
M E M O R A N D U M

DATE: May 13, 2005
TO: City Council Members
FROM: Russell Weeks
RE: Proposed Amendments to *City Code* Chapter 2.46 (Campaign Financing Disclosure)
CC: Cindy Gust-Jenson, Rocky Fluhart, Ed Rutan, Kendrick Cowley, Gary Mumford, Boyd Ferguson, Sonya Kintaro

This memorandum pertains to issues involving proposed amendments to City Code Chapter 2.46 relating to campaign financing disclosure. The proposed amendments are scheduled for formal City Council consideration at its meeting May 17.

OPTIONS

- Adopt the proposed amendments.
- Do not adopt the proposed amendments.

POTENTIAL MOTIONS

- I move that the City Council adopt the ordinance amending certain sections of City Code Chapter 2.46 relating to campaign financing disclosure.
- I move that the City Council consider the next item on the agenda.

(City Council staff has prepared only two potential motions on this issue. The motions are based on the City Council discussion of the issue May 10 and subsequent discussions among the Attorney's Office, City Council Chair and Vice Chair and Council staff.)

BACKGROUND/DISCUSSION

The City Council discussed the proposed amendments with representatives of the City Attorney's and City Recorder's offices at a May 10 briefing session. After the briefing session the City Attorney's Office prepared language in the paragraph that follows this one as a further amendment to Section 2-G on Page 6. The language has been reviewed by the City Council Chair and Vice Chair.

The revised amendment reads:

G. A contribution shall not be converted by any person to personal use. For purposes of this subsection G, a contribution or donation shall be considered to be converted to personal use if the contribution or donation is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective

of the candidate's election campaign or the individual's duties as an elected official of the City. For purposes of this subsection G, it shall not be considered a conversion to personal use for a candidate or elected official of the City to use a contribution or donation to pay for the attendance of one guest at a social, entertainment, or other event related to political purposes or to the duties of the person as an elected official of the City.

SALT LAKE CITY ORDINANCE
No. _____ of 2005
(Campaign Financing Disclosure)

AN ORDINANCE AMENDING CERTAIN SECTIONS OF CHAPTER 2.46 OF
THE SALT LAKE CITY CODE, RELATING TO CAMPAIGN FINANCING
DISCLOSURE.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That Section 2.46.010 of the Salt Lake City Code, relating to the
Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.010 Definitions:

For the purpose of this chapter the following words shall have the meanings as defined in
this chapter:

A. "Candidate" means any person who:

1. Files a declaration of candidacy for an elected office of the city;
2. Receives contributions, makes expenditures, or consents to another person

receiving contributions or making expenditures with a view to bringing about such
person's nomination or election to such office; or

3. Causes, on his or her behalf, any written material or advertisement to be
printed, published, broadcast, distributed or disseminated which indicates his or her
intention to seek such office.

B. "Contribution" means:

1. A gift, subscription, donation, loan, advance, or deposit of money or anything
of value, including nonmonetary contributions such as in-kind contributions and
contributions of tangible things, except a loan of money by a financial institution made in

accordance with the applicable financial institution laws and regulations and in the ordinary course of business, made for political purposes;

2. A contract, promise or agreement, express or implied, whether or not legally enforceable, to make a contribution described in subsection B1 of this definition;

3. A transfer of funds between a political committee and a candidate's personal campaign committee; and

4. Compensation paid by a person other than the candidate's personal campaign committee for personal services of another person rendered without charge to the candidate or such candidate's personal campaign committee; but

5. "Contribution" shall not include personal services provided without compensation by individuals volunteering their time on behalf of a candidate or such candidate's personal campaign committee.

C. "Election" means a general, special or primary election conducted by the city, including elections limited to referendums or bond issues.

D. "Election cycle" means: 1) with respect to a general city election or a city primary election for an elective position, the four (4) year period that ends on the February 15 immediately following the next general city election for such elective position; and 2) with respect to an election to fill an unexpired term of office, the period that begins on the earlier of: a) the day the vacancy occurs, or b) the day the impending vacancy is publicly announced, and ends on the February 15 immediately following the next general city election for such elective position.

E. "Election year" means a calendar year during which a primary or general election is held or is scheduled to be held.

F. "Expenditure" means:

1. A purchase, payment, donation, distribution, loan, advance, deposit, or gift of money or anything of value made for political purposes;
2. A contract, promise or agreement, express or implied, whether or not legally enforceable, to make an expenditure described in subsection F1 of this definition; or
3. A transfer of funds by a political committee to another political committee or to a candidate's personal campaign committee.

G. "Independent expenditure" means an expenditure on behalf of, or opposing the election of, any candidate, when such expenditure is made independently of the candidate or the candidate's personal campaign committee, and when such expenditure is made without the prior consent, or the collusion or cooperation of, the candidate or the candidate's personal campaign committee.

H. "Issue" means any question other than the election of a candidate to city office placed upon any municipal ballot to be affirmed or defeated by popular vote including, but not limited to, bond issues and referendums.

I. "Party committee" means any committee organized by or authorized by the governing body of a registered political party.

J. "Person" means both natural and legal persons including, but not limited to, individuals, business organizations, personal campaign committees, political committees, party committees, labor unions, labor organizations and any other organized group of individuals.

K. "Personal campaign committee" means the ~~political~~-committee appointed by a particular candidate to act for such candidate as hereinafter provided.

