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CAMPAIGN FUNDING AMENDMENTS

2024 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Jordan D. Teuscher

Senate Sponsor: Evan J. Vickers

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LONG TITLE

4 General Description:

5 This bill amends provisions relating to clothing expenses for which campaign funds may be

6 used.

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Highlighted Provisions:

- 8 This bill:
- 9 clarifies that an officeholder may use campaign funds for clothing bearing the logo or 10 name of a jurisdiction, district, government organization, government entity, caucus, or 11 political party that the officeholder represents or of which the officeholder is a member; and
 - modifies the definition of "personal use expenditure" in relation to municipalities and counties to make the permitted uses of campaign funds for clothing consistent with the uses permitted under the Election Code.
- 15 Money Appropriated in this Bill:
- None None
- 17 Other Special Clauses:
- None None
- 19 Utah Code Sections Affected:
- 20 AMENDS:
- 21 **10-3-209**, as last amended by Laws of Utah 2019, Chapter 204
- 22 **17-16-202**, as last amended by Laws of Utah 2019, Chapters 155, 204
- 23 **20A-11-104**, as last amended by Laws of Utah 2021, Chapter 20

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- 25 *Be it enacted by the Legislature of the state of Utah:*
- Section 1. Section **10-3-209** is amended to read:
- 27 10-3-209 . Personal use expenditure -- Authorized and prohibited uses of
- 28 campaign funds -- Enforcement -- Penalties.

29	(1) Unless a municipality adopts by ordinance more stringent definitions, the following are
30	defined terms for the purposes of this section:
31	(a) "Candidate" means a person who:
32	(i) files a declaration of candidacy for municipal office; or
33	(ii) receives contributions, makes expenditures, or gives consent for any other person
34	to receive contributions or make expenditures to bring about the person's
35	nomination or election to a public office.
36	(b) "Officeholder" means a person who is elected to and currently holds a municipal
37	office.
38	(c) (i) "Personal use expenditure" means an expenditure that:
39	(A) is not excluded from the definition of personal use expenditure by Subsection
40	(2) and primarily furthers a personal interest of a candidate or officeholder or a
41	candidate's or officeholder's family, which interest is not connected with the
42	performance of an activity as a candidate or an activity or duty of an
43	officeholder; or
44	(B) would cause the candidate or officeholder to recognize the expenditure as
45	taxable income under federal law.
46	(ii) "Personal use expenditure" includes:
47	(A) a mortgage, rent, utility, or vehicle payment;
48	(B) a household food item or supply;
4 9	(C) a clothing expense, except:
50	[(C)] (I) [elothing, except for]clothing bearing the candidate's name or
51	campaign slogan or logo [and-]that is used in the candidate's campaign;
52	(II) clothing bearing the logo or name of a jurisdiction, district, government
53	organization, government entity, caucus, or political party that the
54	officeholder represents or of which the officeholder is a member; or
55	(III) repair or replacement of clothing that is damaged while the candidate or
56	officeholder is engaged in an activity of a candidate or officeholder;
57	(D) an admission to a sporting, artistic, or recreational event or other form of
58	entertainment;
59	(E) dues, fees, or gratuities at a country club, health club, or recreational facility;
60	(F) a salary payment made to a candidate, officeholder, or a person who has not
61	provided a bona fide service to a candidate or officeholder;
62	(G) a vacation:

