

**Representative Patrice M. Arent** proposes the following substitute bill:

**CAMPAIGN FUNDS RESTRICTIONS**  
**FOR COUNTY AND LOCAL SCHOOL BOARD OFFICES**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Patrice M. Arent**

Senate Sponsor: Margaret Dayton

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**LONG TITLE**

**General Description:**

This bill prohibits a personal use expenditure on a county and local school board level.

**Highlighted Provisions:**

This bill:

- ▶ defines terms; and
- ▶ prohibits a county office candidate, county officer, local school board candidate, or local school board member from making a personal use expenditure.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**17-16-201**, Utah Code Annotated 1953

**17-16-202**, Utah Code Annotated 1953

**17-16-203**, Utah Code Annotated 1953

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

27 Section 1. Section 17-16-201 is enacted to read:

28 **Part 2. Personal Use Expenditure**

29 **17-16-201. Title.**

30 This part is known as "Personal Use Expenditure."

31 Section 2. Section 17-16-202 is enacted to read:

32 **17-16-202. Definitions.**

33 As used in this part:

34 (1) (a) Except as provided in Subsection (1)(b), "contribution" means any of the  
35 following when done for a political purpose:

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

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

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

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

44 (v) a loan made by a county office candidate or local school board candidate deposited  
45 into the county office candidate's or local school board candidate's own campaign account; or

46 (vi) an in-kind contribution.

47 (b) "Contribution" does not include:

48 (i) services provided by an individual volunteering a portion or all of the individual's  
49 time on behalf of the filing entity if the services are provided without compensation by the  
50 filing entity or any other person;

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

53 (iii) goods or services provided for the benefit of a county office candidate or local  
54 school board candidate at less than fair market value that are not authorized by or coordinated  
55 with the county office candidate or the local school board candidate.

56 (2) "County office" means an office described in Section [17-53-101](#) that is required to

57 be filled by an election.

58 (3) "County office candidate" means an individual who:

59 (a) files a declaration of candidacy for a county office; or

60 (b) receives a contribution, makes an expenditure, or gives consent for any other person

61 to receive a contribution or make an expenditure to bring about the individual's nomination or

62 election to a county office.

63 (4) "County officer" means an individual who holds a county office.

64 (5) (a) Except as provided in Subsection (5)(b), "expenditure" means any of the

65 following made by a reporting entity or an agent of a reporting entity on behalf of the reporting

66 entity:

67 (i) any disbursement from contributions, receipts, or the separate bank account required

68 under Section [17-16-6.5](#);

69 (ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money,

70 or anything of value made for a political purpose;

71 (iii) an express, legally enforceable contract, promise, or agreement to make any

72 purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of

73 value for a political purpose;

74 (iv) compensation paid by a filing entity for personal services rendered by a person

75 without charge to a reporting entity;

76 (v) a transfer of funds between the filing entity and a county office candidate's, or a

77 local school board candidate's, personal campaign committee; or

78 (vi) goods or services provided by the filing entity to or for the benefit of another

79 reporting entity for a political purpose at less than fair market value.

80 (b) "Expenditure" does not include:

81 (i) services provided without compensation by an individual volunteering a portion or

82 all of the individual's time on behalf of a reporting entity;

83 (ii) money lent to a reporting entity by a financial institution in the ordinary course of

84 business; or

85 (iii) anything described in Subsection (5)(a) that is given by a reporting entity to a

86 candidate or officer in another state.

87 (6) "Filing entity" means:

88 (a) a county office candidate;

89 (b) a county officer;

90 (c) a local school board candidate;

91 (d) a local school board member; or

92 (e) a reporting entity that is required to meet a campaign finance disclosure

93 requirement adopted by a county in accordance with Section [17-16-6.5](#).

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

96 (8) "Local school board candidate" means an individual who:

97 (a) files a declaration of candidacy for local school board; or

98 (b) receives a contribution, makes an expenditure, or gives consent for any other person  
99 to receive a contribution or make an expenditure to bring about the individual's nomination or  
100 election to a local school board.

101 (9) (a) "Personal use expenditure" means an expenditure that:

102 (i) (A) is not excluded from the definition of personal use expenditure by Subsection  
103 (9)(c); and

104 (B) primarily furthers a personal interest of a county office candidate, county officer,  
105 local school board candidate, or a local school board member, or a member of a county office  
106 candidate's, county officer's, local school board candidate's, or local school board member's  
107 family; or

108 (ii) would cause the county office candidate, county officer, local school board  
109 candidate, or local school board member to recognize the expenditure as taxable income under  
110 federal law.