L. "Political committee" means a group of persons cooperating to aid or promote the success or defeat of a candidate or issue, including the making of donations to a personal campaign committee. "Political committee" does not mean an individual, a personal campaign committee, individuals who are related and who make contributions from a joint checking account, an entity that provides goods or services to a candidate or committee in the regular course of its business at the same price that would be provided to the general public, or a business entity using its own funds, except a business entity whose intended purpose is to act as a political committee.

M. "Political purpose" means an act done with intent or in such a way as to influence or tend to influence, directly or indirectly, the nomination or election of a candidate or the passage or defeat of any issue on the ballot at a municipal election.

N. "Primary election" means any primary election held pursuant to title 20A, Utah Code Annotated, or its successor.

O. "Reporting date" means:

1. Ten (10) days before the election, for a campaign finance statement required to be filed not later than seven (7) days before a primary or general election conducted by the city;

2. The day of filing, for a campaign finance statement required to be filed not later than thirty (30) days after a primary or general election conducted by the city; and

3. Three (3) days before the filing date, for any other campaign finance statement required to be filed pursuant to this chapter.

~~O. "Reporting period" means the period between the closing date of the last filed financial statement, if any, and the closing date of a financial statement to be filed.~~

~~The closing date is the date on which a financial statement is required to be filed. A reporting period shall not be longer than three hundred sixty five (365) days.~~

SECTION 2. That Section 2.46.050 the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.050 Contributions To Candidates-Limitations:

A. No person shall make contributions in coin or currency during any election cycle as set forth in this chapter, to any candidate or such candidate's personal campaign committee, or to any political committee with respect to any election for city office, ~~which that~~ exceed, in the aggregate, fifty dollars (\$50.00).

B. No person shall make contributions during any election cycle as set forth in this chapter, to any candidate or his or her personal campaign committee, or to any political committee with respect to any election for city office, which, in the aggregate, exceed the following amounts:

<u>Office</u>	<u>Amount</u>
Mayor	\$7,500.00
City council	1,500.00

C. The acceptance of anonymous contributions is prohibited. Any anonymous contributions received by a candidate or a personal campaign committee or a political committee shall be transmitted to the city treasurer for deposit in the general fund of the city. Each contributor of a contribution shall disclose to the personal campaign committee or political committee the name and, address ~~and telephone number~~ of such contributor.

D. The limitations imposed by subsections A through C of this section shall not apply to contributions by a candidate of the candidate's own resources to the candidate's own campaign.

E. Each candidate or the candidate's personal campaign committee shall deposit each contribution received in one or more separate campaign accounts in a financial institution and may not deposit or mingle any contributions received into a personal or business account.

F. The candidate or the candidate's personal campaign committee may use the monies in campaign accounts only as follows:

1. For political purposes.
2. For expenses incurred in connection with duties of the individual as a holder of a city office;
3. For contributions to an organization described in Section 170(c) of the Internal Revenue Code of 1986 [26 USCS § 170(c)];
4. For transfers to a national, state, or local committee of a political party;
5. For donations to federal, state, or local candidates; or
6. For any other lawful purpose unless prohibited by subsection G of this section.

G. A contribution shall not be converted by any person to personal use. For purposes of this subsection G, a contribution or donation shall be considered to be converted to personal use if the contribution or donation is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or the individual's duties as an elected official of the City. For purposes of this subsection G, it shall not be considered a conversion to personal use for a candidate or elected official of the City to use a contribution or donation to pay for

the attendance of one guest at a social, entertainment, or other event related to political purposes or to the duties of the person as an elected official of the City.

SECTION 3. That Section 2.46.090 the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.090 Financial ~~Reporting Statements—Filing Dates:~~

A. Personal Campaign Committees.

A1. Each ~~political committee and~~ personal campaign committee shall file with the city recorder a ~~verified financial~~ campaign finance statement containing the information required in this section, on the following dates:

~~1.(a) On~~ June 1 of any election year;

~~2.(b) On~~ September 1 of any election year;

~~3.(c)~~ Except as provided in subsection B of this section, seven (7) days prior to any general or primary election conducted by the city;

~~4.(d)~~ Not later than thirty (30) days after the date of the general election;

and

~~5. On February 15 of every year unless a termination report has been filed with the city recorder as provided by subsection H of this section or its successor.~~

Notwithstanding the foregoing provisions of this subsection A1, the personal campaign committee for a candidate shall be required to file a ~~verified financial~~ campaign finance statement on the dates specified in this subsections ~~A1 through A4 of this section~~ only during an election year in which the elective office that such candidate seeks is open for election.

~~B2.~~ The personal campaign committee for each C~~candidates for elective office~~ who ~~are-is~~ eliminated at a primary election shall file with the city recorder a verified financial-campaign finance statement ~~containing the information required by this section~~ not later than thirty (30) days after the primary election. Personal campaign committees for candidates ~~for elective office~~ who lose at a primary election need not file a verified financial-campaign finance statement seven (7) days prior to the general election pursuant to subsection A3 of this section.

~~C3.~~ During the seven (7) day period before any election, each ~~political committee and~~ personal campaign committee shall file with the city recorder a verified report of each contribution over five hundred dollars (\$500.00), in the case of candidates for the city council, and over two thousand dollars (\$2,000.00), in the case of candidates for mayor, within twenty four (24) hours after receipt of each such contribution. Such report shall contain the information required by subsections ~~4(d)D2 and D3~~ of this section.

