

State Government: Arnould, Chair; Buhr and Renken.

D. Pass 4/11/85

SENATE FILE 540

BY COMMITTEE ON STATE GOVERNMENT

Original 1/5/82 3/22 (p. 992)

FILED MAR 29 1985

Passed Senate, Date 4-1-85 (p. 1158) Passed House, Date 2-28-86 (p. 495)

Vote: Ayes 47 Nays 1 Vote: Ayes 95 Nays 0

Approved March 20, 1986 (p. 813)

A BILL FOR

1 An Act relating to the financing of political campaigns
2 and the reporting of that financing.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. Section 56.3, subsection 2, Code 1985, is
2 amended to read as follows:

3 2. Every person who receives contributions in excess of
4 one hundred dollars for a committee shall, not later than
5 fifteen days from the date of receipt of the contributions or
6 on demand of the treasurer, render to the treasurer the
7 contributions and an account of the total of all
8 contributions; including the name and address of the persons
9 making a contribution in excess of ten dollars, the amount of
10 such contribution, and the date on which the contributions
11 were received. The treasurer shall deposit all contributions
12 within seven days of receipt by the treasurer in an account
13 maintained by the committee in a financial institution. All
14 funds of a committee shall be segregated from any ~~person's~~
15 other funds of officers, members, or associates of the
16 committee.

17 Sec. 2. Section 56.5, subsection 2, Code 1985, is amended
18 to read as follows:

19 2. The statement of organization shall include:

20 a. The name, and purpose, mailing address and telephone
21 number of the committee.

22 b. The name, mailing address, and position of the
23 committee officers.

24 c. The name, address, office sought, and the party
25 affiliation of all candidates whom the committee is supporting
26 and if the committee is supporting the entire ticket of any
27 party, the name of the party.

28 d. The disposition of funds which will be made in the
29 event of dissolution if the committee is not a statutory
30 committee.

31 e. Such other information as may be required by this
32 chapter or rules adopted pursuant to this chapter.

33 f. A signed statement by the treasurer of the committee
34 which shall be in the following form:

35 "I am aware that I am required to file disclosure reports

1 if the committee receives contributions, makes expenditures,
2 or incurs indebtedness in excess of two hundred fifty dollars
3 in a calendar year for the purpose of supporting or opposing
4 any candidate for public office or ballot issue."

5 g. The identification of any parent entity or other
6 affiliates or sponsors.

7 h. The name of the financial institution in which the
8 committee receipts will be deposited.

9 Sec. 3. Section 56.5, Code 1985, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 5. In lieu of filing the statement of
12 organization under subsections 1 and 2 and filing the
13 disclosure reports under section 56.6, a political committee
14 which is not domiciled in this state and makes a contribution
15 to a candidate's committee or political committee in this
16 state may file a verified statement under this subsection with
17 the commission with a copy to the treasurer of the committee
18 receiving the contribution. The statement shall be attached
19 to the report required of the committee receiving the
20 contribution under section 56.6. The statement shall include
21 the complete name, address and telephone number of the
22 committee, the state or federal jurisdiction under which it is
23 registered or operates, the identification of any parent
24 entity or other affiliates or sponsors, its purpose and the
25 name and address of an Iowa resident authorized to receive
26 service of original notice.

27 Sec. 4. Section 56.6, subsection 1, paragraph b, Code
28 1985, is amended to read as follows:

29 b. A candidate's committee of a candidate for statewide
30 office or the general assembly shall file a supplementary
31 report in a year in which a primary, general or special
32 election for that office is held if the committee of a
33 candidate for statewide-office governor receives ten thousand
34 dollars or more, a committee of a candidate for any other
35 statewide office receives five thousand dollars or more, or

1 the committee of a candidate for the general assembly receives
2 ~~two~~ one thousand dollars or more after the close of the period
3 covered by the last report filed prior to that primary,
4 general or special election. The amounts of contributions
5 causing a supplementary report under this paragraph shall
6 include the estimated fair market value of in kind
7 contributions. The report shall be filed by the Friday
8 immediately preceding the election and be current through the
9 Tuesday immediately preceding the election.

10 Sec. 5. Section 56.6, subsection 3, paragraph b,
11 subparagraph 10, Code 1985, is amended to read as follows:

12 (10) For any other political
13 committee \$ 50
14 25

15 Sec. 6. Section 56.6, subsection 3, Code 1985, is amended
16 by adding the following new lettered paragraph:

17 NEW LETTERED PARAGRAPH. If a person listed under paragraph
18 "b", "d", "e", or "f" as making a contribution or loan to or
19 purchase from a candidate's committee is related to the
20 candidate within the third degree of consanguinity or
21 affinity, the existence of that person's family relationship
22 shall be indicated on the report.

23 Sec. 7. Section 56.13, unnumbered paragraph 1, Code 1985,
24 is amended to read as follows:

25 Action involving a contribution or expenditure which must
26 be reported under this chapter and which is taken by any
27 person, candidate's committee or political committee on behalf
28 of a candidate, if known and approved by the candidate, shall
29 be deemed action by the candidate. It shall be presumed that a
30 candidate approves the action if the candidate had knowledge
31 of it and failed to file a statement of disavowal with the
32 commissioner or commission and take corrective action within
33 seventy-two hours of the action. A person, candidate's
34 committee or political committee taking such action
35 independently of that candidate's committee shall notify that

1 candidate's committee in writing within twenty-four hours of
2 taking the action. The notification shall provide that
3 candidate's committee with the cost of the promotion at fair
4 market value. A copy of the notification shall be sent to the
5 commission. This paragraph does not apply to actions taken by
6 a county or state statutory political committee.

