

1 **CAMPAIGN FINANCE REPORTING REVISIONS**

2 2015 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Craig Hall**

5 Senate Sponsor: Aaron Osmond

7 **LONG TITLE**

8 **General Description:**

9 This bill removes the minimum \$50 fine imposed against certain reporting entities that
10 fail to report a contribution.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ removes the minimum \$50 fine imposed against certain reporting entities that fail to
- 14 report a contribution; and
- 15 ▶ makes conforming changes.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **20A-11-201**, as last amended by Laws of Utah 2014, Chapter 335

23 **20A-11-301**, as last amended by Laws of Utah 2014, Chapter 335

24 **20A-11-1301**, as last amended by Laws of Utah 2014, Chapters 335 and 337

25 **20A-12-303**, as last amended by Laws of Utah 2014, Chapter 335

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

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

29 **20A-11-201. State office candidate -- Separate bank account for campaign funds**

30 -- No personal use -- Contribution reporting deadline -- Report other accounts.

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

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

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

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

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

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

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

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

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

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

57 (iii) for any other type of contribution, that any portion of the contribution's benefit

58 inures to the state office candidate.

59 (b) Each state office candidate shall report to the lieutenant governor each contribution
60 and public service assistance received by the state office candidate:

61 (i) except as provided in Subsection (5)(b)(ii), within 30 days after the day on which
62 the contribution or public service assistance is received; or

63 (ii) within three business days after the day on which the contribution or public service
64 assistance is received, if:

65 (A) the state office candidate is contested in a convention and the contribution or
66 public service assistance is received within 30 days before the day on which the convention is
67 held;

68 (B) the state office candidate is contested in a primary election and the contribution or
69 public service assistance is received within 30 days before the day on which the primary
70 election is held; or

71 (C) the state office candidate is contested in a general election and the contribution or
72 public service assistance is received within 30 days before the day on which the general
73 election is held.

74 (c) ~~[Except as provided in Subsection (5)(d), for]~~ For each contribution or provision of
75 public service assistance that a state office candidate fails to report within the time period
76 described in Subsection (5)(b), the lieutenant governor shall impose a fine against the state
77 office candidate in an amount equal to:

78 (i) ~~[the greater of \$50 or]~~ 15% of the amount of the contribution; or

79 (ii) ~~[the greater of \$50 or]~~ 15% of the value of the public service assistance.

80 ~~[(d) A fine described in Subsection (5)(c) may not exceed the amount of the
81 contribution or the value of the public service assistance to which the fine relates.]~~

82 ~~[(e)]~~ (d) The lieutenant governor shall:

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

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

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

87 (B) the amount of the fine;

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

89 (D) the date of the contribution.

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

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

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

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

99 (i) a contribution deposited in an account:

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

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

102 (ii) an expenditure made from an account:

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

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

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

106 **20A-11-301. Legislative office candidate -- Campaign finance requirements --**

107 **Candidate as a political action committee officer -- No personal use -- Contribution**

108 **reporting deadline -- Report other accounts.**

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

112 (ii) A legislative office candidate may:

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

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

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

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

119 (i) a personal use expenditure; or

120 (ii) an expenditure prohibited by law.

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

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

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

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

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

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

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

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

142 (b) Each legislative office candidate shall report to the lieutenant governor each
143 contribution and public service assistance received by the legislative office candidate:

144 (i) except as provided in Subsection (5)(b)(ii), within 30 days after the day on which
145 the contribution or public service assistance is received; or

146 (ii) within three business days after the day on which the contribution or public service
147 assistance is received, if:

148 (A) the legislative office candidate is contested in a convention and the contribution or
149 public service assistance is received within 30 days before the day on which the convention is
150 held;

151 (B) the legislative office candidate is contested in a primary election and the
152 contribution or public service assistance is received within 30 days before the day on which the
153 primary election is held; or

154 (C) the legislative office candidate is contested in a general election and the
155 contribution or public service assistance is received within 30 days before the day on which the
156 general election is held.

157 (c) ~~[Except as provided in Subsection (5)(d), for]~~ For each contribution or provision of
158 public service assistance that a legislative office candidate fails to report within the time period
159 described in Subsection (5)(b), the lieutenant governor shall impose a fine against the
160 legislative office candidate in an amount equal to:

161 (i) ~~[the greater of \$50 or]~~ 15% of the amount of the contribution; or

162 (ii) ~~[the greater of \$50 or]~~ 15% of the value of the public service assistance.

163 ~~[(d) A fine described in Subsection (5)(c) may not exceed the amount of the
164 contribution or the value of the public service assistance to which the fine relates.]~~

165 ~~[(e)]~~ (d) The lieutenant governor shall:

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

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

169 (A) each fine imposed by the lieutenant governor against the legislative office

170 candidate;

171 (B) the amount of the fine;

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

173 (D) the date of the contribution.