~~D4.~~ Each financial-campaign finance statement shall ~~contain~~:

~~1-(a) A-Contain a~~ summary of contributions and expenditures reported in previously filed financial-campaign finance statements during the calendar year in which the statement is due;

(b) Except as provided in subsection 4(c):

(1) report all of the committee's or candidate's itemized and total:

(A) contributions during the election cycle as of the

reporting date; and

(B) expenditures during the election cycle as of the reporting date; and

(2) identify:

(A) for each contribution in excess of fifty dollars (\$50), the amount of the contribution, the name and address of the donor, and the date the contribution was made;

(B) the aggregate total of all contributions that individually do not exceed fifty dollars (\$50); and

(C) for each expenditure, the amount of the expenditure, the name of the recipient of the expenditure, the date the expenditure was made, and the purpose of the expenditure;

or

(c) Report the total amount of all contributions and expenditures if the committee or candidate receives five hundred dollars (\$500) or less in contributions and spends five hundred dollars (\$500) or less on the candidate's campaign.

~~2. A list of each contribution in excess of fifty dollars (\$50.00) received by the committee or the candidate during the reporting period, the name and address of the contributor of each such contribution, the amount of the contribution, and the date on which each such contribution was received;~~

~~3. In the case of any contribution of two hundred fifty dollars (\$250.00) or more, in addition to the information required by subsection D2 of this section, a statement identifying the contributor as either an individual, a political committee or a business entity. If the contributor is a political committee, the statement shall identify the political~~

~~purpose of the political committee. If the contributor is a business entity, the statement shall identify the business purpose of such business entity.~~

~~4. An aggregate total of all contributions of fifty dollars (\$50.00) or less received by the committee or the candidate during the reporting period;~~

~~5. A list of all expenditures made during the reporting period, the name and address of every recipient of an expenditure, the amount of each expenditure, the date on which each expenditure was made, and the purpose of each expenditure made, including the purpose of making payments to credit card companies and consultants;~~

~~E5.~~ Each campaign finance financial statement shall contain a statement by the secretary or by the chairperson of the committee to the effect that:

~~1.(a)~~ All contributions and expenditures not theretofore reported have been reported;

~~2.(b)~~ There are no bills or obligations outstanding and unpaid except as set forth in the financial-campaign finance statement;

~~3.(c)~~ The financial-campaign finance statement represents a good faith effort by the committee to comply with the provisions of this chapter; and

~~4.(d)~~ The information contained in the financial-campaign finance statement is, to the best knowledge of the committee, true, accurate and complete.

~~F6.~~ In the event the ~~political-committee-or~~ personal campaign committee had no contributions or expenditures during the calendar year, reporting period, the financial campaign finance statement shall state that no contributions were received and no expenditures were made during that calendar year reporting period.

~~67.~~ Within thirty (30) days after distribution of any surplus campaign funds and/or the payment or compromise of all debts, a ~~political committee or~~ personal campaign committee shall file a ~~financial campaign finance~~ statement with the city recorder. The ~~financial campaign finance~~ statement shall state the amount of such surplus and the name and address of any recipient of such surplus, and shall identify any debt which was paid or compromised and the name and address of any person to whom any debt was paid or compromised.

~~8.~~ In the event a ~~political committee or~~ personal campaign committee has permanently ceased operations, the secretary or chairperson of the committee shall file a termination report with the city recorder certifying that the personal campaign committee ~~or political committee~~ has permanently ceased operations.

~~9.~~ The requirements of this chapter shall not be construed to abrogate the necessity of making any other reports or disclosure required by law.

~~10.~~ With respect to contributions received and expenditures made prior to the effective date hereof, the first ~~financial campaign finance~~ statement filed pursuant to this section need only contain the information required by this section to the extent such information is known by the personal campaign committee ~~or political committee which that~~ files such ~~financial campaign finance~~ statement.

B. Political Committees.

1. Each political committee that has received contributions or made expenditures that total at least seven hundred fifty dollars (\$750) during a calendar year shall file a verified financial statement with the city recorder on:

(a) June 1;

(b) September 1;

(c) seven (7) days before any primary or general election conducted by the city; and

(d) January 31, reporting contributions and expenditures as of December 31 of the previous year.

2. The political committee shall report:

(a) a detailed listing of all contributions received and expenditures made since the filing of the last financial statement; and

(b) for financial statements filed on September 1 and before the general election, all contributions and expenditures as of three days before the required filing date of the financial statement.

3. If the political committee had no contributions or expenditures since the filing of the last financial statement, the financial statement shall state that no contributions were received and no expenditures were made since the filing of the last financial statement.

4. The verified financial statement shall include:

(a) the name and address of any individual that makes a contribution to the reporting political committee, and the amount of the contribution;

(b) the identification of any publicly identified class of individuals that makes a contribution to the reporting political committee, and the amount of the contribution;

(c) the name and address of any political committee, group, or entity that makes a contribution to the reporting political committee, and the amount of the

contribution;

(d) the name and address of each candidate, personal campaign committee, party committee, or political committee that received an expenditure from the reporting political committee, and the amount of each expenditure;

(e) the total amount of contributions received and expenditures disbursed by the reporting political committee;

(f) a statement by the political committee's secretary or chairperson to the effect that:

(1) All contributions and expenditures not theretofore reported have been reported;

(2) There are no bills or obligations outstanding and unpaid except as set forth in the financial statement;

(3) The financial statement represents a good faith effort by the committee to comply with the provisions of this chapter; and

(4) The information contained in the financial statement is, to the best knowledge of the committee, true, accurate and complete; and

(g) a summary page in the form required by the city recorder that

identifies:

(1) beginning balance;

(2) total contributions during the period since the last financial statement;

(3) total contributions to date;

(4) total expenditures during the period since the last financial statement;

and

(5) total expenditures to date.

