (9) "County political party officer" means a person whose name is required to be  
215 submitted by a county political party to the lieutenant governor in accordance with Section  
216 [20A-8-402](#).

217 (10) "Detailed listing" means:

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

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

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

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

223 (b) for each expenditure:

224 (i) the amount of the expenditure;

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

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

227 (iv) the date the expenditure was made.

228 (11) (a) "Donor" means a person that gives money, including a fee, due, or assessment  
229 for membership in the corporation, to a corporation without receiving full and adequate  
230 consideration for the money.

231 (b) "Donor" does not include a person that signs a statement that the corporation may  
232 not use the money for an expenditure or political issues expenditure.

233 (12) "Election" means each:

234 (a) regular general election;

235 (b) regular primary election; and

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

237 (13) "Electioneering communication" means a communication that:

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

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

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



243 (14) (a) "Expenditure" means:

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

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

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

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

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

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

257 (b) "Expenditure" does not include:

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

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

262 (iii) anything listed in Subsection (14)(a) that is given by a reporting entity to  
263 candidates for office or officeholders in states other than Utah.

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

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

268 (17) "Financial statement" includes any summary report, interim report, verified  
269 financial statement, or other statement disclosing contributions, expenditures, receipts,  
270 donations, or disbursements that is required by this chapter or Chapter 12, Part 2, Judicial  
271 Retention Elections.

272 (18) "Governing board" means the individual or group of individuals that determine the  
273 candidates and committees that will receive expenditures from a political action committee,

274 political party, or corporation.

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

277 (20) "Incorporation election" means the election authorized by Section [10-2-111](#) or  
278 [10-2-127](#).

279 (21) "Incorporation petition" means a petition authorized by Section [10-2-109](#) or  
280 [10-2-125](#).

281 (22) "Individual" means a natural person.

282 (23) "Interim report" means a report identifying the contributions received and  
283 expenditures made since the last report.

284 (24) "Legislative office" means the office of state senator, state representative, speaker  
285 of the House of Representatives, president of the Senate, and the leader, whip, and assistant  
286 whip of any party caucus in either house of the Legislature.

287 (25) "Legislative office candidate" means a person who:

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

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

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

295 (26) "Major political party" means either of the two registered political parties that  
296 have the greatest number of members elected to the two houses of the Legislature.

297 (27) "Officeholder" means a person who holds a public office.

298 (28) "Party committee" means any committee organized by or authorized by the  
299 governing board of a registered political party.

300 (29) "Person" means both natural and legal persons, including individuals, business  
301 organizations, personal campaign committees, party committees, political action committees,  
302 political issues committees, and labor organizations, as defined in Section [20A-11-1501](#).

303 (30) "Personal campaign committee" means the committee appointed by a candidate to  
304 act for the candidate as provided in this chapter.

305 (31) "Personal use expenditure" has the same meaning as provided under Section  
306 20A-11-104.

307 (32) (a) "Political action committee" means an entity, or any group of individuals or  
308 entities within or outside this state, a major purpose of which is to:

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

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

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

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

317 (i) a party committee;

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

320 (iii) an individual;

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

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

325 (vi) a personal campaign committee.

326 (33) "Political convention" means a county or state political convention held by a  
327 registered political party to select candidates.

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

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

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

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

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

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

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

342 (iii) an individual;

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

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

347 (35) (a) "Political issues contribution" means any of the following:

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

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

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

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

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

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

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

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

363 (36) (a) "Political issues expenditure" means any of the following:

