POLITICAL ISSUES COMMITTEE AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brian M. Greene

Senate Sponsor: Alvin B. Jackson

LONG TITLE

General Description:

This bill amends the Election Code in relation to the definition of, and the requirements placed on, a political issues committee.

Highlighted Provisions:

This bill:

- provides that a political issues committee does not include certain associations of individuals who seek to challenge a single ballot proposition, ordinance, or other governmental action of a county, city, town, local district, special service district, or other local political subdivision of the state; and
- changes the amount of political issues expenditures that trigger the requirement for a political issues committee to file a statement of organization and a financial report.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 20A-11-101, as last amended by Laws of Utah 2014, Chapters 18, 158, and 337
- 20A-11-801, as last amended by Laws of Utah 2008, Chapter 225
- 20A-11-802, as last amended by Laws of Utah 2013, Chapter 420
30 Be it enacted by the Legislature of the state of Utah:
31 Section 1. Section 20A-11-101 is amended to read:
33 As used in this chapter:
34 (1) "Address" means the number and street where an individual resides or where a
35 reporting entity has its principal office.
36 (2) "Agent of a reporting entity" means:
37 (a) a person acting on behalf of a reporting entity at the direction of the reporting
38 entity;
39 (b) a person employed by a reporting entity in the reporting entity's capacity as a
40 reporting entity;
41 (c) the personal campaign committee of a candidate or officeholder;
42 (d) a member of the personal campaign committee of a candidate or officeholder in the
43 member's capacity as a member of the personal campaign committee of the candidate or
44 officeholder; or
45 (e) a political consultant of a reporting entity.
46 (3) "Ballot proposition" includes initiatives, referenda, proposed constitutional
47 amendments, and any other ballot propositions submitted to the voters that are authorized by
48 the Utah Code Annotated 1953.
49 (4) "Candidate" means any person who:
50 (a) files a declaration of candidacy for a public office; or
51 (b) receives contributions, makes expenditures, or gives consent for any other person to
52 receive contributions or make expenditures to bring about the person's nomination or election
53 to a public office.
54 (5) "Chief election officer" means:
55 (a) the lieutenant governor for state office candidates, legislative office candidates,
56 officeholders, political parties, political action committees, corporations, political issues
57 committees, state school board candidates, judges, and labor organizations, as defined in
(b) the county clerk for local school board candidates.

(6) (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
close 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;

(vi) a loan made by a candidate deposited to the candidate's own campaign; and

(vii) in-kind contributions.

(b) "Contribution" does not include:

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

(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.

(7) "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;
(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.

(8) (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.

(9) "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.

(10) "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.

(11) "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.
(12) (a) "Donor" means a person that gives money, including a fee, due, or assessment
for membership in the corporation, to a corporation without receiving full and adequate
consideration for the money.
(b) "Donor" does not include a person that signs a statement that the corporation may
not use the money for an expenditure or political issues expenditure.
(13) "Election" means each:
(a) regular general election;
(b) regular primary election; and
(c) special election at which candidates are eliminated and selected.
(14) "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.
(15) (a) "Expenditure" means any of the following made by a reporting entity or an
agent of a reporting entity on behalf of the reporting entity:
(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 (15)(a) that is given by a reporting entity to candidates for office or officeholders in states other than Utah.

(16) "Federal office" means the office of president of the United States, United States Senator, or United States Representative.

(17) "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.

(18) "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.

(19) "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.

(20) "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.

(21) "Incorporation election" means the election authorized by Section 10-2-111 or 10-2-127.
(22) "Incorporation petition" means a petition authorized by Section 10-2-109 or 10-2-125.

(23) "Individual" means a natural person.

(24) "In-kind contribution" means anything of value, other than money, that is accepted by or coordinated with a filing entity.

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

(26) "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.

(27) "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, election, or appointment to a legislative office.

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

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

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

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

(32) "Personal campaign committee" means the committee appointed by a candidate to act for the candidate as provided in this chapter.
(33) "Personal use expenditure" has the same meaning as provided under Section 20A-11-104.

(34) (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.

(35) (a) "Political consultant" means a person who is paid by a reporting entity, or paid by another person on behalf of and with the knowledge of the reporting entity, to provide political advice to the reporting entity.

(b) "Political consultant" includes a circumstance described in Subsection (35)(a), where the person:
(i) has already been paid, with money or other consideration;
(ii) expects to be paid in the future, with money or other consideration; or
(iii) understands that the person may, in the discretion of the reporting entity or another
person on behalf of and with the knowledge of the reporting entity, be paid in the future, with
money or other consideration.