5. Contributions received by a political committee that have a value of fifty dollars (\$50) or less need not be reported individually, but shall be listed in the financial as an aggregate total.

6. Two or more contributions from the same source that have an aggregate total of more than fifty dollars (\$50) may not be reported in the aggregate, but shall be reported separately.

7. Within thirty (30) days after distribution of any surplus campaign funds and/or the payment or compromise of all debts, a political committee shall file a verified financial statement with the city recorder. The financial statement shall state the amount of such surplus and the name and address of any recipient of such surplus, and shall identify any debt that was paid or compromised and the name and address of any person to whom any debt was paid or compromised.

8. In the event a political committee has permanently ceased operations, the secretary or chairperson of the committee shall file a termination report with the city recorder certifying that the political committee has permanently ceased operations.

9. The requirements of this chapter shall not be construed to abrogate the necessity of making any other reports or disclosure required by law.

10. With respect to contributions received and expenditures made prior to the effective date hereof, the first financial statement filed pursuant to this section need only contain the information required by this section to the extent such information is known by the personal campaign committee or political committee that files such financial statement.

C. Filing Time. A campaign finance statement or other report required under his chapter shall be considered filed if it is received by the city recorder or the recorder's office by 5 p.m. on the date it is due.

SECTION 4. That Section 2.46.100 of the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.100 Forms of Statements On File With City Recorder-Notice from City Recorder-Available For Public Inspection:

A. The city recorder shall prepare Fforms for all campaign finance and financial statements required by this chapter ~~shall be prepared by the city recorder and shall furnish~~ copies thereof, together with a copy of this chapter, ~~shall be furnished by the city recorder~~ to the secretary of every political committee or personal campaign committee, to every candidate, and to all others who make a request therefor.

B. 1. At the time a candidate files a declaration of candidacy and again fourteen (14) days before each election, the city recorder shall inform the candidate in writing or, if requested by the reporting entity, by electronic mail:

(a) of the provision of this chapter governing the disclosure of campaign contributions and expenditures; and

(b) the dates when the candidate's campaign finance statements are required to be filed.

(c) that if the campaign finance statement due seven (7) days before the general election is not received in the city recorder's office by 5 p.m. on the due date due, if practicable the candidate's name will be removed from the ballot by blocking out the candidate's name before the ballots are

delivered to the voters, or, if removing the candidate's name is not practicable, the voters will be informed that the candidate has been disqualified and that any votes cast for the candidate will not be counted.
(d) that if any campaign finance statement or verified financial statement is not filed when due, the entity or candidate may be guilty of an infraction.

BC. All statements and reports required by this chapter shall be available forepen to public inspection and copying at the office of the city recorder during normal business hours and no later than one (1) business day after the statement or report is filed.
All such statements and reports shall be preserved by the city recorder for a period of five (5) years from January 1 of the year following the election for which they are filed.

CD. The city recorder shall inspect all campaign finance statements, verified financial statements, and reports within one day after the same are filed. In addition, the city recorder shall inspect any filed campaign finance statement, verified financial statement, or report within one day after receiving a complaint from a candidate or a voter that such campaign finance statement, verified financial statement, or report does not comply with this chapter. If it appears to the city recorder that any political committee or personal campaign committee has failed to file a campaign finance statement, verified financial statement, or report required by this chapter, or that a campaign finance statement, verified filed financial statement, or report does not comply with this chapter, the city recorder shall notify in writing the delinquent political committee or personal campaign committee, requesting compliance with this chapter. Such notification may be

given by United States mail, hand delivery, facsimile transmission, or overnight delivery service.

SECTION 5. That Section 2.46.110 of the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.110 Failure To File Financial Statements:

~~A. Upon the failure of any political committee or personal campaign committee to file or correct a financial statement within two (2) days after receiving notice under subsection 2.46.100C of this chapter, or its successor, or if, in the exercise of reasonable discretion, the city recorder questions the accuracy or completeness of a financial statement or report, the city recorder, by telephone or other means of communication, shall request of the secretary of such committee an examination of all books and records of such committee. The secretary of such committee shall provide such books and records to the city recorder, at the office of the city recorder, for inspection within one day after receiving such request for examination.~~

A. If a candidate or the candidate's personal campaign committee fails to file a campaign finance statement due seven (7) days before the general election, the city recorder shall inform the appropriate election official who:

1. shall:

(a) if practicable, remove the candidate's name from the ballot by blacking out the candidate's name before the ballots are delivered to voters; or

(b) if removing the candidate's name from the ballot is not practicable, inform the voters by any practicable method that the candidate has been

disqualified and that votes cast for the candidate will not be counted; and

2. may not count any votes for that candidate.

B. Notwithstanding subsection (A), a candidate who files a campaign finance statement seven (7) days before a general election is not disqualified if:

1. the statement details accurately and completely the information required under section 2.46.090(A)(4), except for inadvertent omissions or insignificant errors or inaccuracies; and

2. the omissions, errors, or inaccuracies are corrected in an amended report or in the next scheduled report.