63	(H) a vehicle expense;
64	(I) a meal expense;
65	(J) a travel expense;
66	(K) a payment of an administrative, civil, or criminal penalty;
67	(L) a satisfaction of a personal debt;
68	(M) a personal service, including the service of an attorney, accountant, physician,
69	or other professional person;
70	(N) a membership fee for a professional or service organization; and
71	(O) a payment in excess of the fair market value of the item or service purchased.
72	(2) As used in this section, "personal use expenditure" does not mean an expenditure made:
73	(a) for a political purpose;
74	(b) for candidacy for public office;
75	(c) to fulfill a duty or activity of an officeholder;
76	(d) for a donation to a registered political party;
77	(e) for a contribution to another candidate's campaign account, including sponsorship of
78	or attendance at an event, the primary purpose of which is to solicit a contribution for
79	another candidate's campaign account;
80	(f) to return all or a portion of a contribution to a donor;
81	(g) for the following items, if made in connection with the candidacy for public office or
82	an activity or duty of an officeholder:
83	(i) (A) a mileage allowance at the rate established by the Division of Finance
84	under Section 63A-3-107; or
85	(B) for motor fuel or special fuel, as defined in Section 59-13-102;
86	(ii) a meal expense;
87	(iii) a travel expense, including an expense incurred for airfare or a rental vehicle;
88	(iv) a payment for a service provided by an attorney or accountant;
89	(v) a tuition payment or registration fee for participation in a meeting or conference;
90	(vi) a gift;
91	(vii) a payment for the following items in connection with an office space:
92	(A) rent;
93	(B) utilities;
94	(C) a supply; or
95	(D) furnishing;
96	(viii) a booth at a meeting or event; or

- 97 (ix) educational material; 98 (h) to purchase or mail informational material, a survey, or a greeting card; 99 (i) for a donation to a charitable organization, as defined by Section 13-22-2, including 100 admission to or sponsorship of an event, the primary purpose of which is charitable 101 solicitation, as defined in Section 13-22-2; 102 (j) to repay a loan a candidate makes from the candidate's personal account to the 103 candidate's campaign account; 104 (k) to pay membership dues to a national organization whose primary purpose is to 105 address general public policy; 106 (1) for admission to or sponsorship of an event, the primary purpose of which is to 107 promote the social, educational, or economic well-being of the state or the candidate's 108 or officeholder's community; 109 (m) for one or more guests of an officeholder or candidate to attend an event, meeting, 110 or conference described in this Subsection (2); or 111 (n) to pay childcare expenses of: 112 [(A)] (i) a candidate while the candidate is engaging in campaign activity; or 113 [(B)] (ii) an officeholder while the officeholder is engaging in the duties of an 114 officeholder. 115 (3) (a) A municipality may adopt an ordinance prohibiting a personal use expenditure by 116 a candidate with requirements that are more stringent than the requirements provided 117 in Subsection (4). 118 (b) The municipality may adopt definitions that are more stringent than those provided 119 in Subsection (1) or (2). 120 (c) If a municipality fails to adopt a personal use expenditure ordinance described in 121 Subsection (3)(a), a candidate shall comply with the requirements contained in 122 Subsection (4). 123 (4) A candidate or an officeholder may not use money deposited into a campaign account 124 for: 125 (a) a personal use expenditure; or 126 (b) an expenditure prohibited by law. 127 (5) A municipality may enforce this section by adopting an ordinance: 128 (a) to provide for the evaluation of a campaign finance statement to identify a personal
 - (b) to commence informal adjudicative proceedings if, after an evaluation described in

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use expenditure; and

131	Subsection (5)(a), there is probable cause to believe that a candidate or officeholder
132	has made a personal use expenditure.
133	(6) If, in accordance with the proceedings described in Subsection (5)(b) established in
134	municipal ordinance, a municipality determines that a candidate or officeholder has
135	made a personal use expenditure, the municipality:
136	(a) may require the candidate or officeholder to:
137	(i) remit an administrative penalty of an amount equal to 50% of the personal use
138	expenditure to the municipality; and
139	(ii) deposit the amount of the personal use expenditure into the campaign account
140	from which the personal use expenditure was disbursed; and
141	(b) shall deposit the money received under Subsection (6)(a)(i) into the municipal
142	general fund.
143	Section 2. Section 17-16-202 is amended to read:
144	17-16-202 . Definitions.
145	As used in this part:
146	(1) (a) Except as provided in Subsection (1)(b), "contribution" means any of the
147	following when done for a political purpose:
148	(i) a gift, subscription, donation, loan, advance, deposit of money, or anything of
149	value given to the filing entity;
150	(ii) an express, legally enforceable contract, promise, or agreement to make a gift,
151	subscription, donation, unpaid or partially unpaid loan, advance, deposit of
152	money, or anything of value to the filing entity;
153	(iii) any transfer of funds from another reporting entity to the filing entity;
154	(iv) compensation paid by any person or reporting entity other than the filing entity
155	for personal services provided without charge to the filing entity;
156	(v) a loan made by a county office candidate or local school board candidate
157	deposited into the county office candidate's or local school board candidate's own
158	campaign account; or
159	(vi) an in-kind contribution.
160	(b) "Contribution" does not include:
161	(i) services provided by an individual volunteering a portion or all of the individual's
162	time on behalf of the filing entity if the services are provided without
163	compensation by the filing entity or any other person;
164	(ii) money lent to the filing entity by a financial institution in the ordinary course of