7 Sec. 8. NEW SECTION. 56.14 POLITICAL ADVERTISEMENTS.

8 A person who causes the publication or distribution of
9 published material after July 1, 1984 designed to promote or
10 defeat the nomination or election of a candidate for public
11 office or the passage of a constitutional amendment or public
12 measure shall include conspicuously on the published material
13 the identity and address of the person responsible for the
14 material. If the person responsible is an organization, the
15 name of one officer of the organization shall appear on the
16 material. This section does not apply to the editorials or
17 news articles of a newspaper or magazine which are not
18 political advertisements. For the purpose of this section,
19 "published material" means any newspaper, magazine, shopper,
20 outdoor advertising facility, poster, yard sign including hand
21 lettered signs, direct mailing, brochure, or any other form of
22 printed general public political advertising. This section
23 does not apply to bumper stickers, pins, buttons, pens,
24 matchbooks and similar small items upon which the inclusion of
25 the disclaimer would be impracticable or to published material
26 which is subject to federal regulations regarding a disclaimer
27 requirement.

28 Sec. 9. Section 49.131, Code 1985, is repealed.

29 EXPLANATION

30 This bill contains changes in the campaign finance laws,
31 some of which were recommended by the political campaigns
32 study committee.

33 Section 1 requires that the contributions in excess of one
34 hundred dollars be turned into the treasurer of a political
35 committee within fifteen days and that the treasurer deposit

1 them within seven days in an account in a financial
2 institution that is segregated from all other funds.

3 Section 2 expands the information that must be provided in
4 the organization statement filed by a committee to include the
5 committee's telephone number, purpose, parent entity or other
6 affiliates, and the name of its financial institution.

7 Section 3 provides an alternative method of filing for out-
8 of-state committees making a contribution to an Iowa candidate
9 or political committee.

10 Section 4 lowers the contribution threshold for the filing
11 of supplemental reports prior to the election by candidates
12 for some statewide office and the general assembly.

13 Section 5 lowers the level at which the donor to a
14 political committee must be identified from fifty to twenty-
15 five dollars.

16 Section 6 requires that contributions and loans by family
17 members to a candidate be identified on the disclosure report.

18 Section 7 provides that a person or committee making an
19 independent expenditure on behalf of a candidate must provide
20 written notice to the candidate within twenty-four hours of
21 taking the action.

22 Sections 8 and 9 transfer a section on political
23 advertising and add definitions of its terms.

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1 Amend Senate File 540 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 56.2, Code 1985, is amended by
5 adding the following new subsection:

6 NEW SUBSECTION. "Consultant" means a person who
7 provides or procures services for or on behalf of a
8 candidate including, but not limited to consulting,
9 public relations, advertising, fundraising, polling,
10 managing or organizing services."

11 2. Page 3, by inserting after line 14 the
12 following:

13 "Sec. _____. Section 56.6, subsection 3, paragraph
14 g, Code 1985, is amended to read as follows:

15 g. The name and mailing address of each person to
16 whom disbursements or loan repayments have been made
17 by the committee from contributions during the
18 reporting period and the amount, purpose, and date of
19 each disbursement except that disbursements of less
20 than five dollars may be shown as miscellaneous
21 disbursements so long as the aggregate miscellaneous
22 disbursements to any one person during a calendar year
23 do not exceed one hundred dollars. If disbursements
24 are made to a consultant, the consultant shall provide
25 the committee with a statement of disbursements made
26 by the consultant during the reporting period showing
27 the amount, purpose and date to the same extent as if
28 made by the candidate which shall be included in the
29 report by the committee."

30 3. Page 3, line 16, by striking the word
31 "paragraph" and inserting the word "paragraphs".

32 4. Page 3, by inserting after line 22 the
33 following:

34 "NEW LETTERED PARAGRAPH. The name and mailing
35 address of each person with whom a candidate's
36 committee has entered into a contract during the
37 reporting period for future or continuing performance
38 and the nature of the performance, period of
39 performance and total, anticipated compensation for
40 performance. For a report filed under subsection 1,
41 paragraph "b", this paragraph also requires the
42 reporting of estimates of performance which the
43 candidate's committee reasonably expects to contract
44 for during the balance of the reporting period."

45 5. Page 3, line 29, by inserting after the word
46 "candidate" the words "and reported by the candidate's
47 committee".

48 6. Page 4, by striking lines 5 and 6 and
49 inserting the word "commission."

50 7. Page 4, by inserting after line 27 the

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1 following:

2 "Sec. ____ . NEW SECTION. 56.15 ACCEPTANCE OF
3 CERTAIN CONTRIBUTIONS LIMITED.

4 If a candidate seeks one of the offices listed in
5 this section, that person's candidate's committee
6 shall not accept contributions from political
7 committees aggregating more than the amount provided
8 for that office in this section between regular
9 elections for that office. The offices and amounts
10 provided by this section are as follows:

- 11 1. State representative, four thousand dollars.
- 12 2. State senator, eight thousand dollars.
- 13 3. Lieutenant governor, attorney general,
14 secretary of state, treasurer of state, auditor of
15 state, or secretary of agriculture, twenty thousand
16 dollars.
- 17 4. Governor, one hundred thousand dollars."

S-3546 Filed March 28, 1985

By BRUNER

A. Adopted, B. Lost 4/1/85 (p. 1150)

S-3551

SENATE FILE 540

1 Amend Senate File 540 as follows:

- 2 1. Page 1, line 16, by inserting after the word
3 "committee" the following: "or the committee's
4 candidate".
- 5 2. Page 4, line 16, by inserting after the word
6 "material." the following: "However, if the
7 organization is a committee which has filed a
8 statement of organization under this chapter, only the
9 name of the committee is required to be included on
10 the published material."