BC. If a political committee or personal campaign committee or person fails to file or correct a financial statement within two (2) days after receiving notice under subsection 2.46.100DC of this chapter, or its successor, or if any filed financial statement or report discloses a violation of this chapter, the city recorder shall notify the city attorney and shall furnish the city attorney copies of all papers and other information in the city recorder's possession relating thereto. ~~The city attorney, upon receipt of such complaint or the complaint of any other person, shall enter forthwith the same in a docket kept for that purpose in his or her office and within ten (10) days thereafter shall examine such complaint. If the city attorney deems evidence to be sufficient, he or she shall institute such civil or criminal proceedings as the city attorney may deem appropriate, to enforce the provisions of this chapter.~~

SECTION 6. That Section 2.46.120 of the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.120 Unlawful Acts Designated-Violation-Penalty:

~~A. — The name of a candidate shall not be printed on, or if already printed shall be removed from, the official ballot for the ensuing election unless all required financial statements and reports relating to the candidate have been filed by the candidate or the candidate's personal campaign committee as required by this chapter, or its successor.~~

~~B. — It is unlawful to administer the oath of office, or to issue a certificate of election to any candidate for the offices of mayor or council member until the candidate's personal campaign committee has filed financial statements and reports as required by this chapter, or its successor, which financial statements and reports shall be complete upon their face and show compliance to the provisions of this chapter. No person shall perform the duties of the office to which he or she was elected until such person's personal campaign committee has filed the required financial statements and reports, nor shall such person receive any salary or fees prior to the filing of such financial statements and reports.~~

~~CA. It shall be a misdemeanor or an infraction, punishable as provided by chapter 1.12 of this code, or its successor, (1) for any person to fail to file when due any required campaign finance statement, verified financial statement, or report specified in this chapter or to knowingly or willfully falsify or omit any information required by any of the provisions of this chapter, or ~~its successor~~.~~

~~D. — It shall be an infraction, punishable by a five hundred dollar (\$500.00) fine for each violation, (2) for any candidate, either personally or through a personal campaign committee, to receive a contribution in violation of the limits set forth in subsections 2.46.050A and B of this chapter, or ~~its successor~~.~~

~~EB.~~ The city recorder shall monitor compliance with this chapter, or its successor, and shall report any violations thereof to the mayor, the city council, and the city attorney.

C. A private party in interest may bring a civil action in district court to enforce the provisions of this chapter. In accordance with Section 10-3-208, Utah Code Annotated, in such a civil action, the court may award costs and attorney's fees as to the prevailing party.

SECTION 7. That Section 2.46.130 of the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.130 Form Of Filings; Electronic Filing And Record Storage:

Any filing of statements, reports or other information with the city pursuant to this chapter ~~may be done in written form on paper. The city recorder is directed to implement, no later than June 1, 1999, an electronic filing and record storage system for filings provided for by this chapter. After the implementation of such a system by the city recorder, filings made pursuant to this chapter~~ may be made either in written form on paper or by electronic media consistent with ~~such~~ the city's electronic filing system. The city shall retain any filed statements, reports or other information pursuant to this chapter in accordance with its adopted retention schedule.

SECTION 8. That this ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2005.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. _____ of 2005.

Published: _____.

SALT LAKE CITY ORDINANCE
No. _____ of 2005
(Campaign Financing Disclosure)

AN ORDINANCE AMENDING CERTAIN SECTIONS OF CHAPTER 2.46 OF
THE SALT LAKE CITY CODE, RELATING TO CAMPAIGN FINANCING
DISCLOSURE.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That Section 2.46.010 of the Salt Lake City Code, relating to the
Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.010 Definitions:

For the purpose of this chapter the following words shall have the meanings as defined in
this chapter:

A. "Candidate" means any person who:

1. Files a declaration of candidacy for an elected office of the city;
2. Receives contributions, makes expenditures, or consents to another person

receiving contributions or making expenditures with a view to bringing about such
person's nomination or election to such office; or

3. Causes, on his or her behalf, any written material or advertisement to be
printed, published, broadcast, distributed or disseminated which indicates his or her
intention to seek such office.

B. "Contribution" means:

1. A gift, subscription, donation, loan, advance, or deposit of money or anything
of value, including nonmonetary contributions such as in-kind contributions and
contributions of tangible things, except a loan of money by a financial institution made in

accordance with the applicable financial institution laws and regulations and in the ordinary course of business, made for political purposes;

2. A contract, promise or agreement, express or implied, whether or not legally enforceable, to make a contribution described in subsection B1 of this definition;

3. A transfer of funds between a political committee and a candidate's personal campaign committee; and

4. Compensation paid by a person other than the candidate's personal campaign committee for personal services of another person rendered without charge to the candidate or such candidate's personal campaign committee; but

5. "Contribution" shall not include personal services provided without compensation by individuals volunteering their time on behalf of a candidate or such candidate's personal campaign committee.

C. "Election" means a general, special or primary election conducted by the city, including elections limited to referendums or bond issues.

D. "Election cycle" means: 1) with respect to a general city election or a city primary election for an elective position, the four (4) year period that ends on the February 15 immediately following the next general city election for such elective position; and 2) with respect to an election to fill an unexpired term of office, the period that begins on the earlier of: a) the day the vacancy occurs, or b) the day the impending vacancy is publicly announced, and ends on the February 15 immediately following the next general city election for such elective position.

