

- 3 published in Burlington, Iowa, and in the Muscatine Journal, a newspaper
 4 published in Muscatine, Iowa.
 Approved March 1, 1976

I hereby certify that the foregoing Act, House File 1010, was published in The Hawk Eye, Burlington, Iowa, March 8, 1976, and in the Muscatine Journal, Muscatine, Iowa, March 5, 1976.

MELVIN D. SYNHORST, *Secretary of State*

CHAPTER 1077

CONVENTION TO RATIFY CONSTITUTION

S. F. 288

AN ACT to repeal the procedure for establishment of a convention to ratify amendments to the Constitution of the United States.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 SECTION 1. Chapter fifty-five (55), Code 1975, is repealed.

Approved June 23, 1976

CHAPTER 1078

CAMPAIGN INCOME-TAX CHECKOFF

S. F. 1346

AN ACT to revise the campaign disclosure-income tax checkoff Act by clarifying the powers, duties and procedures of the campaign finance disclosure commission, repealing certain provisions of the Act in accordance with a recent decision of the United States supreme court, clarifying the restrictions upon and the uses which may be made of certain contributions by corporations and other entities, and to appropriate funds to the office of the campaign finance disclosure commission.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 SECTION 1. Acts of the Sixty-sixth General Assembly, 1975 Session, chapter
 2 fifty-seven (57), section six (6), third new subsection, amending section fifty-six
 3 point two (56.2), Code 1975, is amended to read as follows:

4 NEW SUBSECTION. "Disclosure report" means a statement of contributions
 5 received, expenditures made, and indebtedness incurred on forms prescribed by
 6 *rules promulgated by the commission and approved by the administrative rules*
 7 ~~review committee~~ *in accordance with chapter seventeen A (17A) of the Code.*

- 1 SEC. 2. Section fifty-six point four (56.4), unnumbered paragraph one (1),
 2 Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975
 3 Session, chapter fifty-seven (57), section seven (7), is amended to read as follows:

4 All statements and reports required to be filed under this chapter for a state
 5 office shall be filed with the commission. All statements and reports required to
 6 be filed under this chapter for a county, city or school office shall be filed with
 7 the commissioner. *Statements and reports on a ballot issue shall be filed with the*
 8 *commissioner responsible under section forty-seven point two (47.2) of the Code for*
 9 *conducting the election at which the issue is voted upon, except that statements and*

10 *reports on a statewide ballot issue shall be filed with the commission. State statutory*
11 *political committees shall file all statements and reports with the commission. All*
12 *other statutory political committees shall file the statements and reports with the*
13 *commissioner with a copy sent to the commission.*

1 SEC. 3. Section fifty-six point five (56.5), subsection two (2), Code 1975, as
2 amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter
3 fifty-seven (57), section eight (8), is amended by striking paragraph c and
4 redesignating the succeeding paragraphs accordingly.

1 SEC. 4. Section fifty-six point six (56.6), subsection one (1), Code 1975, as
2 amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter
3 fifty-seven (57), section ten (10), is amended to read as follows:

4 1. Each treasurer of a committee shall file with the commission or
5 commissioner disclosure reports of contributions received and disbursed on forms
6 prescribed by rules as provided by chapter seventeen A (17A) of the Code. The
7 reports from all committees, except those committees for municipal and school
8 elective offices, shall be filed on the twenty-fifth day or mailed by certified mail
9 by the twenty-fourth day of January, May, July, and October of each year. The
10 January report shall be current to the end of the month preceding the filing. The
11 May, July, and October reports shall be current as of five days prior to the filing
12 deadline. The January report shall be the annual report. Committees for
13 municipal and school elective offices *and ballot issues* shall file reports five days
14 prior to any election in which the name of the candidate *or the ballot issue* which
15 they support or oppose appears on the printed ballot and thirty days following
16 the final election in a calendar year in which the candidate's name *or the ballot*
17 *issue* appears on the ballot. *A committee supporting or opposing a candidate for a*
18 *municipal or school elective office or a ballot issue shall continue to file a disclosure*
19 *statement every thirty days until it dissolves.* These reports shall be current to five
20 days prior to the filing deadline. A state statutory political committee and
21 congressional district committees as authorized by the constitution of the state
22 statutory political committee shall not be subject to the provisions of this
23 subsection if the state statutory political committee files copies of campaign
24 disclosure reports as required by federal law with the commission at such times as
25 the reports are required to be filed under federal law, provided that the federal
26 reports contain all information required by this chapter.