S-3551 Filed March 28, 1985

By HOLDEN

Adopted 4/1/85 (p. 1158)

See Letter Book 1/13/86 So. Res 2/20 (p. 404)

SENATE FILE 540

BY COMMITTEE ON STATE GOVERNMENT

(AS AMENDED AND PASSED BY THE SENATE APRIL 1, 1985)

Passed Senate, Date 4-6-86 (p. 574) Passed House, Date 2-28-86 (p. 495)
Vote: Ayes 43 Nays 0 Vote: Ayes 95 Nays 0
Approved March 20, 1986 (p. 813)

A BILL FOR

1 An Act relating to the financing of political campaigns
2 and the reporting of that financing.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE AMENDMENT TO
SENATE FILE 540

S-5246

1 Amend Senate File 540 as amended, passed and
2 reprinted by the Senate as follows:
3 1. Page 3, by inserting after line 16 the
4 following:
5 "Sec. 6. Section 56.6, subsection 1, Code 1985, is
6 amended by adding the following new lettered
7 paragraph:
8 NEW LETTERED PARAGRAPH. A candidate's committee of
9 a state officeholder shall file a letter report to be
10 received within fourteen days of the receipt of any
11 contribution from a political committee or from a
12 lobbyist registered under the rules adopted by either
13 house of the general assembly while the general
14 assembly is in session. The letter report shall
15 notify the commission of the following:
16 (1) The name of the candidate's committee.
17 (2) The name and complete address of the political
18 committee or registered lobbyist making the
19 contribution.
20 (3) The amount of the contribution.
21 (4) The date the contribution was received.
22 (5) In the event the contribution was caused by a
23 fundraiser, an explanation of the sponsor and type of
24 event held."

S-5246 Filed March 4, 1986
Senate concurred 3/6 (p. 574)

REC'D FROM THE HOUSE

1 Section 1. Section 56.2, Code 1985, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. "Consultant" means a person who provides
4 or procures services for or on behalf of a candidate
5 including, but not limited to consulting, public relations,
6 advertising, fundraising, polling, managing or organizing
7 services.

8 Sec. 2. Section 56.3, subsection 2, Code 1985, is amended
9 to read as follows:

10 2. Every person who receives contributions in excess of
11 one hundred dollars for a committee shall, not later than
12 fifteen days from the date of receipt of the contributions or
13 on demand of the treasurer, render to the treasurer the
14 contributions and an account of the total of all
15 contributions; including the name and address of the persons
16 making a contribution in excess of ten dollars, the amount of
17 such contribution, and the date on which the contributions
18 were received. The treasurer shall deposit all contributions
19 within seven days of receipt by the treasurer in an account
20 maintained by the committee in a financial institution. All
21 funds of a committee shall be segregated from any personal
22 other funds of officers, members, or associates of the
23 committee or the committee's candidate.

24 Sec. 3. Section 56.5, subsection 2, Code 1985, is amended
25 to read as follows:

26 2. The statement of organization shall include:

27 a. The name, and purpose, mailing address and telephone
28 number of the committee.

29 b. The name, mailing address, and position of the
30 committee officers.

31 c. The name, address, office sought, and the party
32 affiliation of all candidates whom the committee is supporting
33 and if the committee is supporting the entire ticket of any
34 party, the name of the party.

35 d. The disposition of funds which will be made in the

1 event of dissolution if the committee is not a statutory
2 committee.

3 e. Such other information as may be required by this
4 chapter or rules adopted pursuant to this chapter.

5 f. A signed statement by the treasurer of the committee
6 which shall be in the following form:

7 "I am aware that I am required to file disclosure reports
8 if the committee receives contributions, makes expenditures,
9 or incurs indebtedness in excess of two hundred fifty dollars
10 in a calendar year for the purpose of supporting or opposing
11 any candidate for public office or ballot issue."

12 g. The identification of any parent entity or other
13 affiliates or sponsors.

14 h. The name of the financial institution in which the
15 committee receipts will be deposited.

16 Sec. 4. Section 56.5, Code 1985, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 5. In lieu of filing the statement of
19 organization under subsections 1 and 2 and filing the
20 disclosure reports under section 56.6, a political committee
21 which is not domiciled in this state and makes a contribution
22 to a candidate's committee or political committee in this
23 state may file a verified statement under this subsection with
24 the commission with a copy to the treasurer of the committee
25 receiving the contribution. The statement shall be attached
26 to the report required of the committee receiving the
27 contribution under section 56.6. The statement shall include
28 the complete name, address and telephone number of the
29 committee, the state or federal jurisdiction under which it is
30 registered or operates, the identification of any parent
31 entity or other affiliates or sponsors, its purpose and the
32 name and address of an Iowa resident authorized to receive
33 service of original notice.

34 Sec. 5. Section 56.6, subsection 1, paragraph b, Code
35 1985, is amended to read as follows:

1 b. A candidate's committee of a candidate for statewide
2 office or the general assembly shall file a supplementary
3 report in a year in which a primary, general or special
4 election for that office is held if the committee of a
5 candidate for statewide-office governor receives ten thousand
6 dollars or more, a committee of a candidate for any other
7 statewide office receives five thousand dollars or more, or
8 the committee of a candidate for the general assembly receives
9 two one thousand dollars or more after the close of the period
10 covered by the last report filed prior to that primary,
11 general or special election. The amounts of contributions
12 causing a supplementary report under this paragraph shall
13 include the estimated fair market value of in kind
14 contributions. The report shall be filed by the Friday
15 immediately preceding the election and be current through the
16 Tuesday immediately preceding the election.

17 Sec. 6. Section 56.6, subsection 3, paragraph b,
18 subparagraph 10, Code 1985, is amended to read as follows:

19 (10) For any other political
20 committee \$ 50
21 25

22 Sec. 7. Section 56.6, subsection 3, paragraph g, Code
23 1985, is amended to read as follows:

24 g. The name and mailing address of each person to whom
25 disbursements or loan repayments have been made by the
26 committee from contributions during the reporting period and
27 the amount, purpose, and date of each disbursement except that
28 disbursements of less than five dollars may be shown as,
29 miscellaneous disbursements so long as the aggregate
30 miscellaneous disbursements to any one person during a
31 calendar year do not exceed one hundred dollars. If
32 disbursements are made to a consultant, the consultant shall
33 provide the committee with a statement of disbursements made
34 by the consultant during the reporting period showing the
35 amount, purpose and date to the same extent as if made by the

1 candidate which shall be included in the report by the
2 committee.