E. "Election year" means a calendar year during which a primary or general election is held or is scheduled to be held.

F. "Expenditure" means:

1. A purchase, payment, donation, distribution, loan, advance, deposit, or gift of money or anything of value made for political purposes;
2. A contract, promise or agreement, express or implied, whether or not legally enforceable, to make an expenditure described in subsection F1 of this definition; or
3. A transfer of funds by a political committee to another political committee or to a candidate's personal campaign committee.

G. "Independent expenditure" means an expenditure on behalf of, or opposing the election of, any candidate, when such expenditure is made independently of the candidate or the candidate's personal campaign committee, and when such expenditure is made without the prior consent, or the collusion or cooperation of, the candidate or the candidate's personal campaign committee.

H. "Issue" means any question other than the election of a candidate to city office placed upon any municipal ballot to be affirmed or defeated by popular vote including, but not limited to, bond issues and referendums.

I. "Party committee" means any committee organized by or authorized by the governing body of a registered political party.

J. "Person" means both natural and legal persons including, but not limited to, individuals, business organizations, personal campaign committees, political committees, party committees, labor unions, labor organizations and any other organized group of individuals.

K. "Personal campaign committee" means the committee appointed by a particular candidate to act for such candidate as hereinafter provided.

L. "Political committee" means a group of persons cooperating to aid or promote the success or defeat of a candidate or issue, including the making of donations to a personal campaign committee. "Political committee" does not mean an individual, a personal campaign committee, individuals who are related and who make contributions from a joint checking account, an entity that provides goods or services to a candidate or committee in the regular course of its business at the same price that would be provided to the general public, or a business entity using its own funds, except a business entity whose intended purpose is to act as a political committee.

M. "Political purpose" means an act done with intent or in such a way as to influence or tend to influence, directly or indirectly, the nomination or election of a candidate or the passage or defeat of any issue on the ballot at a municipal election.

N. "Primary election" means any primary election held pursuant to title 20A, Utah Code Annotated, or its successor.

O. "Reporting date" means:

1. Ten (10) days before the election, for a campaign finance statement required to be filed not later than seven (7) days before a primary or general election conducted by the city;

2. The day of filing, for a campaign finance statement required to be filed not later than thirty (30) days after a primary or general election conducted by the city; and

3. Three (3) days before the filing date, for any other campaign finance statement required to be filed pursuant to this chapter.

SECTION 2. That Section 2.46.050 the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.050 Contributions To Candidates-Limitations:

A. No person shall make contributions in coin or currency during any election cycle as set forth in this chapter, to any candidate or such candidate's personal campaign committee, or to any political committee with respect to any election for city office, that exceed, in the aggregate, fifty dollars (\$50.00).

B. No person shall make contributions during any election cycle as set forth in this chapter, to any candidate or his or her personal campaign committee, or to any political committee with respect to any election for city office, which, in the aggregate, exceed the following amounts:

<u>Office</u>	<u>Amount</u>
Mayor	\$7,500.00
City council	1,500.00

C. The acceptance of anonymous contributions is prohibited. Any anonymous contributions received by a candidate or a personal campaign committee or a political committee shall be transmitted to the city treasurer for deposit in the general fund of the city. Each contributor of a contribution shall disclose to the personal campaign committee or political committee the name and address of such contributor.

D. The limitations imposed by subsections A through C of this section shall not apply to contributions by a candidate of the candidate's own resources to the candidate's own campaign.

E. Each candidate or the candidate's personal campaign committee shall deposit each contribution received in one or more separate campaign accounts in a financial institution and may not deposit or mingle any contributions received into a

personal or business account.

F. The candidate or the candidate's personal campaign committee may use the monies in campaign accounts only as follows:

1. For political purposes.
2. For expenses incurred in connection with duties of the individual as a holder of a city office;
3. For contributions to an organization described in Section 170(c) of the Internal Revenue Code of 1986 [26 USCS § 170(c)];
4. For transfers to a national, state, or local committee of a political party;
5. For donations to federal, state, or local candidates; or
6. For any other lawful purpose unless prohibited by subsection G of this section.

G. A contribution shall not be converted by any person to personal use. For purposes of this subsection G, a contribution or donation shall be considered to be converted to personal use if the contribution or donation is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or the individual's duties as an elected official of the City. For purposes of this subsection G, it shall not be considered a conversion to personal use for a candidate or elected official of the City to use a contribution or donation to pay for the attendance of one guest at a social, entertainment, or other event related to political purposes or to the duties of the person as an elected official of the City.

SECTION 3. That Section 2.46.090 the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.090 Financial Reporting:

- A. Personal Campaign Committees.

1. Each personal campaign committee shall file with the city recorder a campaign finance statement containing the information required in this section, on the following dates:

- (a) June 1 of any election year;
- (b) September 1 of any election year;
- (c) Except as provided in subsection B of this section, seven (7) days prior to any general or primary election conducted by the city;
- (d) Not later than thirty (30) days after the date of the general election; and

Notwithstanding the foregoing provisions of this subsection A1, the personal campaign committee for a candidate shall be required to file a campaign finance statement on the dates specified in this subsection only during an election year in which the elective office that such candidate seeks is open for election.

2. The personal campaign committee for each candidate who is eliminated at a primary election shall file with the city recorder a campaign finance statement not later than thirty (30) days after the primary election. Personal campaign committees for candidates who lose at a primary election need not file a campaign finance statement seven (7) days prior to the general election pursuant to subsection A3 of this section.