1 SEC. 5. Section fifty-six point six (56.6), subsection three (3), Code 1975, as
2 amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter
3 fifty-seven (57), section ten (10), is amended by striking paragraph e and
4 redesignating the succeeding paragraphs accordingly.

1 SEC. 6. Section fifty-six point six (56.6), subsection three (3), paragraphs f, h
2 and i, Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975
3 Session, chapter fifty-seven (57), section ten (10), are amended to read as follows:

4 f. Each loan to ~~or from~~ any person *or committee* within the calendar year in an
5 aggregate amount in excess of those amounts enumerated in the schedule in
6 paragraph "b" of this subsection, together with the name and mailing address of
7 the lender and endorsers and the date and amount of such loans. ~~A state or~~
8 ~~county statutory political committee shall report the name and mailing address of~~
9 ~~each person who has made one or more loans in an aggregate amount in excess of~~
10 ~~one hundred dollars.~~ *Loans shall be reported on the contributions section of the*
11 *disclosure statement.*

12 h. The name and mailing address of each person to whom disbursements *or*
13 *loan repayments* have been made by the committee from contributions during the
14 reporting period and the amount and date of each disbursement except that
15 disbursements of less than five dollars may be shown as miscellaneous
16 disbursements so long as the aggregate miscellaneous disbursements to any one
17 person during a calendar year do not exceed one hundred dollars.

18 i. The amount and nature of debts and obligations owed in excess of those
 19 amounts stated in the schedule in paragraph "b" of this section by ~~or to~~ the
 20 committee. *Loans made to a committee and reported under paragraph b of this*
 21 *subsection shall not be considered a debt or obligation under this paragraph. A loan*
 22 *made by a committee to any person shall be considered a disbursement.*

1 SEC. 7. Section fifty-six point ten (56.10), Code 1975, as amended by Acts of
 2 the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section
 3 fourteen (14), is amended by striking subsection one (1) and inserting in lieu
 4 thereof the following:

5 1. Review the contents of all disclosure reports and other statements filed with
 6 the commission and promptly advise each committee of errors found. The
 7 commission may, upon its own motion, initiate action and conduct a hearing
 8 under section fifty-six point eleven (56.11), subsections one (1) and two (2) of the
 9 Code. The commission may require the county commissioner to file summary
 10 reports with it periodically.

1 SEC. 8. Section fifty-six point eleven (56.11), Code 1975, is amended by
 2 striking subsection one (1) and inserting in lieu thereof the following:

3 1. Any eligible elector may file a complaint of an alleged violation with the
 4 commission. The complaint shall be verified and supported by affidavit detailing
 5 the circumstances of the violation alleged. The commission may initiate action on
 6 its own motion by filing a complaint accompanied by such an affidavit. Within
 7 twenty-four hours after receipt of a complaint or initiation of its own complaint,
 8 the commission shall notify the person, candidate or committee against whom the
 9 complaint is made of receipt or initiation of the complaint, and until it has done
 10 so it shall make no investigation of any kind into the campaign affairs of the
 11 person, candidate or committee. Unless the commission concludes that there is no
 12 reasonable basis for a complaint which has been filed, it shall set a date for a
 13 hearing on the complaint which shall be not more than fifteen days after the date
 14 the complaint is received or initiated by the commission. The commission shall
 15 serve the person, candidate or committee against whom the complaint is made a
 16 copy of the complaint and supporting affidavit and notice of the hearing in the
 17 manner provided by the Rules of Civil Procedure. Copies of the complaint,
 18 affidavit and notice shall also be sent to each of the other candidates, if any, for
 19 the office affected. If a complaint is filed or initiated less than fifteen days before
 20 the election at which the office affected is to be filled, the commission shall set
 21 the hearing at the earliest possible date so as to allow the issue to be resolved
 22 prior to the election. An extension of time for the hearing may be granted when
 23 both parties mutually agree on an alternate date for the hearing.

