

Representative Craig Hall proposes the following substitute bill:

CAMPAIGN FINANCE REPORTING REVISIONS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Craig Hall

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions relating to reporting contributors.

Highlighted Provisions:

This bill:

- ▶ modifies the fine imposed against certain reporting entities that fail to report a contribution;
- ▶ amends provisions relating to the reporting of in-kind contributions; and
- ▶ makes conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

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

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



26 ENACTS:

27 **20A-11-1801**, Utah Code Annotated 1953

28

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

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

31 **20A-11-201. State office candidate -- Separate bank account for campaign funds**
32 **-- No personal use -- Contribution reporting deadline -- Report other accounts.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 88 (A) each fine imposed by the lieutenant governor against the state office candidate;
- 89 (B) the amount of the fine;
- 90 (C) the amount of the contribution to which the fine relates; and
- 91 (D) the date of the contribution.

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

- 94 (i) that is not described in Subsection (1)(a); and
- 95 (ii) into which or from which a person who, as a candidate for an office, other than the
96 state office for which the person files a declaration of candidacy or federal office, or as a holder
97 of an office, other than a state office for which the person files a declaration of candidacy or
98 federal office, deposits a contribution or makes an expenditure.

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

- 101 (i) a contribution deposited in an account:
 - 102 (A) since the last campaign finance statement was filed; or
 - 103 (B) that has not been reported under a statute or ordinance that governs the account; or
- 104 (ii) an expenditure made from an account:
 - 105 (A) since the last campaign finance statement was filed; or
 - 106 (B) that has not been reported under a statute or ordinance that governs the account.

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

108 **20A-11-301. Legislative office candidate -- Campaign finance requirements --**
109 **Candidate as a political action committee officer -- No personal use -- Contribution**
110 **reporting deadline -- Report other accounts.**

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

114 (ii) A legislative office candidate may:

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

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

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

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

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

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

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

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

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

- 138 (i) for a cash contribution, that the cash is given to a legislative office candidate or a
139 member of the candidate's personal campaign committee;
140 (ii) for a contribution that is a negotiable instrument or check, that the negotiable
141 instrument or check is negotiated; and
142 (iii) for any other type of contribution, that any portion of the contribution's benefit
143 inures to the legislative office candidate.

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

- 146 (i) except as provided in Subsection (5)(b)(ii), within 30 days after the day on which
147 the contribution or public service assistance is received; or
148 (ii) within three business days after the day on which the contribution or public service
149 assistance is received, if:

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

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

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

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

- 163 (i) ~~[the greater of \$50 or]~~ 15% of the amount of the contribution; or
- 164 (ii) ~~[the greater of \$50 or]~~ 15% of the value of the public service assistance.

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

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

- 168 (i) deposit money received under Subsection (5)(c) into the General Fund; and
- 169 (ii) report on the lieutenant governor's website, in the location where reports relating to
170 each legislative office candidate are available for public access:

171 (A) each fine imposed by the lieutenant governor against the legislative office
172 candidate;

173 (B) the amount of the fine;

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

175 (D) the date of the contribution.

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

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

179 (ii) into which or from which a person who, as a candidate for an office, other than a
180 legislative office for which the person files a declaration of candidacy or federal office, or as a

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

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

185 (i) a contribution deposited in an account:

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

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

188 (ii) an expenditure made from an account:

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

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

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

192 **20A-11-1301. School board office candidate -- Campaign finance requirements --**
193 **Candidate as a political action committee officer -- No personal use -- Contribution**
194 **reporting deadline -- Report other accounts.**

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

198 (ii) A school board office candidate may:

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

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

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

205 (i) a personal use expenditure; or

206 (ii) an expenditure prohibited by law.

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

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

211 (4) If a person who is no longer a school board candidate chooses not to expend the

212 money remaining in a campaign account, the person shall continue to file the year-end
213 summary report required by Section 20A-11-1302 until the statement of dissolution and final
214 summary report required by Section 20A-11-1304 are filed with the lieutenant governor.

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

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

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

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

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

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

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

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

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

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

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

242 (c) ~~[Except as provided in Subsection (6)(d), for]~~ For each contribution or provision of

243 public service assistance that a school board office candidate fails to report within the time
244 period described in Subsection (6)(b), the chief election officer shall impose a fine against the
245 school board office candidate in an amount equal to:

- 246 (i) ~~[the greater of \$50 or]~~ 15% of the amount of the contribution; or
- 247 (ii) ~~[the greater of \$50 or]~~ 15% of the value of the public service assistance.

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

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

- 251 (i) deposit money received under Subsection (6)(c) into the General Fund; and
- 252 (ii) report on the chief election officer's website, in the location where reports relating

253 to each school board office candidate are available for public access:

- 254 (A) each fine imposed by the chief election officer against the school board office
- 255 candidate;
- 256 (B) the amount of the fine;
- 257 (C) the amount of the contribution to which the fine relates; and
- 258 (D) the date of the contribution.

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

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

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

- 268 (i) a contribution deposited in an account:
 - 269 (A) since the last campaign finance statement was filed; or
 - 270 (B) that has not been reported under a statute or ordinance that governs the account; or
- 271 (ii) an expenditure made from an account:
 - 272 (A) since the last campaign finance statement was filed; or
 - 273 (B) that has not been reported under a statute or ordinance that governs the account.

274 Section 4. Section 20A-11-1801 is enacted to read:

275 **Part 18. In-kind Contributions**

276 **20A-11-1801. Receipt of an in-kind contribution -- Notice.**

277 (1) A person that makes an in-kind contribution shall, within 30 days after the day on
278 which the person makes the in-kind-contribution, provide to the filing entity written notice of
279 the in-kind contribution, including:

280 (a) the name and address of the person that made the in-kind contribution;

281 (b) a description of the in-kind contribution; and

282 (c) the fair market value of the in-kind contribution.

283 (2) Notwithstanding any provision of this chapter to the contrary, a filing entity is not
284 considered to have received an in-kind contribution until the day on which the filing entity
285 receives the written notice described in Subsection (1).

286 Section 5. Section 20A-12-303 is amended to read:

287 **20A-12-303. Separate account for campaign funds -- Reporting contributions.**

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

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

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

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

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

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

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

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

305 amount of the contribution.

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

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

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

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

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

313 (B) the amount of the fine;

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

315 (D) the date of the contribution.