3. During the seven (7) day period before any election, each personal campaign committee shall file with the city recorder a verified report of each contribution over five hundred dollars (\$500.00), in the case of candidates for the city council, and over two thousand dollars (\$2,000.00), in the case of candidates for mayor, within twenty four (24) hours after receipt of each such contribution. Such report shall contain the information required by subsection 4(d) of this section.

4. Each campaign finance statement shall:
 - (a) Contain a summary of contributions and expenditures reported in previously filed campaign finance statements during the calendar year in which the statement is due;
 - (b) Except as provided in subsection 4(c):
 - (1) report all of the committee's or candidate's itemized and total:
 - (A) contributions during the election cycle as of the reporting date; and
 - (B) expenditures during the election cycle as of the reporting date; and
 - (2) identify:
 - (A) for each contribution in excess of fifty dollars (\$50), the amount of the contribution, the name and address of the donor, and the date the contribution was made;
 - (B) the aggregate total of all contributions that individually do not exceed fifty dollars (\$50); and
 - (C) for each expenditure, the amount of the expenditure, the name of the recipient of the expenditure, the date the expenditure was made, and the purpose of the expenditure;
 - (c) Report the total amount of all contributions and expenditures if the committee or candidate receives five hundred dollars (\$500) or less in

contributions and spends five hundred dollars (\$500) or less on the candidate's campaign.

5. Each campaign finance statement shall contain a statement by the secretary or by the chairperson of the committee to the effect that:

(a) All contributions and expenditures not theretofore reported have been reported;

(b) There are no bills or obligations outstanding and unpaid except as set forth in the campaign finance statement;

(c) The campaign finance statement represents a good faith effort by the committee to comply with the provisions of this chapter; and

(d) The information contained in the campaign finance statement is, to the best knowledge of the committee, true, accurate and complete.

6. In the event the personal campaign committee had no contributions or expenditures during the calendar year, the campaign finance statement shall state that no contributions were received and no expenditures were made during that calendar year .

7. Within thirty (30) days after distribution of any surplus campaign funds and/or the payment or compromise of all debts, a personal campaign committee shall file a campaign finance statement with the city recorder. The campaign finance statement shall state the amount of such surplus and the name and address of any recipient of such surplus, and shall identify any debt which was paid or compromised and the name and address of any person to whom any debt was paid or compromised.

8. In the event a personal campaign committee has permanently ceased operations, the secretary or chairperson of the committee shall file a termination report

with the city recorder certifying that the personal campaign committee has permanently ceased operations.

9. The requirements of this chapter shall not be construed to abrogate the necessity of making any other reports or disclosure required by law.

10. With respect to contributions received and expenditures made prior to the effective date hereof, the first campaign finance statement filed pursuant to this section need only contain the information required by this section to the extent such information is known by the personal campaign committee that files such campaign finance statement.

B. Political Committees.

1. Each political committee that has received contributions or made expenditures that total at least seven hundred fifty dollars (\$750) during a calendar year shall file a verified financial statement with the city recorder on:

- (a) June 1;
- (b) September 1;
- (c) seven (7) days before any primary or general election conducted by the city; and
- (d) January 31, reporting contributions and expenditures as of December 31 of the previous year.

2. The political committee shall report:

- (a) a detailed listing of all contributions received and expenditures made since the filing of the last financial statement; and
- (b) for financial statements filed on September 1 and before the general

election, all contributions and expenditures as of three days before the required filing date of the financial statement.

3. If the political committee had no contributions or expenditures since the filing of the last financial statement, the financial statement shall state that no contributions were received and no expenditures were made since the filing of the last financial statement.

4. The verified financial statement shall include:

(a) the name and address of any individual that makes a contribution to the reporting political committee, and the amount of the contribution;

(b) the identification of any publicly identified class of individuals that makes a contribution to the reporting political committee, and the amount of the contribution;

(c) the name and address of any political committee, group, or entity that makes a contribution to the reporting political committee, and the amount of the contribution;

(d) the name and address of each candidate, personal campaign committee, party committee, or political committee that received an expenditure from the reporting political committee, and the amount of each expenditure;

(e) the total amount of contributions received and expenditures disbursed by the reporting political committee;

(f) a statement by the political committee's secretary or chairperson to the effect that:

- (1) All contributions and expenditures not theretofore reported have been reported;
- (2) There are no bills or obligations outstanding and unpaid except as set forth in the financial statement;
- (3) The financial statement represents a good faith effort by the committee to comply with the provisions of this chapter; and
- (4) The information contained in the financial statement is, to the best knowledge of the committee, true, accurate and complete; and

(g) a summary page in the form required by the city recorder that identifies:

- (1) beginning balance;
 - (2) total contributions during the period since the last financial statement;
 - (3) total contributions to date;
 - (4) total expenditures during the period since the last financial statement;
- and
- (5) total expenditures to date.

5. Contributions received by a political committee that have a value of fifty dollars (\$50) or less need not be reported individually, but shall be listed in the financial as an aggregate total.

6. Two or more contributions from the same source that have an aggregate total of more than fifty dollars (\$50) may not be reported in the aggregate, but shall be reported separately.

7. Within thirty (30) days after distribution of any surplus campaign funds and/or the payment or compromise of all debts, a political committee shall file a verified financial statement with the city recorder. The financial statement shall state the amount of such surplus and the name and address of any recipient of such surplus, and shall identify any debt that was paid or compromised and the name and address of any person to whom any debt was paid or compromised.