1 SEC. 9. Section fifty-six point eleven (56.11), subsections two (2) and three (3),
 2 Code 1975, are amended to read as follows:

3 2. The commission shall investigate the complaint and conduct the hearing.
 4 *Upon request of the commission, the county attorney or the attorney general shall*
 5 *assist the commission in any investigation and report to it as directed.* The
 6 commission shall have the power to subpoena and review all records of a
 7 candidate or ~~political~~ committee required to be kept under this chapter. Due
 8 process, including the right to be represented by counsel, shall be accorded the
 9 accused. The commission shall provide for the confidentiality of the records of a
 10 candidate or ~~political~~ committee during the investigation and hearing process and
 11 shall provide for confidential hearings *only* if requested by either party to the
 12 complaint, *except that if the commission itself is a complainant it may not request a*
 13 *confidential hearing.* After the hearing the commission shall determine whether or
 14 not there is a *reasonable belief* grounds to believe that a violation of the
 15 provisions of this chapter did occur. The commission shall send a copy of its
 16 findings of fact and decision to the person, candidate or ~~political~~ committee
 17 against which the complaint was filed and to each candidate for the public office

18 affected. The ~~campaign finance disclosure~~ commission may assess the cost of
19 such hearings against either party involved in the hearing.

20 3. If the commission finds *reasonable grounds to believe* that the person,
21 candidate, or ~~political~~ committee has engaged in ~~any~~ an act or practice which
22 constitutes a violation of this chapter, the commission shall report ~~such a the~~
23 suspected violation of law to the United States attorney, the attorney general, or
24 the county attorney, as the case may be, with a recommendation of appropriate
25 action to be taken.

1 SEC. 10. Section fifty-six point seventeen (56.17), Code 1975, is amended to
2 read as follows:

3 **56.17 Applicability to federal candidates.**

4 1. ~~This~~ *The requirements of this chapter relative to disclosure of contributions* shall
5 apply to candidates and political committees for federal office only in the event
6 such candidates are not subject to a federal law requiring the disclosure of
7 campaign financing. Any such federal law shall supersede the provisions of this
8 chapter.

9 2. *The provisions of this chapter under which money from the Iowa election*
10 *campaign fund may be made available to or used for the benefit of candidates and*
11 *candidates' committees shall apply to candidates for federal office and their*
12 *candidates' committees only if matching funds to pay a portion of their campaign*
13 *expenses are not available to such candidates or their committees from the federal*
14 *government.*

1 SEC. 11. Section fifty-six point nineteen (56.19), Code 1975, is amended to
2 read as follows:

3 **56.19 Fund created.** The "Iowa election campaign fund" is created within
4 the office of the treasurer of state. The fund shall consist of funds paid by persons
5 having an Iowa income tax liability as provided in section 56.18. The director of
6 revenue shall remit funds collected as provided in section 56.18 to the treasurer of
7 state who shall deposit such funds in the appropriate account within the Iowa
8 election campaign fund. Any interest income received by the treasurer of state
9 from investment of moneys deposited in the fund shall be deposited in the Iowa
10 election campaign fund. Such funds shall be subject to payment to the ~~chairman~~
11 *chairperson* of the specified political party by the state comptroller in the manner
12 provided ~~in this chapter~~ *by section fifty-six point twenty-two (56.22) of the Code.*

1 SEC. 12. Section fifty-six point twenty-one (56.21), Code 1975, is amended to
2 read as follows:

3 **56.21 Funds—application to comptroller.** Any candidate for a *partisan* public
4 office, except ~~president or vice president of the United States~~ *as otherwise provided*
5 *by section fifty-six point seventeen (56.17), subsection two (2) of the Code,* may
6 receive campaign funds ~~through the state statutory political committee under this~~
7 ~~chapter~~ *from the Iowa election campaign fund through the state central committee*
8 *of the candidate's political party.* However, the ~~chairman~~ *of the state statutory*
9 *political central committee shall apply to the state comptroller for these funds not*
10 *later than sixty-five days before a general election of each political party shall have*
11 *discretion which of the party's candidates for public office shall be allocated campaign*
12 *funds out of money received by that party from the Iowa election campaign fund.*

13 *The state comptroller shall remit by check drawn upon the Iowa election*
14 *campaign fund all funds in the party's account to the chairman upon certification*
15 *by the state commissioner that the party has qualified to have candidate names*
16 *placed on the official general election ballot.*

1 SEC. 13. Section fifty-six point twenty-two (56.22), Code 1975, is amended by
2 striking the section and inserting in lieu thereof the following:

3 **56.22 Distribution of campaign fund—restrictions on use.**

4 1. The money accumulated in the Iowa election campaign fund to the account
5 of each political party in the state shall be remitted to the party on the first
6 business day of each month by warrant of the state comptroller drawn upon the
7 fund in favor of the state chairperson of that party. The money received by each
8 political party under this section shall be used as directed by the party's state
9 statutory political committee.