3 Sec. 8. Section 56.6, subsection 3, Code 1985, is amended
4 by adding the following new lettered paragraphs:

5 NEW LETTERED PARAGRAPH. If a person listed under paragraph
6 "b", "d", "e", or "f" as making a contribution or loan to or
7 purchase from a candidate's committee is related to the
8 candidate within the third degree of consanguinity or
9 affinity, the existence of that person's family relationship
10 shall be indicated on the report.

11 NEW LETTERED PARAGRAPH. The name and mailing address of
12 each person with whom a candidate's committee has entered into
13 a contract during the reporting period for future or
14 continuing performance and the nature of the performance,
15 period of performance and total, anticipated compensation for
16 performance. For a report filed under subsection 1, paragraph
17 "b", this paragraph also requires the reporting of estimates
18 of performance which the candidate's committee reasonably
19 expects to contract for during the balance of the reporting
20 period.

21 Sec. 9. Section 56.13, unnumbered paragraph 1, Code 1985,
22 is amended to read as follows:

23 Action involving a contribution or expenditure which must
24 be reported under this chapter and which is taken by any
25 person, candidate's committee or political committee on behalf
26 of a candidate, if known and approved by the candidate, shall
27 be deemed action by the candidate and reported by the
28 candidate's committee. It shall be presumed that a candidate
29 approves the action if the candidate had knowledge of it and
30 failed to file a statement of disavowal with the commissioner
31 or commission and take corrective action within seventy-two
32 hours of the action. A person, candidate's committee or
33 political committee taking such action independently of that
34 candidate's committee shall notify that candidate's committee
35 in writing within twenty-four hours of taking the action. The

1 notification shall provide that candidate's committee with the
2 cost of the promotion at fair market value. A copy of the
3 notification shall be sent to the commission.

4 Sec. 10. NEW SECTION. 56.14 POLITICAL ADVERTISEMENTS.

5 A person who causes the publication or distribution of
6 published material after July 1, 1984 designed to promote or
7 defeat the nomination or election of a candidate for public
8 office or the passage of a constitutional amendment or public
9 measure shall include conspicuously on the published material
10 the identity and address of the person responsible for the
11 material. If the person responsible is an organization, the
12 name of one officer of the organization shall appear on the
13 material. However, if the organization is a committee which
14 has filed a statement of organization under this chapter, only
15 the name of the committee is required to be included on the
16 published material. This section does not apply to the
17 editorials or news articles of a newspaper or magazine which
18 are not political advertisements. For the purpose of this
19 section, "published material" means any newspaper, magazine,
20 shopper, outdoor advertising facility, poster, yard sign
21 including hand lettered signs, direct mailing, brochure, or
22 any other form of printed general public political
23 advertising. This section does not apply to bumper stickers,
24 pins, buttons, pens, matchbooks and similar small items upon
25 which the inclusion of the disclaimer would be impracticable
26 or to published material which is subject to federal
27 regulations regarding a disclaimer requirement.

28 Sec. 11. Section 49.131, Code 1985, is repealed.

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SENATE FILE 540

H-4248

1 Amend Senate File 540 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 5, by inserting after line 27 the
4 following:

5 "Sec. 10. NEW SECTION. 56.33 POLITICAL
6 CANDIDATES FUND.

7 1. As used in this section unless the context
8 requires otherwise:

9 a. "Eligible office" means the offices of state
10 senator, state representative, secretary of
11 agriculture, secretary of state, treasurer of state,
12 auditor of state, attorney general, lieutenant
13 governor, and governor.

14 b. "Political action committee" means any
15 political committee except a county statutory
16 political committee, a state statutory political
17 committee or a national political party.

18 2. A candidate for an eligible office who has been
19 nominated by a political party as defined by section
20 43.2 may register with the commission for a restricted
21 campaign and become eligible for a grant from the
22 political candidates fund. A restricted campaign
23 exists if all candidates for that eligible office
24 nominated by a political party have registered for a
25 restricted campaign.

26 3. Except as provided in subsection 6, if a
27 restricted campaign exists, the candidate's committee
28 of those candidates nominated to that eligible office
29 by a political party shall be eligible for the
30 following maximum grant from the political candidates
31 fund and shall be subject to the following limits on
32 total contributions and expenditures, total
33 contributions which may be received from a political
34 action committee, and the largest contribution which
35 may be accepted from any political action committee
36 for the following respective eligible offices:

37 a. Governor.

38 (1) Total expenditure and contribution limit, one
39 million dollars.

40 (2) Total political action committee contribution
41 limit, two hundred fifty thousand dollars.

42 (3) Largest political action committee
43 contribution limit, two thousand dollars.

44 (4) Grant, two hundred fifty thousand dollars.

45 b. Lieutenant governor, attorney general,
46 secretary of agriculture, secretary of state,
47 treasurer of state, and auditor of state.

48 (1) Total expenditure and contribution limit, one
49 hundred thousand dollars.

50 (2) Total political action committee contribution

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Page Two

- 1 limit, twenty-five thousand dollars.
- 2 (3) Largest political action committee
- 3 contribution limit, one thousand dollars.
- 4 (4) Grant, twenty five thousand dollars.
- 5 c. State senator.
- 6 (1) Total expenditure and contribution limit,
- 7 eighteen thousand dollars.
- 8 (2) Total political action committee contribution
- 9 limit, six thousand dollars.
- 10 (3) Largest political action committee
- 11 contribution limit, five hundred dollars.
- 12 (4) Grant, six thousand dollars.
- 13 d. State representative.
- 14 (1) Total expenditure and contribution limit, nine
- 15 thousand dollars.
- 16 (2) Total political action committee contribution
- 17 limit, three thousand dollars.
- 18 (3) Largest political action committee
- 19 contribution limit, five hundred dollars.
- 20 (4) Grant, three thousand dollars.
- 21 4. If a restricted campaign exists, the
- 22 limitations of subsection 3 shall apply to
- 23 contributions received and expenses incurred during
- 24 the following periods:
- 25 a. For a candidate nominated by a convention or
- 26 party state central committee, from the date of the
- 27 convention until December 31 following the general
- 28 election.
- 29 b. For a candidate nominated by a primary
- 30 election, except as provided in paragraph "c", from
- 31 the date of filing nomination papers until December 31
- 32 following the general election.
- 33 c. For a candidate nominated at a primary election
- 34 who had an opponent on the primary election ballot or
- 35 an opponent who received write-in votes of five
- 36 percent or more of the votes cast, from the date after
- 37 the primary election until December 31 following the
- 38 general election; however, the financial balance of
- 39 the candidate's committee shall be credited against
- 40 the contribution limit and the cost of campaign
- 41 supplies still available to the candidate's committee
- 42 shall be credited against the expenditure limit.
- 43 5. A candidate nominated to an eligible office by
- 44 a political party by the primary election shall file a
- 45 statement with the commission within fourteen days of
- 46 the primary election stating whether the candidate is
- 47 registering for a restricted campaign. A candidate
- 48 nominated at a convention or by a state central
- 49 committee shall file the statement within seven days.
- 50 A candidate cannot register for a restricted campaign