8. In the event a political committee has permanently ceased operations, the secretary or chairperson of the committee shall file a termination report with the city recorder certifying that the political committee has permanently ceased operations.

9. The requirements of this chapter shall not be construed to abrogate the necessity of making any other reports or disclosure required by law.

10. With respect to contributions received and expenditures made prior to the effective date hereof, the first financial statement filed pursuant to this section need only contain the information required by this section to the extent such information is known by the personal campaign committee or political committee that files such financial statement.

C. Filing Time. A campaign finance statement or other report required under this chapter shall be considered filed if it is received by the city recorder or the recorder's office by 5 p.m. on the date it is due.

SECTION 4. That Section 2.46.100 of the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.100 Forms of Statements On File With City Recorder-Notice from City Recorder-Available For Public Inspection:

A. The city recorder shall prepare forms for all campaign finance and financial statements required by this chapter and shall furnish copies thereof, together with a copy of this chapter, to the secretary of every political committee or personal campaign committee, to every candidate, and to all others who make a request therefor.

B. 1. At the time a candidate files a declaration of candidacy and again fourteen (14) days before each election, the city recorder shall inform the candidate in writing or, if requested by the reporting entity, by electronic mail:

(a) of the provision of this chapter governing the disclosure of campaign contributions and expenditures; and

(b) the dates when the candidate's campaign finance statements are required to be filed.

(c) that if the campaign finance statement due seven (7) days before the general election is not received in the city recorder's office by 5 p.m. on the due date due, if practicable the candidate's name will be removed from the ballot by blocking out the candidate's name before the ballots are delivered to the voters, or, if removing the candidate's name is not practicable, the voters will be informed that the candidate has been disqualified and that any votes cast for the candidate will not be counted.

(d) that if any campaign finance statement or verified financial statement is not filed when due, the entity or candidate may be guilty of an infraction.

C. All statements and reports required by this chapter shall be available for public inspection and copying at the office of the city recorder during normal business

hours and no later than one (1) business day after the statement or report is filed. D.

The city recorder shall inspect all campaign finance statements, verified financial statements, and reports within one day after the same are filed. In addition, the city recorder shall inspect any filed campaign finance statement, verified financial statement, or report within one day after receiving a complaint from a candidate or a voter that such campaign finance statement, verified financial statement, or report does not comply with this chapter. If it appears to the city recorder that any political committee or personal campaign committee has failed to file a campaign finance statement, verified financial statement, or report required by this chapter, or that a campaign finance statement, verified filed financial statement, or report does not comply with this chapter, the city recorder shall notify in writing the delinquent political committee or personal campaign committee, requesting compliance with this chapter. Such notification may be given by United States mail, hand delivery, facsimile transmission, or overnight delivery service.

SECTION 5. That Section 2.46.110 of the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.110 Failure To File Financial Statements:

A. If a candidate or the candidate's personal campaign committee fails to file a campaign finance statement due seven (7) days before the general election, the city recorder shall inform the appropriate election official who:

1. shall:

(a) if practicable, remove the candidate's name from the ballot by blacking out the candidate's name before the ballots are delivered to voters; or

(b) if removing the candidate's name from the ballot is not practicable, inform the voters by any practicable method that the candidate has been disqualified and that votes cast for the candidate will not be counted; and

2. may not count any votes for that candidate.

B. Notwithstanding subsection (A), a candidate who files a campaign finance statement seven (7) days before a general election is not disqualified if:

1. the statement details accurately and completely the information required under section 2.46.090(A)(4), except for inadvertent omissions or insignificant errors or inaccuracies; and

2. the omissions, errors, or inaccuracies are corrected in an amended report or in the next scheduled report.

C. If a political committee or personal campaign committee or person fails to file or correct a financial statement within two (2) days after receiving notice under subsection 2.46.100D of this chapter, or its successor, or if any filed financial statement or report discloses a violation of this chapter, the city recorder shall notify the city attorney and shall furnish the city attorney copies of all papers and other information in the city recorder's possession relating thereto. SECTION 6. That Section 2.46.120 of the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.120 Unlawful Acts Designated-Violation-Penalty:

A. It shall be an infraction, punishable as provided by chapter 1.12 of this code, or its successor, (1) for any person to fail to file when due any required campaign finance statement, verified financial statement, or report specified in this chapter or to

knowingly or willfully falsify or omit any information required by any of the provisions of this chapter, or (2) for any candidate, either personally or through a personal campaign committee, to receive a contribution in violation of the limits set forth in subsections 2.46.050A and B of this chapter.

B. The city recorder shall monitor compliance with this chapter, or its successor, and shall report any violations thereof to the mayor, the city council, and the city attorney.

C. A private party in interest may bring a civil action in district court to enforce the provisions of this chapter. In accordance with Section 10-3-208, Utah Code Annotated, in such a civil action, the court may award costs and attorney's fees as to the prevailing party.

SECTION 7. That Section 2.46.130 of the Salt Lake City Code, relating to the Campaign Financing Disclosure, be, and the same hereby is, amended as follows:

2.46.130 Form Of Filings; Electronic Filing And Record Storage:

Any filing of statements, reports or other information with the city pursuant to this chapter may be made either in written form on paper or by electronic media consistent with the city's electronic filing system. The city shall retain any filed statements, reports or other information pursuant to this chapter in accordance with its adopted retention schedule.

SECTION 8. That this ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2005.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. _____ of 2005.

Published: _____.