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

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

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

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

183 (i) a contribution deposited in an account:

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

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

186 (ii) an expenditure made from an account:

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

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

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

190 **20A-11-1301. School board office candidate -- Campaign finance requirements --**

191 **Candidate as a political action committee officer -- No personal use -- Contribution**

192 **reporting deadline -- Report other accounts.**

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

196 (ii) A school board office candidate may:

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

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

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

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

203 (i) a personal use expenditure; or

204 (ii) an expenditure prohibited by law.

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

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

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

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

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

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

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

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

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

228 (b) Each school board office candidate shall report to the chief election officer each
229 contribution and public service assistance received by the school board office candidate:

230 (i) except as provided in Subsection (6)(b)(ii), within 30 days after the day on which
231 the contribution or public service assistance is received; or

232 (ii) within three business days after the day on which the contribution or public service
233 assistance is received, if:

234 (A) the school board office candidate is contested in a primary election and the
235 contribution or public service assistance is received within 30 days before the day on which the
236 primary election is held; or

237 (B) the school board office candidate is contested in a general election and the
238 contribution or public service assistance is received within 30 days before the day on which the
239 general election is held.

240 (c) [~~Except as provided in Subsection (6)(d), for~~] For each contribution or provision of
241 public service assistance that a school board office candidate fails to report within the time
242 period described in Subsection (6)(b), the chief election officer shall impose a fine against the
243 school board office candidate in an amount equal to:

244 (i) [~~the greater of \$50 or~~] 15% of the amount of the contribution; or

245 (ii) [~~the greater of \$50 or~~] 15% of the value of the public service assistance.

246 [~~(d) A fine described in Subsection (6)(c) may not exceed the amount of the~~
247 ~~contribution or the value of the public service assistance to which the fine relates.]~~

248 [~~(e)~~] (d) The chief election officer shall:

249 (i) deposit money received under Subsection (6)(c) into the General Fund; and

250 (ii) report on the chief election officer's website, in the location where reports relating
251 to each school board office candidate are available for public access:

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

- 254 (B) the amount of the fine;
- 255 (C) the amount of the contribution to which the fine relates; and
- 256 (D) the date of the contribution.
- 257 (7) (a) As used in this Subsection (7), "account" means an account in a financial
- 258 institution:
- 259 (i) that is not described in Subsection (1)(a)(i); and
- 260 (ii) into which or from which a person who, as a candidate for an office, other than a
- 261 school board office for which the person files a declaration of candidacy or federal office, or as
- 262 a holder of an office, other than a school board office for which the person files a declaration of
- 263 candidacy or federal office, deposits a contribution or makes an expenditure.
- 264 (b) A school board office candidate shall include on any financial statement filed in
- 265 accordance with this part:
- 266 (i) a contribution deposited in an account:
- 267 (A) since the last campaign finance statement was filed; or
- 268 (B) that has not been reported under a statute or ordinance that governs the account; or
- 269 (ii) an expenditure made from an account:
- 270 (A) since the last campaign finance statement was filed; or
- 271 (B) that has not been reported under a statute or ordinance that governs the account.
- 272 Section 4. Section **20A-12-303** is amended to read:
- 273 **20A-12-303. Separate account for campaign funds -- Reporting contributions.**
- 274 (1) The judge or the judge's personal campaign committee shall deposit each
- 275 contribution in one or more separate personal campaign accounts in a financial institution.
- 276 (2) The judge or the judge's personal campaign committee may not deposit or mingle
- 277 any contributions received into a personal or business account.
- 278 (3) (a) As used in this Subsection (3) and Section **20A-12-305**, "received" means:
- 279 (i) for a cash contribution, that the cash is given to a judge or the judge's personal
- 280 campaign committee;
- 281 (ii) for a contribution that is a negotiable instrument or check, that the negotiable

282 instrument or check is negotiated; and

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

285 (b) The judge or the judge's personal campaign committee shall report to the lieutenant
286 governor each contribution received by the judge, within 30 days after the day on which the
287 contribution is received.

288 (c) ~~[Except as provided in Subsection (3)(d), for]~~ For each contribution that a judge
289 fails to report within the time period described in Subsection (3)(b), the lieutenant governor
290 shall impose a fine against the judge in an amount equal to ~~[the greater of \$50 or]~~ 15% of the
291 amount of the contribution.

292 ~~[(d) A fine described in Subsection (3)(c) may not exceed the amount of the~~
293 ~~contribution to which the fine relates.]~~

294 ~~[(e)]~~ (d) The lieutenant governor shall:

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

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

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

299 (B) the amount of the fine;

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

301 (D) the date of the contribution.