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Page Three

1 if that candidate's political party previously
2 nominated a person for that eligible office at that
3 general election and that person declined to register
4 for a restricted campaign.

5 6. If a candidate for an eligible office nominated
6 by a political party declines to register for a
7 restricted campaign, the commission shall transmit the
8 grant amount to which the declining candidate would
9 have been eligible to the other candidate nominated
10 for that eligible office who has registered for a
11 restricted campaign in addition to the grant amount
12 for the registered candidate. The grant amount of the
13 declining candidate transmitted to the other
14 candidates is not subject to the matching funds
15 requirement of subsection 7. If there is more than
16 one other registered candidate nominated by a
17 political party for that eligible office the grant
18 amount of the declining candidate shall be divided
19 equally among them. If there is no such opposing
20 candidate at the time, the commission shall hold the
21 funds until a candidate can no longer be placed on the
22 ballot and if there is no opposing candidate who has
23 registered for a restricted campaign at that time, the
24 funds shall be deposited in the political candidates
25 fund.

26 A candidate may register for a restricted campaign
27 and decline to accept the grant amount provided under
28 this section.

29 7. A registered candidate who is eligible for a
30 grant is entitled to twice as much grant as the
31 candidate receives in contributions from individuals
32 up to the maximum grant amount. However, only the
33 first two hundred fifty dollars of a contribution to a
34 candidate for a statewide office and the first one
35 hundred dollars of a contribution to a candidate for a
36 legislative office qualify for the matching of grant
37 funds. If a candidate's committee has a balance under
38 subsection 4, paragraph c, that balance qualifies for
39 matching of grant funds to the same extent as the
40 percentage of total contributions are qualifying
41 contributions by individuals.

42 8. The commission shall establish by rule the
43 requirements and forms for applications for and its
44 determination of a candidate's eligibility and
45 entitlement to a grant amount from the political
46 candidates fund. The commission shall cause the
47 payment of grant amounts to be made to those
48 candidates who are entitled to it under this section.
49 The first payment shall be made by August fifteenth in
50 the year of election. The commission shall provide

1 procedures for supplemental filings and payments of
2 grant amounts.

3 9. The political candidates fund is created in the
4 office of the treasurer of state. The money in the
5 fund is appropriated to candidate's committees.
6 qualifying under this section and are payable by the
7 state comptroller upon the direction of the
8 commission.

9 10. For the purposes of this section an expense
10 occurs during a period of restricted campaign if
11 either the payment is made or the performance is made
12 during the period.

13 Sec. 11. NEW SECTION. 56.34 PENALTY.

14 1. If a candidate's committee exceeds either of
15 the contribution limits provided in section 56.33 when
16 a restricted campaign exists, the candidate's
17 committee shall deposit into the political candidates
18 fund a civil penalty of an amount equal to twice the
19 amount by which the limit was exceeded.

20 2. The criminal penalty of section 56.16 shall
21 apply to violations of section 56.33 and may be
22 imposed in addition to the civil penalty provided in
23 subsection 1.

24 Sec. 12. There is appropriated from the surplus
25 account of the Iowa plan fund for economic development
26 created by 1985 Iowa Acts, House File 225, section
27 301, to the political candidates fund created in
28 section 56.33 for the fiscal year beginning July 1,
29 1986 and ending June 30, 1987 the sum of one million
30 seven hundred thousand (1,700,000) dollars, or so much
31 as is necessary, to make grants authorized under
32 section 56.33. The treasurer of state shall notify
33 the general assembly by March 1, 1986 of the projected
34 balance in the surplus account that will be available
35 for this appropriation."

BY HALVORSON of Webster
LLOYD-JONES of Johnson
SWARTZ of Marshall
RUNNING of Linn
CARTER of Henry
TEAFORD of Black Hawk
HUGHES of Union
MULLINS of Kossuth
HANSON of Delaware
PETERSON of Carroll
JOHNSON of Winneshiek
GROTH of Buena Vista
FEY of Scott
COCHRAN of Webster
SULLIVAN of Van Buren
MUELBACHER of Crawford
PONCY of Wapello
JAY of Appanoose
VAN CAMP of Scott
DODERER of Johnson
GRONINGA of Cerro Gordo
ZIMMERMAN of Dallas
H-4248 FILED MAY 3, 1985

MILLER of Cherokee
ROSENBERG of Story
HOLVECK of Polk
PLATT of Muscatine
CARL of Poweshiek
LONERGAN of Boone
GRUHN of Dickinson
BEATTY of Warren
HAMMOND of Story
HAVERLAND of Polk
ARNOULD of Scott
KNAPP of Dubuque
OSTERBERG of Linn
STURGEON of Woodbury
BLANSHAN of Greene
CLARK of Cerro Gordo
KUBR of Polk
CHAPMAN of Linn
O'KANE of Woodbury
CONNOLLY of Dubuque
SHOULTZ of Black Hawk
BRAMMER of Linn
JOCHUM of Dubuque

H/D 2/24/86 (p. 494)

SENATE FILE 540

H-3846

1 Amend Senate File 540 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 3, by inserting after line 16 the
4 following:

5 "Sec. 6. Section 56.6, subsection 1, Code 1985, is
6 amended by adding the following new lettered
7 paragraph:

8 NEW LETTERED PARAGRAPH. A candidate's committee of
9 a state officeholder shall file a letter report to be
10 received within fourteen days of the receipt of any
11 contribution from a political committee or from a
12 lobbyist registered under the rules adopted by either
13 house of the general assembly while the general
14 assembly is in session. The letter report shall
15 notify the commission of the following:

16 (1) The name of the candidate's committee.