165	business; or
166	(iii) goods or services provided for the benefit of a county office candidate or local
167	school board candidate at less than fair market value that are not authorized by or
168	coordinated with the county office candidate or the local school board candidate.
169	(2) "County office" means an office described in Section 17-53-101 that is required to be
170	filled by an election.
171	(3) "County office candidate" means an individual who:
172	(a) files a declaration of candidacy for a county office; or
173	(b) receives a contribution, makes an expenditure, or gives consent for any other person
174	to receive a contribution or make an expenditure to bring about the individual's
175	nomination or election to a county office.
176	(4) "County officer" means an individual who holds a county office.
177	(5) (a) Except as provided in Subsection (5)(b), "expenditure" means any of the
178	following made by a reporting entity or an agent of a reporting entity on behalf of the
179	reporting entity:
180	(i) any disbursement from contributions, receipts, or the separate bank account
181	required under Section 17-16-6.5;
182	(ii) a purchase, payment, donation, distribution, loan, advance, deposit, gift of money
183	or anything of value made for a political purpose;
184	(iii) an express, legally enforceable contract, promise, or agreement to make any
185	purchase, payment, donation, distribution, loan, advance, deposit, gift of money,
186	or anything of value for a political purpose;
187	(iv) compensation paid by a filing entity for personal services rendered by a person
188	without charge to a reporting entity;
189	(v) a transfer of funds between the filing entity and a county office candidate's, or a
190	local school board candidate's, personal campaign committee; or
191	(vi) goods or services provided by the filing entity to or for the benefit of another
192	reporting entity for a political purpose at less than fair market value.
193	(b) "Expenditure" does not include:
194	(i) services provided without compensation by an individual volunteering a portion or
195	all of the individual's time on behalf of a reporting entity;
196	(ii) money lent to a reporting entity by a financial institution in the ordinary course of
197	business; or
198	(iii) anything described in Subsection (5)(a) that is given by a reporting entity to a

199	candidate or officer in another state.
200	(6) "Filing entity" means:
201	(a) a county office candidate;
202	(b) a county officer;
203	(c) a local school board candidate;
204	(d) a local school board member; or
205	(e) a reporting entity that is required to meet a campaign finance disclosure requirement
206	adopted by a county in accordance with Section 17-16-6.5.
207	(7) "In-kind contribution" means anything of value, other than money, that is accepted by or
208	coordinated with a filing entity.
209	(8) "Local school board candidate" means an individual who:
210	(a) files a declaration of candidacy for local school board; or
211	(b) receives a contribution, makes an expenditure, or gives consent for any other person
212	to receive a contribution or make an expenditure to bring about the individual's
213	nomination or election to a local school board.
214	(9) (a) "Personal use expenditure" means an expenditure that:
215	(i) (A) is not excluded from the definition of personal use expenditure by
216	Subsection (9)(c); and
217	(B) primarily furthers a personal interest of a county office candidate, county
218	officer, local school board candidate, or a local school board member, or a
219	member of a county office candidate's, county officer's, local school board
220	candidate's, or local school board member's family; or
221	(ii) would cause the county office candidate, county officer, local school board
222	candidate, or local school board member to recognize the expenditure as taxable
223	income under federal law.
224	(b) "Personal use expenditure" includes:
225	(i) a mortgage, rent, utility, or vehicle payment;
226	(ii) a household food item or supply;
227	(iii) a clothing expense, except:
228	(A) clothing bearing the county office candidate's or local school board
229	candidate's name or campaign slogan or logo that is used in the county office
230	candidate's or local school board candidate's campaign;
231	(B) clothing bearing the logo or name of a jurisdiction, district, government
232	organization, government entity, caucus, or political party that the county

