

POLITICAL ACTION COMMITTEE AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen Mayne

House Sponsor: Michael K. McKell

LONG TITLE

General Description:

This bill amends provisions relating to a political action committee.

Highlighted Provisions:

This bill:

- ▶ modifies provisions relating to a statement of organization for a political action committee;
- ▶ prohibits a political action committee from using a name or acronym:
 - other than a name or acronym disclosed in the political action committee's statement of organization;
 - that is the same, or deceptively similar to, the name or acronym of another political action committee; or
 - that is likely to mislead a potential donor regarding the individuals or entities represented by, or affiliated with, the political action committee;
- ▶ provides for enforcement of the provisions of this bill by the lieutenant governor's office;
- ▶ permits legal action to enforce the provisions of this bill or to recover damages in certain circumstances; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None



28 **Other Special Clauses:**

29 None

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **20A-11-601**, as last amended by Laws of Utah 2018, Chapter 83



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

35 Section 1. Section **20A-11-601** is amended to read:

36 **20A-11-601. Political action committees -- Registration -- Name or acronym used**
37 **by political action committee -- Criminal penalty for providing false information or**
38 **accepting unlawful contribution.**

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

42 ~~[(b) If a political action committee is organized after the January 10 filing date, the]~~

43 (1) (a) A political action committee shall file an initial statement of organization with
44 the lieutenant governor's office no later than seven days after:

- 45 (i) receiving contributions totaling at least \$750; or
- 46 (ii) distributing expenditures for political purposes totaling at least \$750.

47 ~~[(c) Each political action committee shall deposit each contribution received in one or~~
48 ~~more separate accounts in a financial institution that are dedicated only to that purpose.]~~

49 (b) After filing an initial statement of organization, a political action committee shall,
50 before January 10 each year after the year in which the political action committee files an initial
51 statement of organization, file an updated statement of organization with the lieutenant
52 governor's office.

53 (2) A statement of organization described in Subsection (1) shall include:

54 (a) the full name of the political action committee, a second name, if any, and an
55 acronym, if any;

56 (b) the address and phone number of the political action committee;

57 (c) the name, address, telephone number, title, and occupation of:

58 (i) the two officers described in Subsection (5) and the treasurer of the political action

59 committee;

60 (ii) all other officers, advisory members, and governing board members of the political
61 action committee; and

62 (iii) each individual or entity represented by, or affiliated with, the political action
63 committee; and

64 (d) other relevant information requested by the lieutenant governor.

65 (3) (a) A political action committee may not use a name or acronym:

66 (i) other than a name or acronym disclosed in the political action committee's latest
67 statement of organization;

68 (ii) that is the same, or deceptively similar to, the name or acronym of another political
69 action committee; or

70 (iii) that is likely to mislead a potential donor regarding the individuals or entities
71 represented by, or affiliated with, the political action committee.

72 (b) Within seven days after the day on which a political action committee files an
73 initial statement of organization, the lieutenant governor's office shall:

74 (i) review the statement and determine whether a name or acronym used by the
75 political action committee violates Subsection (3)(a)(ii) or (iii); and

76 (ii) if the lieutenant governor's office determines that a name or acronym used by the
77 political action committee violates Subsection (3)(a)(ii) or (iii), order, in writing, that the
78 political action committee:

79 (A) immediately cease and desist use of the name or acronym; and

80 (B) within seven days after the day of the order, file an updated statement of
81 organization with a name and acronym that does not violate Subsection (3)(a)(ii) or (iii).

82 (c) If, beginning on May 14, 2019, a political action committee is using a name or
83 acronym that is the same, or deceptively similar to, the name or acronym of another political
84 action committee, the lieutenant governor shall determine which political action committee has
85 been using the name the longest and shall order, in writing, any other political action
86 committee using the same, or a deceptively similar, name or acronym to:

87 (i) immediately cease and desist use of the name or acronym; and

88 (ii) within seven days after the day of the order, file an updated statement of
89 organization with a name and acronym that does not violate Subsection (3)(a)(ii) or (iii).

