

Representative Michael K. McKell proposes the following substitute bill:

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.



26 **Money Appropriated in this Bill:**

27 None

28 **Other Special Clauses:**

29 This bill provides a coordination clause.

30 **Utah Code Sections Affected:**

31 AMENDS:

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

33 **Utah Code Sections Affected by Coordination Clause:**

34 **20A-11-601**, as last amended by Laws of Utah 2018, Chapter 83



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

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

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

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

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

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

47 (i) receiving contributions totaling at least \$750; or

48 (ii) distributing expenditures for political purposes totaling at least \$750.

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

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

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

56 (a) the full name of the political action committee, a second name, if any, and an

57 acronym, if any;

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

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

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

61 committee;

62 (ii) all other officers, advisory members, and governing board members of the political

63 action committee; and

64 (iii) each individual or entity represented by, or affiliated with, the political action

65 committee; and

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

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

68 (i) other than a name or acronym disclosed in the political action committee's latest

69 statement of organization;

70 (ii) that is the same, or deceptively similar to, the name or acronym of another political

71 action committee; or

72 (iii) that is likely to mislead a potential donor regarding the individuals or entities

73 represented by, or affiliated with, the political action committee.

74 (b) Within seven days after the day on which a political action committee files an

75 initial statement of organization, the lieutenant governor's office shall:

76 (i) review the statement and determine whether a name or acronym used by the

77 political action committee violates Subsection (3)(a)(ii) or (iii); and

78 (ii) if the lieutenant governor's office determines that a name or acronym used by the

79 political action committee violates Subsection (3)(a)(ii) or (iii), order, in writing, that the

80 political action committee:

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

82 (B) within seven days after the day of the order, file an updated statement of

83 organization with a name and acronym that does not violate Subsection (3)(a)(ii) or (iii).

84 (c) If, beginning on May 14, 2019, a political action committee is using a name or

85 acronym that is the same, or deceptively similar to, the name or acronym of another political

86 action committee, the lieutenant governor shall determine which political action committee has

87 been using the name the longest and shall order, in writing, any other political action

88 committee using the same, or a deceptively similar, name or acronym to:

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

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

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

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

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

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

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

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

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

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

110 ~~[(2)]~~ (5) (a) Each political action committee shall designate two officers who have
111 primary decision-making authority for the political action committee.

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

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

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

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

118 ~~[(c) the name, street address, occupation, and title of all other officers of the political~~

119 ~~action committee;]~~

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

122 ~~[(e) the name and street address of all affiliated or connected organizations and their~~
 123 ~~relationships to the political action committee;]~~

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

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

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

130 ~~[(4)] (7) (a) Any registered political action committee that intends to permanently cease~~
 131 ~~operations shall file a notice of dissolution with the lieutenant governor's office.~~

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

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

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

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

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

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

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

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

149 (ii) at the time the political action committee accepts the contribution, has failed to file

150 a statement of organization with the lieutenant governor's office as required by Section
151 [20A-11-704](#).

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

153 Section 2. **Coordinating S.B. 169 with S.B. 33 -- Substantive and technical**
154 **amendments.**

155 If this S.B. 169 and S.B. 33, Political Procedures Amendments, both pass and become
156 law, it is the intent of the Legislature that the Office of Legislative Research and General
157 Counsel shall prepare the Utah Code database for publication by amending Subsection
158 [20A-11-601](#)(1) to read:

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

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

163 (1) (a) A political action committee shall file an initial statement of organization with
164 the lieutenant governor's office no later than 5 p.m. seven days after:

165 (i) receiving contributions totaling at least \$750; or

166 (ii) distributing expenditures for political purposes totaling at least \$750.

167 (b) Unless the political action committee has filed a notice of dissolution under
168 Subsection (7), after filing an initial statement of organization, a political action committee
169 shall file an updated statement of organization with the lieutenant governor's office each year
170 after the year in which the political action committee files an initial statement of organization:

171 (i) before 5 p.m. on January 10; or

172 (ii) electronically, before midnight on January 10.

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