233	officer or local school board member represents or of which the county officer
234	or local school board member is a member;
235	(C) repair or replacement of clothing that is damaged while the county office
236	candidate or county officer is engaged in an activity of a county office
237	candidate or county officer; or
238	(D) repair or replacement of clothing that is damaged while the local school board
239	candidate or local school board member is engaged in an activity of a local
240	school board candidate or local school board member;
241	[(iii) clothing, except for clothing:]
242	[(A) bearing the county office candidate's or local school board candidate's name or
243	campaign slogan or logo; and]
244	[(B) used in the county office candidate's or local school board member's campaign;]
245	(iv) admission to a sporting, artistic, or recreational event or other form of
246	entertainment;
247	(v) dues, fees, or gratuities at a country club, health club, or recreational facility;
248	(vi) a salary payment made to:
249	(A) a county office candidate, county officer, local school board candidate, or
250	local school board member; or
251	(B) a person who has not provided a bona fide service to a county candidate,
252	county officer, local school board candidate, or local school board member;
253	(vii) a vacation;
254	(viii) a vehicle expense;
255	(ix) a meal expense;
256	(x) a travel expense;
257	(xi) payment of an administrative, civil, or criminal penalty;
258	(xii) satisfaction of a personal debt;
259	(xiii) a personal service, including the service of an attorney, accountant, physician,
260	or other professional person;
261	(xiv) a membership fee for a professional or service organization; and
262	(xv) a payment in excess of the fair market value of the item or service purchased.
263	(c) "Personal use expenditure" does not include an expenditure made:
264	(i) for a political purpose;
265	(ii) for candidacy for county office or local school board;
266	(iii) to fulfill a duty or activity of a county officer or local school board member;

267	(iv) for a donation to a registered political party;
268	(v) for a contribution to another candidate's campaign account, including sponsorship
269	of or attendance at an event, the primary purpose of which is to solicit a
270	contribution for another candidate's campaign account;
271	(vi) to return all or a portion of a contribution to a contributor;
272	(vii) for the following items, if made in connection with the candidacy for county
273	office or local school board, or an activity or duty of a county officer or local
274	school board member:
275	(A) a mileage allowance at the rate established by the political subdivision that
276	provides the mileage allowance;
277	(B) for motor fuel or special fuel, as defined in Section 59-13-102;
278	(C) a meal expense;
279	(D) a travel expense, including an expense incurred for airfare or a rental vehicle;
280	(E) a payment for a service provided by an attorney or accountant;
281	(F) a tuition payment or registration fee for participation in a meeting or
282	conference;
283	(G) a gift;
284	(H) a payment for rent, utilities, a supply, or furnishings, in connection with an
285	office space;
286	(I) a booth at a meeting or event; or
287	(J) educational material;
288	(viii) to purchase or mail informational material, a survey, or a greeting card;
289	(ix) for a donation to a charitable organization, as defined in Section 13-22-2,
290	including admission to or sponsorship of an event, the primary purpose of which
291	is charitable solicitation, as defined in Section 13-22-2;
292	(x) to repay a loan a county office candidate or local school board candidate makes
293	from the candidate's personal account to the candidate's campaign account;
294	(xi) to pay membership dues to a national organization whose primary purpose is to
295	address general public policy;
296	(xii) for admission to or sponsorship of an event, the primary purpose of which is to
297	promote the social, educational, or economic well-being of the state or the county
298	candidate's, county officer's, local school board candidate's, or local school board
299	member's community;
300	(xiii) for one or more guests of a county office candidate, county officer, local school