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

(37) (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
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[; or]

(vi) a group of individuals who:

(A) associate together for the purpose of challenging a single ballot proposition,
ordinance, or other governmental action by a county, city, town, local district, special service
district, or other local political subdivision of the state;
(B) have a common liberty, property, or financial interest that is directly impacted by
the ballot proposition, ordinance, or other governmental action;
(C) do not associate together, for the purpose described in Subsection (37)(b)(vi)(A),
via a legal entity;
(D) do not receive funds for challenging the ballot proposition, ordinance, or other
governmental action from a person other than an individual in the group; and
(E) do not expend a total of more than $5,000 for the purpose described in Subsection
(37)(b)(vi)(A).

(38) (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
course of business.

(39) (a) "Political issues expenditure" means any of the following when made by a
political issues committee or on behalf of a political issues committee by an agent of the
reporting entity:
(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.

(40) "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.

(41) (a) "Poll" means the survey of a person regarding the person's opinion or

knowledge of an individual who has filed a declaration of candidacy for public office, or of a

ballot proposition that has legally qualified for placement on the ballot, which is conducted in

person or by telephone, facsimile, Internet, postal mail, or email.

(b) "Poll" does not include:

(i) a ballot; or
(ii) an interview of a focus group that is conducted, in person, by one individual, if:
(A) the focus group consists of more than three, and less than thirteen, individuals; and
(B) all individuals in the focus group are present during the interview.

(42) "Primary election" means any regular primary election held under the election laws.

[(45)] (43) "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.

[(43)] (44) "Public office" means the office of governor, lieutenant governor, state auditor, state treasurer, attorney general, state 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.

[(44)] (45) (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.

(46) "Receipts" means contributions and public service assistance.

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

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

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

(50) "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.

(51) (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.

(52) "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.

(53) "School board office" means the office of state school board.

(54) (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.

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

(56) "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 receive contributions or make expenditures to bring about the person's nomination, election, or appointment to a state office.

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

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

Section 2. Section 20A-11-801 is amended to read:

20A-11-801. Political issues committees -- Registration -- Criminal penalty for providing false information or accepting unlawful contribution.

(1) (a) Each political issues committee shall file a statement of organization with the lieutenant governor's office by January 10 of each year, unless the political issues committee has filed a notice of dissolution under Subsection (4).

(b) If a political issues committee is organized after the January 10 filing date, the political issues committee shall file an initial statement of organization no later than seven days...
after:

(i) receiving political issues contributions totaling at least $750; or
(ii) disbursing political issues expenditures totaling at least $750.

(2) Each political issues committee shall designate two officers that have primary
decision-making authority for the political issues committee.

(3) The statement of organization shall include:

(a) the name and street address of the political issues committee;
(b) the name, street address, phone number, occupation, and title of the two primary
officers designated under Subsection (2);
(c) the name, street address, occupation, and title of all other officers of the political
issues committee;
(d) the name and street address of the organization, individual, corporation,
association, unit of government, or union that the political issues committee represents, if any;
(e) the name and street address of all affiliated or connected organizations and their
relationships to the political issues committee;
(f) the name, street address, business address, occupation, and phone number of the
committee's treasurer or chief financial officer;
(g) the name, street address, and occupation of each member of the supervisory and
advisory boards, if any; and
(h) the ballot proposition whose outcome they wish to affect, and whether they support
or oppose it.

(4) (a) Any registered political issues committee that intends to permanently cease
operations during a calendar year shall file a notice of dissolution with the lieutenant governor's
office.
(b) Any notice of dissolution filed by a political issues committee does not exempt that
political issues committee from complying with the financial reporting requirements of this
chapter.

(5) (a) Unless the political issues committee has filed a notice of dissolution under
Subsection (4), a political issues committee shall file, with the lieutenant governor's office, notice of any change of an officer described in Subsection (2).

(b) Notice of a change of a primary officer described in Subsection (2) shall:

(i) be filed within 10 days of the date of the change; and

(ii) contain the name and title of the officer being replaced and the name, street address, occupation, and title of the new officer.

(6) (a) A person is guilty of providing false information in relation to a political issues committee if the person intentionally or knowingly gives false or misleading material information in the statement of organization or the notice of change of primary officer.

(b) Each primary officer designated in Subsection (2) is guilty of accepting an unlawful contribution if the political issues committee knowingly or recklessly accepts a contribution from a corporation that:

(i) was organized less than 90 days before the date of the general election; and

(ii) at the time the political issues committee accepts the contribution, has failed to file a statement of organization with the lieutenant governor's office as required by Section 20A-11-704.

(c) A violation of this Subsection (6) is a third degree felony.

Section 3. Section 20A-11-802 is amended to read:


(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 $750, 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 state political convention of each major political party;

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

(iv) seven days before the date of an incorporation election, if the political issues
committee has received donations or made disbursements to affect an incorporation;
(v) at least three days before the first public hearing held as required by Section 20A-7-204.1;
(vi) 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;
(vii) on August 31; and
(viii) seven days before:
(A) the municipal general election; and
(B) 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 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;
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
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.