10 2. Funds distributed to statutory political committees pursuant to this chapter
11 shall not be used to support or oppose the nomination of any candidate. Nothing
12 in this subsection shall be construed to prohibit a statutory political committee
13 from using such funds to pay expenses incurred in arranging and holding a
14 nominating convention.

1 SEC. 14. Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-
2 seven (57), section sixteen (16), third new section, amending chapter fifty-six (56),
3 Code 1975, is amended to read as follows:

4 NEW SECTION. 1. *Except as provided in subsection three (3) of this section, it*
5 *shall be unlawful for any insurance company, savings and loan association, bank,*
6 *and corporation organized pursuant to the laws of this state or any other state,*
7 *territory, or foreign country, whether for profit or not, or any officer, agent,*
8 *representative thereof acting for such insurance company, savings and loan*
9 *association, bank, or corporation, to contribute any money, property, labor, or*
10 *thing of value, directly or indirectly, to any committee, or for the purpose of*
11 *influencing the vote of any elector, except that such resources may be so expended*
12 *in connection with a utility franchise election held pursuant to section three hundred*
13 *sixty-four point two (364.2), subsection four (4) of the Code, however all such*
14 *expenditures shall be subject to the disclosure requirements of this chapter.*

15 2. *Except as provided in subsection three (3) of this section, it shall be unlawful*
16 *for any member of any committee, or employee or representative thereof, or*
17 *candidate for any office or the representative of such candidate, to solicit,*
18 *request, or knowingly receive from any insurance company, savings and loan*
19 *association, bank, and corporation organized pursuant to the laws of this state or*
20 *any other state, territory, or foreign country, whether for profit or not, or any*
21 *officer, agent, or representative thereof, any money, property, or thing of value*
22 *belonging to such insurance company, savings and loan association, bank, or*
23 *corporation for campaign expenses, or for the purpose of influencing the vote of*
24 *any elector. Nothing in this section shall be construed to restrain or abridge the*
25 *freedom of the press or prohibit the consideration and discussion therein of*
26 *candidacies, nominations, public officers, or public questions.*

27 3. *It shall be lawful for any insurance company, savings and loan association, bank,*
28 *and corporation organized pursuant to the laws of this state or any other state or*
29 *territory, whether or not for profit, and for the officers, agents and representatives*
30 *thereof, to use the money, property, labor, or any other thing of value of any such*
31 *entity for the purposes of soliciting its stockholders, administrative officers and*
32 *members for contributions to a committee sponsored by that entity and of financing*
33 *the administration of a committee sponsored by that entity. The entity's employees to*
34 *whom the foregoing authority does not extend may voluntarily contribute to such a*
35 *committee but shall not be solicited for contributions. All contributions made under*
36 *authority of this subsection shall be subject to the disclosure requirements of this*
37 *chapter. A committee member, committee employee, committee representative,*
38 *candidate or representative referred to in subsection two (2) of this section lawfully*
39 *may solicit, request, and receive money, property and other things of value from a*
40 *committee sponsored by an insurance company, savings and loan association, bank, or*
41 *corporation as permitted by this subsection.*

42 4. *The restrictions imposed by this section relative to making, soliciting or receiving*
43 *contributions shall not apply to a nonprofit corporation or organization which uses*
44 *those contributions to encourage registration of voters and participation in the political*
45 *process, or to publicize public issues, or both, but does not use any part of those*

46 *contributions to endorse or oppose any candidate for public office or support or oppose*
47 *ballot issues.*

48 s/ R.D.R. *[5. For the purposes of this section, labor unions or any group
49 organized as a collective bargaining unit shall not be deemed to be a corporation,
50 however contributions and expenditures made by a labor union or a group organized
51 as a collective bargaining unit in support of or opposition to a candidate or ballot issue
52 shall be subject to the disclosure requirements of this chapter.] s/ R.D.R.

53 6. Any person convicted of a violation of any of the provisions of this section
54 shall be subject to imprisonment in the county jail for not more than one year
55 and by a fine not to exceed one thousand dollars.