111 (b) "Personal use expenditure" includes:

112 (i) a mortgage, rent, utility, or vehicle payment;

113 (ii) a household food item or supply;

114 (iii) clothing, except for clothing:

115 (A) bearing the county office candidate's or local school board candidate's name or  
116 campaign slogan or logo; and

117 (B) used in the county office candidate's or local school board member's campaign;

118 (iv) admission to a sporting, artistic, or recreational event or other form of

119 entertainment;  
120 (v) dues, fees, or gratuities at a country club, health club, or recreational facility;  
121 (vi) a salary payment made to:  
122 (A) a county office candidate, county officer, local school board candidate, or local  
123 school board member; or  
124 (B) a person who has not provided a bona fide service to a county candidate, county  
125 officer, local school board candidate, or local school board member;  
126 (vii) a vacation;  
127 (viii) a vehicle expense;  
128 (ix) a meal expense;  
129 (x) a travel expense;  
130 (xi) payment of an administrative, civil, or criminal penalty;  
131 (xii) satisfaction of a personal debt;  
132 (xiii) a personal service, including the service of an attorney, accountant, physician, or  
133 other professional person;  
134 (xiv) a membership fee for a professional or service organization; and  
135 (xv) a payment in excess of the fair market value of the item or service purchased.  
136 (c) "Personal use expenditure" does not include an expenditure made:  
137 (i) for a political purpose;  
138 (ii) for candidacy for county office or local school board;  
139 (iii) to fulfill a duty or activity of a county officer or local school board member;  
140 (iv) for a donation to a registered political party;  
141 (v) for a contribution to another candidate's campaign account, including sponsorship  
142 of or attendance at an event, the primary purpose of which is to solicit a contribution for  
143 another candidate's campaign account;  
144 (vi) to return all or a portion of a contribution to a contributor;  
145 (vii) for the following items, if made in connection with the candidacy for county  
146 office or local school board, or an activity or duty of a county officer or local school board  
147 member:  
148 (A) a mileage allowance at the rate established by the political subdivision that  
149 provides the milage allowance;

- 150 (B) for motor fuel or special fuel, as defined in Section 59-13-102;
- 151 (C) a meal expense;
- 152 (D) a travel expense, including an expense incurred for airfare or a rental vehicle;
- 153 (E) a payment for a service provided by an attorney or accountant;
- 154 (F) a tuition payment or registration fee for participation in a meeting or conference;
- 155 (G) a gift;
- 156 (H) a payment for rent, utilities, a supply, or furnishings, in connection with an office
- 157 space;
- 158 (I) a booth at a meeting or event; or
- 159 (J) educational material;
- 160 (viii) to purchase or mail informational material, a survey, or a greeting card;
- 161 (ix) for a donation to a charitable organization, as defined in Section 13-22-2, including
- 162 admission to or sponsorship of an event, the primary purpose of which is charitable solicitation,
- 163 as defined in Section 13-22-2;
- 164 (x) to repay a loan a county office candidate or local school board candidate makes
- 165 from the candidate's personal account to the candidate's campaign account;
- 166 (xi) to pay membership dues to a national organization whose primary purpose is to
- 167 address general public policy;
- 168 (xii) for admission to or sponsorship of an event, the primary purpose of which is to
- 169 promote the social, educational, or economic well-being of the state or the county candidate's,
- 170 county officer's, local school board candidate's, or local school board member's community;
- 171 (xiii) for one or more guests of a county office candidate, county officer, local school
- 172 board candidate, or local school board member to attend an event, meeting, or conference
- 173 described in this Subsection (9)(c); or
- 174 (xiv) that is connected with the performance of an activity as a county office candidate
- 175 or local school board member, or an activity or duty of a county officer or local school board
- 176 member.
- 177 (10) "Political purpose" means an act done with the intent or in a way to influence or
- 178 tend to influence, directly or indirectly, any person to refrain from voting or to vote for or
- 179 against any candidate or a person seeking an office at any caucus, political convention, or
- 180 election.

181 (11) "Reporting entity":  
182 (a) means the same as that term is defined in Subsection 20A-11-101(52); and  
183 (b) includes a county office candidate, a county office candidate's personal campaign  
184 committee, a county officer, a local school board candidate, a local school board candidate's  
185 personal campaign committee, and a local school board member.

186 Section 3. Section 17-16-203 is enacted to read:

187 **17-16-203. Personal use expenditure -- Authorized and prohibited uses of**  
188 **campaign funds -- Enforcement -- Penalties.**

189 (1) A county office candidate, county officer, local school board candidate, or local  
190 school board member may not use money deposited into the separate bank account required  
191 under Section 17-16-6.5 for:

- 192 (a) a personal use expenditure; or
- 193 (b) an expenditure prohibited by law.

194 (2) (a) A county clerk shall enforce this section prohibiting a personal use expenditure  
195 by:

- 196 (i) evaluating a financial statement to identify a personal use expenditure; and
- 197 (ii) commencing an adjudicative proceeding in accordance with applicable county  
198 ordinance or policy if the county clerk has probable cause to believe a county office candidate,  
199 county officer, local school board candidate, or local school board member has made a personal  
200 use expenditure.

201 (b) Following the proceeding, the county clerk may issue a signed order requiring a  
202 county office candidate, county officer, local school board candidate, or local school board  
203 member who has made a personal use expenditure to:

- 204 (i) remit an administrative penalty of an amount equal to 50% of the personal use  
205 expenditure to the county clerk; and
- 206 (ii) deposit the amount of the personal use expenditure in the campaign account from  
207 which the personal use expenditure was disbursed.

208 (c) The county clerk shall deposit money received under Subsection (2)(b)(i) into the  
209 county's general fund.