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

366 (A) a ballot proposition; or

367 (B) an incorporation petition or incorporation election;  
368 (ii) a purchase, payment, distribution, loan, advance, deposit, or gift of money made for  
369 the express purpose of influencing the approval or the defeat of:  
370 (A) a ballot proposition; or  
371 (B) an incorporation petition or incorporation election;  
372 (iii) an express, legally enforceable contract, promise, or agreement to make any  
373 political issues expenditure;  
374 (iv) compensation paid by a reporting entity for personal services rendered by a person  
375 without charge to a political issues committee; or  
376 (v) goods or services provided to or for the benefit of another reporting entity at less  
377 than fair market value.  
378 (b) "Political issues expenditure" does not include:  
379 (i) services provided without compensation by individuals volunteering a portion or all  
380 of their time on behalf of a political issues committee; or  
381 (ii) money lent to a political issues committee by a financial institution in the ordinary  
382 course of business.  
383 (37) "Political purposes" means an act done with the intent or in a way to influence or  
384 tend to influence, directly or indirectly, any person to refrain from voting or to vote for or  
385 against any candidate or a person seeking a municipal or county office at any caucus, political  
386 convention, or election.  
387 (38) (a) "Poll" means the survey of a person regarding the person's opinion or  
388 knowledge of an individual who has filed a declaration of candidacy for public office, or of a  
389 ballot proposition that has legally qualified for placement on the ballot, which is conducted in  
390 person or by telephone, facsimile, Internet, postal mail, or email.  
391 (b) "Poll" does not include:  
392 (i) a ballot; or  
393 (ii) an interview of a focus group that is conducted, in person, by one individual, if:  
394 (A) the focus group consists of more than three, and less than thirteen, individuals; and  
395 (B) all individuals in the focus group are present during the interview.  
396 (39) "Primary election" means any regular primary election held under the election  
397 laws.

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

402 (41) (a) "Public service assistance" means the following when given or provided to an  
403 officeholder to defray the costs of functioning in a public office or aid the officeholder to  
404 communicate with the officeholder's constituents:

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

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

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

410 (i) anything provided by the state;

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

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

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

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

419 (42) "Publicly identified class of individuals" means a group of 50 or more individuals  
420 sharing a common occupation, interest, or association that contribute to a political action  
421 committee or political issues committee and whose names can be obtained by contacting the  
422 political action committee or political issues committee upon whose financial statement the  
423 individuals are listed.

424 (43) "Receipts" means contributions and public service assistance.

425 (44) "Registered lobbyist" means a person registered under Title 36, Chapter 11,  
426 Lobbyist Disclosure and Regulation Act.

427 (45) "Registered political action committee" means any political action committee that  
428 is required by this chapter to file a statement of organization with the Office of the Lieutenant

429 Governor.

430 (46) "Registered political issues committee" means any political issues committee that  
431 is required by this chapter to file a statement of organization with the Office of the Lieutenant  
432 Governor.

433 (47) "Registered political party" means an organization of voters that:

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

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

439 (48) (a) "Remuneration" means a payment:

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

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

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

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

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

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

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

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

452 (50) "School board office" means the office of state school board or local school board.

453 (51) (a) "Source" means the person or entity that is the legal owner of the tangible or  
454 intangible asset that comprises the contribution.

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

458 (52) "State office" means the offices of governor, lieutenant governor, attorney general,  
459 state auditor, and state treasurer.

460 (53) "State office candidate" means a person who:

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

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

465 (54) "Summary report" means the year end report containing the summary of a  
466 reporting entity's contributions and expenditures.

467 (55) "Supervisory board" means the individual or group of individuals that allocate  
468 expenditures from a political issues committee.

469 Section 5. Section **20A-11-1203** is amended to read:

470 **20A-11-1203. Public entity prohibited from expending public funds on certain**  
471 **electoral matters.**

472 (1) Unless specifically required by law, a public entity may not make an expenditure  
473 from public funds for political purposes or to influence a ballot proposition.

474 (2) Nothing in this chapter prohibits a public official from speaking, campaigning,  
475 contributing personal money, or otherwise exercising the public official's individual First  
476 Amendment rights for political purposes.

477 (3) Nothing in this chapter prohibits a public entity from providing factual information  
478 about a ballot proposition to the public, so long as the information grants equal access to both  
479 the opponents and proponents of the ballot proposition.

480 (4) Nothing in this chapter prohibits a public entity from the neutral encouragement of  
481 voters to vote.

482 [~~(5) Nothing in this chapter prohibits a public entity from preparing information~~  
483 ~~analyzing the pros and cons of a ballot proposition when requested to do so by the public~~  
484 ~~entity's governing body.]~~

485 [(~~6~~)] (5) Nothing in this chapter prohibits an elected official from campaigning or  
486 advocating for or against a ballot proposition.

487 [(~~7~~)] (6) A violation of this section does not invalidate an otherwise valid election.