90 (d) If a political action committee uses a name or acronym other than a name or
91 acronym disclosed in the political action committee's latest statement of organization:

92 (i) the lieutenant governor shall order, in writing, that the political action committee
93 cease and desist use of the name or acronym; and

94 (ii) the political action committee shall immediately comply with the order described in
95 Subsection (3)(d)(i).

96 (4) (a) The lieutenant governor may, in addition to any other penalty provided by law,
97 impose a \$100 fine against a political action committee that:

98 (i) fails to timely file a complete and accurate statement of organization or subsequent
99 statement of organization; or

100 (ii) fails to comply with an order described in Subsection (3).

101 (b) The attorney general, or a political action committee that is harmed by the action of
102 a political action committee in violation of this section, may bring an action for an injunction
103 against the violating political action committee, or an officer of the violating political action
104 committee, to enforce the provisions of this section.

105 (c) A political action committee may bring an action for damages against another
106 political action committee that uses a name or acronym that is the same, or deceptively similar
107 to, the name or acronym of the political action committee bringing the action.

108 ~~[(2)]~~ (5) (a) Each political action committee shall designate two officers who have
109 primary decision-making authority for the political action committee.

110 (b) A person may not exercise primary decision-making authority for a political action
111 committee who is not designated under Subsection ~~[(2)]~~ (5)(a).

112 ~~[(3) The statement of organization shall include:]~~

113 ~~[(a) the name and address of the political action committee;]~~

114 ~~[(b) the name, street address, phone number, occupation, and title of the two primary~~
115 ~~officers designated under Subsection (2)(a);]~~

116 ~~[(c) the name, street address, occupation, and title of all other officers of the political~~
117 ~~action committee;]~~

118 ~~[(d) the name and street address of the organization, individual corporation,~~
119 ~~association, unit of government, or union that the political action committee represents, if any;]~~

120 ~~[(e) the name and street address of all affiliated or connected organizations and their~~

121 ~~relationships to the political action committee;]~~

122 ~~[(f) the name, street address, business address, occupation, and phone number of the~~
123 ~~committee's treasurer or chief financial officer; and]~~

124 ~~[(g) the name, street address, and occupation of each member of the governing and~~
125 ~~advisory boards, if any.]~~

126 (6) A political action committee shall deposit each contribution received in one or
127 more separate accounts in a financial institution that are dedicated only to that purpose.

128 ~~[(4)]~~ (7) (a) Any registered political action committee that intends to permanently cease
129 operations shall file a notice of dissolution with the lieutenant governor's office.

130 (b) Any notice of dissolution filed by a political action committee does not exempt that
131 political action committee from complying with the financial reporting requirements of this
132 chapter.

133 ~~[(5)]~~ (8) (a) Unless the political action committee has filed a notice of dissolution
134 under Subsection ~~[(4)]~~ (7), a political action committee shall file, with the lieutenant governor's
135 office, notice of any change of an officer described in Subsection ~~[(2)]~~ (5)(a).

136 (b) Notice of a change of a primary officer described in Subsection ~~[(2)]~~ (5)(a) shall:

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

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

140 ~~[(6)]~~ (9) (a) A person is guilty of providing false information in relation to a political
141 action committee if the person intentionally or knowingly gives false or misleading material
142 information in ~~[the]~~ a statement of organization or the notice of change of primary officer.

143 (b) Each primary officer designated in Subsection ~~[(2)]~~ (5)(a) is guilty of accepting an
144 unlawful contribution if the political action committee knowingly or recklessly accepts a
145 contribution from a corporation that:

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

147 (ii) at the time the political action committee accepts the contribution, has failed to file
148 a statement of organization with the lieutenant governor's office as required by Section
149 [20A-11-704](#).

150 (c) A violation of this Subsection ~~[(6)]~~ (9) is a third degree felony.