301	board candidate, or local school board member to attend an event, meeting, or
302	conference described in this Subsection (9)(c);
303	(xiv) that is connected with the performance of an activity as a county office
304	candidate or local school board member, or an activity or duty of a county officer
305	or local school board member; or
306	(xv) to pay childcare expenses of:
307	(A) a candidate while the candidate is engaging in campaign activity; or
308	(B) an officeholder while the officeholder is engaging in the duties of an
309	officeholder.
310	(10) "Political purpose" means an act done with the intent or in a way to influence or tend
311	to influence, directly or indirectly, any person to refrain from voting or to vote for or
312	against any candidate or a person seeking an office at any caucus, political convention,
313	or election.
314	(11) "Reporting entity":
315	(a) means the same as that term is defined in Section 20A-11-101; and
316	(b) includes a county office candidate, a county office candidate's personal campaign
317	committee, a county officer, a local school board candidate, a local school board
318	candidate's personal campaign committee, and a local school board member.
319	Section 3. Section 20A-11-104 is amended to read:
320	20A-11-104. Personal use expenditure Authorized and prohibited uses of
321	campaign funds Enforcement Penalties.
322	(1) (a) As used in this chapter, "personal use expenditure" means an expenditure that:
323	(i) (A) is not excluded from the definition of personal use expenditure by
324	Subsection (2); and
325	(B) primarily furthers a personal interest of a candidate or officeholder or a
326	candidate's or officeholder's family, which interest is not connected with the
327	performance of an activity as a candidate or an activity or duty of an
328	officeholder; or
329	(ii) would likely cause the candidate or officeholder to recognize the expenditure as
330	taxable income under federal or state law.
331	(b) "Personal use expenditure" includes:
332	(i) a mortgage, rent, utility, or vehicle payment;
333	(ii) a household food item or supply;
334	(iii) a clothing expense, except:

335	(A) clothing bearing the candidate's name or campaign slogan or logo that is used
336	in the candidate's campaign; [or]
337	(B) clothing bearing the logo or name of a jurisdiction, district, government
338	organization, government entity, caucus, or political party that the officeholder
339	represents or of which the officeholder is a member; or
340	[(B)] (C) repair or replacement of clothing that is damaged while the candidate or
341	officeholder is engaged in an activity of a candidate or officeholder;
342	(iv) an admission to a sporting, artistic, or recreational event or other form of
343	entertainment;
344	(v) dues, fees, or gratuities at a country club, health club, or recreational facility;
345	(vi) a salary payment made to:
346	(A) a candidate or officeholder; or
347	(B) a person who has not provided a bona fide service to a candidate or
348	officeholder;
349	(vii) a vacation;
350	(viii) a vehicle expense;
351	(ix) a meal expense;
352	(x) a travel expense;
353	(xi) a payment of an administrative, civil, or criminal penalty;
354	(xii) a satisfaction of a personal debt;
355	(xiii) a personal service, including the service of an attorney, accountant, physician,
356	or other professional person;
357	(xiv) a membership fee for a professional or service organization; and
358	(xv) a payment in excess of the fair market value of the item or service purchased.
359	(2) As used in this chapter, "personal use expenditure" does not include an expenditure
360	made:
361	(a) for a political purpose;
362	(b) for candidacy for public office;
363	(c) to fulfill a duty or activity of an officeholder;
364	(d) for a donation to a registered political party;
365	(e) for a contribution to another candidate's campaign account, including sponsorship of
366	or attendance at an event, the primary purpose of which is to solicit a contribution for
367	another candidate's campaign account;
368	(f) to return all or a portion of a contribution to a contributor;