17 (2) The name and complete address of the political
18 committee or registered lobbyist making the
19 contribution.

20 (3) The amount of the contribution.

21 (4) The date the contribution was received.

22 (5) In the event the contribution was caused by a
23 fundraiser, an explanation of the sponsor and type of
24 event held."

25 2. Page 5, by inserting after line 28 the
26 following:

27 "Sec. 13. This Act, except for section 6, takes
28 effect January 1, 1986. Section 6 of this Act takes
29 effect ~~July 1, 1985.~~"

BY McINTEE of Black Hawk
JOCHUM of Dubuque

H-3846 FILED APRIL 16, 1985
w/d 2/22/86 (p. 494)

SENATE FILE 540

H-3768

1 Amend Senate File 540 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 3, by inserting after line 16 the
4 following:

5 "Sec. 6. Section 56.6, subsection 1, Code 1985, is
6 amended by adding the following new lettered
7 paragraph:

8 NEW LETTERED PARAGRAPH. A candidate's committee of
9 a state officeholder shall file a letter report to be
10 received within fourteen days of the receipt of any
11 contribution from a political committee or from a
12 lobbyist registered under the rules adopted by either
13 house of the general assembly while the general
14 assembly is in session. The letter report shall
15 notify the commission of the following:

16 (1) The name of the candidate's committee.

17 (2) The name and complete address of the political
18 committee or registered lobbyist making the
19 contribution.

20 (3) The amount of the contribution.

21 (4) The date the contribution was received.

22 (5) In the event the contribution was caused by a
23 fundraiser, an explanation of the sponsor and type of
24 event held."

H-3768 FILED APRIL 12, 1985 BY MCINTEE of Black Hawk

Adopted 2/28/86 (p 495)

SENATE FILE 540

H-5129

1 Amend Senate File 540 as amended, passed, and
2 reprinted by the Senate as follows:
3 1. Page 5, by inserting after line 28 the
4 following:
5 "Sec. 12. This Act becomes effective January 1,
6 1987."

H-5129 FILED FEBRUARY 20, 1986 BY SWEARINGEN of Keokuk
Lower 2/28/86 (p. 494)

SENATE FILE 540

H-5185

1 Amend amendment H-3846 to Senate File 540 as
2 amended, passed, and reprinted by the Senate as
3 follows:
4 1. Page 1, by striking lines 25 through 29.

H-5185 FILED FEBRUARY 27, 1986 BY McINTEE of Black Hawk
Placed out of order 2/28/86 (p. 494)

SSB 62
St. Govt.

New
SF 540

PROPOSED SENATE/HOUSE FILE _____

BY (PROPOSED POLITICAL CAMPAIGNS
STUDY COMMITTEE BILL)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the financing of political campaigns and
2 the reporting of that financing.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. _____ H.F. _____

1 Section 1. Section 56.3, subsection 2, Code 1985, is
2 amended to read as follows:

3 2. Every person who receives contributions in excess of
4 one hundred dollars for a committee shall, not later than
5 fifteen days from the date of receipt of the contributions or
6 on demand of the treasurer, render to the treasurer the
7 contributions and an account of the total of all
8 contributions; including the name and address of the persons
9 making a contribution in excess of ten dollars, the amount of
10 such contribution, and the date on which the contributions
11 were received. The treasurer shall deposit all contributions
12 within seven days of receipt by the treasurer in an account
13 maintained by the committee in a financial institution. All
14 funds of a committee shall be segregated from any personal
15 other funds of officers, members, or associates of the
16 committee.

17 Sec. 2. Section 56.5, subsection 2, Code 1985, is amended
18 to read as follows:

19 2. The statement of organization shall include:

20 a. The name, and purpose, mailing address and telephone
21 number of the committee.

22 b. The name, mailing address, and position of the
23 committee officers.

24 c. The name, address, office sought, and the party
25 affiliation of all candidates whom the committee is supporting
26 and if the committee is supporting the entire ticket of any
27 party, the name of the party.

28 d. The disposition of funds which will be made in the
29 event of dissolution if the committee is not a statutory
30 committee.

31 e. Such other information as may be required by this
32 chapter or rules adopted pursuant to this chapter.

33 f. A signed statement by the treasurer of the committee
34 which shall be in the following form:

35 "I am aware that I am required to file disclosure reports

1 if the committee receives contributions, makes expenditures,
2 or incurs indebtedness in excess of two hundred fifty dollars
3 in a calendar year for the purpose of supporting or opposing
4 any candidate for public office or ballot issue."

5 g. The identification of any parent entity or other
6 affiliates or sponsors.

7 h. The name of the financial institution in which the
8 committee receipts will be deposited.

9 Sec. 3. Section 56.5, Code 1985, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 5. In lieu of filing the statement of
12 organization under subsections 1 and 2 and filing the
13 disclosure reports under section 56.6, a political committee
14 which is not domiciled in this state and makes a contribution
15 to a candidate's committee or political committee in this
16 state may file a verified statement under this subsection with
17 the commission with a copy to the treasurer of the committee
18 receiving the contribution. The statement shall be attached
19 to the report required of the committee receiving the
20 contribution under section 56.6. The statement shall include
21 the complete name, address and telephone number of the
22 committee, the state or federal jurisdiction under which it is
23 registered or operates, the identification of any parent
24 entity or other affiliates or sponsors, its purpose and the
25 name and address of an Iowa resident authorized to receive
26 service of original notice.