1 SEC. 15. The provisions of sections three (3), five (5), six (6) and eight (8)
2 through thirteen (13) of this Act shall take effect January 1, 1977. However,
3 reports due to be submitted to the commission or the commissioner on or before
4 January 25, 1977 may be submitted on forms calling for the information required
5 by law for the period ending December 31, 1976.

1 SEC. 16. Sections fifty-six point fourteen (56.14) and fifty-six point fifteen
2 (56.15), Code 1975, are repealed.

1 SEC. 17. There is appropriated from the general fund of the state to the
2 campaign finance disclosure commission for the fiscal year beginning July 1, 1976
3 and ending June 30, 1977, for salaries, support, maintenance and miscellaneous
4 purposes, the sum of sixty-one thousand five hundred ninety-two (61,592) dollars,
5 or so much thereof as may be necessary.

*Approved June 28, 1976 except the item designated as Subsection 5 of Section 14 herein which I hereby disapprove for the reasons set forth in my item veto message delivered to the Secretary of State this same date, the original of which is attached hereto.

Senate File 1346 is approved June 28, 1976, with the following exception which I hereby disapprove.

I am unable to approve the item designated in the Act as Subsection 5 of Section 14 which reads as follows:

"5. For the purposes of this section, labor unions or any group organized as a collective bargaining unit shall not be deemed to be a corporation, however contributions and expenditures made by a labor union or a group organized as a collective bargaining unit in support of or opposition to a candidate or ballot issue shall be subject to the disclosure requirements of this chapter."

This item makes legal in Iowa any direct transfer of funds from labor union treasuries to candidates, candidates' committees, or any other political committees. For the first time Iowa law would specifically authorize labor unions to contribute directly their assets to state and local campaigns.

Business corporations in Iowa have long been prohibited from contributing "any money, property, labor, or thing of value, directly or indirectly" to political campaigns. On the other hand, Iowa law has been silent up to now on union contributions for political purposes.

Since 1925 federal law has prohibited contributions or expenditures by corporations and labor organizations to federal political campaigns. 18 U. S. C. §610 has provided:

"It is unlawful . . . for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section."

*See item veto message at end of Act

The Federal Election Campaign Act Amendments of 1976 recodified the foregoing section to provide for the establishment and operation of political action committees by corporations and labor unions. To bring Iowa law into accord with the new federal law, the legislature provided in Senate File 1346 the authority for corporations to establish political action committees in Iowa for state and local campaigns.

But our legislature went further and attached the item in question to Senate File 1346 to exempt unions from the restrictions Iowa law places on corporations.

As a result, labor unions, whether incorporated or not, would be able to use union dues and any other union funds to make direct contributions to the campaign of candidates in Iowa. This is something they cannot do under federal law. And it is something corporations cannot do under either federal or state law.

Federal law treats unions and corporations in a similar manner regarding campaign contributions. Iowa law can be made more consistent and treat both in a like fashion by removing Subsection 5 of Section 14 of Senate File 1346. Of course, labor unions and corporations and their individual members and stockholders will still be able to contribute to political campaigns individually or through their political action committees.

For these reasons, I hereby disapprove this item in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 1346 are hereby approved this date.

s/ ROBERT D. RAY, Governor

CHAPTER 1079

PUBLIC RECORDS COPIED

S. F. 244

AN ACT relating to the copying of public records.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section sixty-eight A point three (68A.3), Code 1975, is amended
 2 to read as follows:
 3 **68A.3 Supervision.** Such examination and copying shall be done under the
 4 supervision of the lawful custodian of the records or his authorized deputy. The
 5 lawful custodian may adopt and enforce reasonable rules regarding such work
 6 and the protection of the records against damage or disorganization. The lawful
 7 custodian shall provide a suitable place for such work, but if it is impracticable to
 8 do such work in the office of the lawful custodian, the person desiring to examine
 9 or copy shall pay any necessary expenses of providing a place for such work. All
 10 expenses of such work shall be paid by the person desiring to examine or copy.
 11 The lawful custodian may charge a reasonable fee for the services of the lawful
 12 custodian or his authorized deputy in supervising the records during such work. *If*
 13 *copy equipment is available at the office of the lawful custodian of any public records,*
 14 *the lawful custodian shall provide any person a reasonable number of copies of any*
 15 *public record in the custody of the office upon the payment of a fee. The fee for the*
 16 *copying service as determined by the lawful custodian shall not exceed the cost of*
 17 *providing the service.*

Approved May 25, 1976