369	(g) for the following items, if made in connection with the candidacy for public office or
370	an activity or duty of an officeholder:
371	(i) (A) a mileage allowance at the rate established by the Division of Finance
372	under Section 63A-3-107; or
373	(B) for motor fuel or special fuel, as defined in Section 59-13-102;
374	(ii) a food expense, including food or beverages:
375	(A) served at a campaign event;
376	(B) served at a charitable event;
377	(C) consumed, or provided to others, by a candidate while the candidate is
378	engaged in campaigning;
379	(D) consumed, or provided to others, by an officeholder while the officeholder is
380	acting in the capacity of an officeholder; or
381	(E) provided as a gift to an individual who works on a candidate's campaign or
382	who assists an officeholder in the officeholder's capacity as an officeholder;
383	(iii) a travel expense of a candidate, if the primary purpose of the travel is related to
384	the candidate's campaign, including airfare, car rental, other transportation, hotel,
385	or other expenses incidental to the travel;
386	(iv) a travel expense of an individual assisting a candidate, if the primary purpose of
387	the travel by the individual is to assist the candidate with the candidate's
388	campaign, including an expense described in Subsection (2)(g)(iii);
389	(v) a travel expense of an officeholder, if the primary purpose of the travel is related
390	to an activity or duty of the officeholder, including an expense described in
391	Subsection (2)(g)(iii);
392	(vi) a travel expense of an individual assisting an officeholder, if the primary purpose
393	of the travel by the individual is to assist the officeholder in an activity or duty of
394	an officeholder, including an expense described in Subsection (2)(g)(iii);
395	(vii) a payment for a service provided by an attorney or accountant;
396	(viii) a tuition payment or registration fee for participation in a meeting or conference;
397	(ix) a gift;
398	(x) a payment for the following items in connection with an office space:
399	(A) rent;
400	(B) utilities;
401	(C) a supply; or
402	(D) furnishing;

403	(xi) a booth at a meeting or event;
404	(xii) educational material; or
405	(xiii) an item purchased for a purpose related to a campaign or to an activity or duty
406	of an officeholder;
407	(h) to purchase or mail informational material, a survey, or a greeting card;
408	(i) for a donation to a charitable organization, as defined by Section 13-22-2, including
409	admission to or sponsorship of an event, the primary purpose of which is charitable
410	solicitation, as defined in Section 13-22-2;
411	(j) to repay a loan a candidate makes from the candidate's personal account to the
412	candidate's campaign account;
413	(k) to pay membership dues to a national organization whose primary purpose is to
414	address general public policy;
415	(l) for admission to or sponsorship of an event, the primary purpose of which is to
416	promote the social, educational, or economic well-being of the state or the candidate's
417	or officeholder's community;
418	(m) for one or more guests of an officeholder or candidate to attend an event, meeting,
419	or conference described in this Subsection (2), including related travel expenses and
420	other expenses, if attendance by the guest is for a primary purpose described in
421	Subsection (2)(g)(iv) or (vi); or
422	(n) to pay childcare expenses of:
423	(i) a candidate while the candidate is engaging in campaign activity; or
424	(ii) an officeholder while the officeholder is engaging in the duties of an officeholder
425	(3) (a) The lieutenant governor shall enforce this chapter prohibiting a personal use
426	expenditure by:
427	(i) evaluating a financial statement to identify a personal use expenditure; and
428	(ii) commencing an informal adjudicative proceeding in accordance with Title 63G,
429	Chapter 4, Administrative Procedures Act, if the lieutenant governor has probable
430	cause to believe a candidate or officeholder has made a personal use expenditure.
431	(b) Following the proceeding, the lieutenant governor may issue a signed order requiring
432	a candidate or officeholder who has made a personal use expenditure to:
433	(i) remit an administrative penalty of an amount equal to 50% of the personal use
434	expenditure to the lieutenant governor; and
435	(ii) deposit the amount of the personal use expenditure in the campaign account from
436	which the personal use expenditure was disbursed.

437	(c) The lieutenant governor shall deposit money received under Subsection (3)(b)(i) is
438	the General Fund.
439	Section 4. Effective date.
440	This bill takes effect on May 1, 2024.