27 Sec. 4. Section 56.6, subsection 1, Code 1985, is amended
28 by adding the following new lettered paragraph:

29 NEW LETTERED PARAGRAPH. A candidate's committee of a state
30 officeholder shall file a letter report to be received within
31 fourteen days of the receipt of any contribution from a
32 political committee or from a lobbyist registered under the
33 rules adopted by the general assembly while the general
34 assembly is in session. The letter report shall notify the
35 commission of the following:

S.F. _____ H.F. _____

- 1 (1) The name of the candidate's committee.
- 2 (2) The name and complete address of the political
- 3 committee or registered lobbyist making the contribution.
- 4 (3) The amount of the contribution.
- 5 (4) The date the contribution was received.
- 6 (5) In the event the contribution was caused by a
- 7 fundraiser, an explanation of the sponsor and type of event
- 8 held.

9 Sec. 5. Section 56.6, subsection 1, paragraph b, Code
10 1985, is amended to read as follows:

11 b. A candidate's committee of a candidate for statewide
12 office or the general assembly shall file a supplementary
13 report in a year in which a primary, general or special
14 election for that office is held if the committee of a
15 candidate for statewide-office governor receives ten thousand
16 dollars or more, a committee of a candidate for any other
17 statewide office receives five thousand dollars or more, or
18 the committee of a candidate for the general assembly receives
19 two one thousand dollars or more after the close of the period
20 covered by the last report filed prior to that primary,
21 general or special election. The amounts of contributions
22 causing a supplementary report under this paragraph shall
23 include the estimated fair market value of in kind
24 contributions. The report shall be filed by the Friday
25 immediately preceding the election and be current through the
26 Tuesday immediately preceding the election.

27 Sec. 6. Section 56.6, subsection 3, paragraph b,
28 subparagraph 10, Code 1985, is amended to read as follows:

29 (10) For any other political
30 committee \$ 50
31 25

32 Sec. 7. Section 56.6, subsection 3, Code 1985, is amended
33 by adding the following new lettered paragraph:

34 NEW LETTERED PARAGRAPH. If a person listed under
35 paragraphs "b", "d", "e", or "f" as making a contribution or

1 loan to or purchase from a candidate's committee is related to
2 the candidate within the third degree of consanguinity or
3 affinity, the existence of that person's family relationship
4 shall be indicated on the report.

5 Sec. 8. Section 56.13, unnumbered paragraph 1, Code 1985,
6 is amended to read as follows:

7 Action involving a contribution or expenditure which must
8 be reported under this chapter and which is taken by any
9 person, candidate's committee or political committee on behalf
10 of a candidate, if known and approved by the candidate, shall
11 be deemed action by the candidate. It shall be presumed that a
12 candidate approves the action if the candidate had knowledge
13 of it and failed to file a statement of disavowal with the
14 commissioner or commission and take corrective action within
15 seventy-two hours of the action. A person, candidate's
16 committee or political committee taking such action
17 independently of that candidate's committee shall notify that
18 candidate's committee in writing within twenty-four hours of
19 taking the action. The notification shall provide that
20 candidate's committee with the cost of the promotion at fair
21 market value. A copy of the notification shall be sent to the
22 commission. This paragraph does not apply to actions taken by
23 a county or state statutory political committee.

24 EXPLANATION

25 This bill contains the statutory changes recommended by the
26 political campaigns study committee.

27 Section 1 requires that the contributions in excess of one
28 hundred dollars be turned into the treasurer of a political
29 committee within fifteen days and that the treasurer deposit
30 them within seven days in an account in a financial
31 institution that is segregated from all other funds.

32 Section 2 expands the information that must be provided in
33 the organization statement filed by a committee to include the
34 committee's telephone number, purpose, parent entity or other
35 affiliates, and the name of its financial institution.

1 Section 3 provides an alternative method of filing for out-
2 of-state committees making a contribution to an Iowa candidate
3 or political committee.

4 Section 4 codifies the temporary rules regarding the filing
5 of reports of contributions by political committees or
6 registered lobbyists to state officeholders while the general
7 assembly is in session.

8 Section 5 lowers the contribution threshold for the filing
9 of supplemental reports prior to the election by candidates
10 for some statewide office and the general assembly.

11 Section 6 lowers the level at which the donor to a
12 political committee must be identified from fifty to twenty-
13 five dollars.

14 Section 7 requires that contributions and loans by family
15 members to a candidate be identified on the disclosure report.

16 Section 8 provides that a person or committee making an
17 independent expenditure on behalf of a candidate must provide
18 written notice to the candidate within twenty-four hours of
19 taking the action.

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SENATE FILE 540

AN ACT

RELATING TO THE FINANCING OF POLITICAL CAMPAIGNS AND THE
REPORTING OF THAT FINANCING.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 56.2, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. "Consultant" means a person who provides or procures services for or on behalf of a candidate including, but not limited to consulting, public relations, advertising, fundraising, polling, managing or organizing services.

Sec. 2. Section 56.3, subsection 2, Code 1985, is amended to read as follows:

2. Every person who receives contributions in excess of one hundred dollars for a committee shall, not later than fifteen days from the date of receipt of the contributions or on demand of the treasurer, render to the treasurer the contributions and an account of the total of all contributions; including the name and address of the persons making a contribution in excess of ten dollars, the amount of such contribution, and the date on which the contributions were received. The treasurer shall deposit all contributions within seven days of receipt by the treasurer in an account maintained by the committee in a financial institution. All funds of a committee shall be segregated from any personal other funds of officers, members, or associates of the committee or the committee's candidate.

Sec. 3. Section 56.5, subsection 2, Code 1985, is amended to read as follows:

2. The statement of organization shall include:
- a. The name, and purpose, mailing address and telephone number of the committee.

b. The name, mailing address, and position of the committee officers.

c. The name, address, office sought, and the party affiliation of all candidates whom the committee is supporting; and if the committee is supporting the entire ticket of any party, the name of the party.

d. The disposition of funds which will be made in the event of dissolution if the committee is not a statutory committee.

e. Such other information as may be required by this chapter or rules adopted pursuant to this chapter.

f. A signed statement by the treasurer of the committee which shall be in the following form:

"I am aware that I am required to file disclosure reports if the committee receives contributions, makes expenditures, or incurs indebtedness in excess of two hundred fifty dollars in a calendar year for the purpose of supporting or opposing any candidate for public office or ballot issue."

g. The identification of any parent entity or other affiliates or sponsors.

h. The name of the financial institution in which the committee receipts will be deposited.

Sec. 4. Section 56.5, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 5. In lieu of filing the statement of organization under subsections 1 and 2 and filing the disclosure reports under section 56.6, a political committee which is not domiciled in this state and makes a contribution to a candidate's committee or political committee in this state may file a verified statement under this subsection with the commission with a copy to the treasurer of the committee receiving the contribution. The statement shall be attached to the report required of the committee receiving the contribution under section 56.6. The statement shall include the complete name, address and telephone number of the committee, the state or federal jurisdiction under which it is

registered or operates, the identification of any parent entity or other affiliates or sponsors, its purpose and the name and address of an Iowa resident authorized to receive service of original notice.

Sec. 5. Section 56.6, subsection 1, paragraph b, Code 1985, is amended to read as follows:

b. A candidate's committee of a candidate for statewide office or the general assembly shall file a supplementary report in a year in which a primary, general or special election for that office is held if the committee of a candidate for statewide-office governor receives ten thousand dollars or more, a committee of a candidate for any other statewide office receives five thousand dollars or more, or the committee of a candidate for the general assembly receives two one thousand dollars or more after the close of the period covered by the last report filed prior to that primary, general or special election. The amounts of contributions causing a supplementary report under this paragraph shall include the estimated fair market value of in kind contributions. The report shall be filed by the Friday immediately preceding the election and be current through the Tuesday immediately preceding the election.

Sec. 6. Section 56.6, subsection 1, Code 1985, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. A candidate's committee of a state officeholder shall file a letter report to be received within fourteen days of the receipt of any contribution from a political committee or from a lobbyist registered under the rules adopted by either house of the general assembly while the general assembly is in session. The letter report shall notify the commission of the following:

- (1) The name of the candidate's committee.
- (2) The name and complete address of the political committee or registered lobbyist making the contribution.
- (3) The amount of the contribution.
- (4) The date the contribution was received.

15) In the event the contribution was caused by a fundraiser, an explanation of the sponsor and type of event held.

Sec. 7. Section 56.6, subsection 3, paragraph b, subparagraph 10, Code 1985, is amended to read as follows.

(10) For any other political committee \$ 50
25

Sec. 8. Section 56.6, subsection 3, paragraph g, Code 1985, is amended to read as follows:

g. The name and mailing address of each person to whom disbursements or loan repayments have been made by the committee from contributions during the reporting period and the amount, purpose, and date of each disbursement except that disbursements of less than five dollars may be shown as miscellaneous disbursements so long as the aggregate miscellaneous disbursements to any one person during a calendar year do not exceed one hundred dollars. If disbursements are made to a consultant, the consultant shall provide the committee with a statement of disbursements made by the consultant during the reporting period showing the amount, purpose and date to the same extent as if made by the candidate which shall be included in the report by the committee.

Sec. 9. Section 56.6, subsection 3, Code 1985, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. If a person listed under paragraph "a", "d", "e", or "f" as making a contribution or loan to or purchase from a candidate's committee is related to the candidate within the third degree of consanguinity or affinity, the existence of that person's family relationship shall be indicated on the report.

NEW LETTERED PARAGRAPH. The name and mailing address of each person with whom a candidate's committee has entered into a contract during the reporting period for future or continuing performance and the nature of the performance.

period of performance and total anticipated compensation for performance. For a report filed under subsection 1, paragraph "b", this paragraph also requires the reporting of estimates of performance which the candidate's committee reasonably expects to contract for during the balance of the reporting period.

Sec. 10. Section 56.13, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Action involving a contribution or expenditure which must be reported under this chapter and which is taken by any person, candidate's committee or political committee on behalf of a candidate, if known and approved by the candidate, shall be deemed action by the candidate and reported by the candidate's committee. It shall be presumed that a candidate approves the action if the candidate had knowledge of it and failed to file a statement of disavowal with the commissioner or commission and take corrective action within seventy-two hours of the action. A person, candidate's committee or political committee taking such action independently of that candidate's committee shall notify that candidate's committee in writing within twenty-four hours of taking the action. The notification shall provide that candidate's committee with the cost of the promotion at fair market value. A copy of the notification shall be sent to the commission.

Sec. 11. NEW SECTION. 56.14 POLITICAL ADVERTISEMENTS.

A person who causes the publication or distribution of published material after July 1, 1984 designed to promote or defeat the nomination or election of a candidate for public office or the passage of a constitutional amendment or public measure shall include conspicuously on the published material the identity and address of the person responsible for the material. If the person responsible is an organization, the name of one officer of the organization shall appear on the material. However, if the organization is a committee which has filed a statement of organization under this chapter, only the name of the committee is required to be included on the

published material. This section does not apply to the editorials or news articles of a newspaper or magazine which are not political advertisements. For the purpose of this section, "published material" means any newspaper, magazine, shopper, outdoor advertising facility, poster, yard sign including hand lettered signs, direct mailing, brochure, or any other form of printed general public political advertising. This section does not apply to bumper stickers, pins, buttons, pens, matchbooks and similar small items upon which the inclusion of the disclaimer would be impracticable or to published material which is subject to federal regulations regarding a disclaimer requirement.

Sec. 12. Section 49.131, Code 1985, is repealed.

.....
ROBERT T. ANDERSON
President of the Senate

.....
DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 540, Seventy-first General Assembly.

.....
K. MARIE THAYER
Secretary of the Senate

Approved *March 20* _____, 1986

.....
TERRY E. BRANSTAD
Governor

S.F. 540