

FILED JAN 14 1987
Presented 1/16/87

SENATE FILE 19
BY COMMITTEE ON ETHICS
Approved 1/14/87 (p. 58)

Passed Senate, Date 1-15-87 (p. 63) Passed House, Date _____
Vote: Ayes 46 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the giving of gifts to public employees and
2 officials and to candidates and subjecting violators to a
3 penalty.

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

5

SENATE FILE 19

S-3010

- 1 Amend Senate File 19 as follows:
- 2 1. Title page, line 3, by inserting after the
- 3 word "penalty" the words "and providing an effective
- 4 date".

S-3010

Filed and Adopted January 15, 1987 BY TOM MANN, JR.
p. 69

SF 19

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1 Section 1. Section 68B.2, subsections 8, 9, 10, 11, and
2 12, Code 1987, are amended by striking the subsections and
3 inserting in lieu thereof the following:

4 8. "Candidate" means a candidate as defined in section
5 56.2 for a statewide office or the general assembly.

6 9. "Gift" means a rendering of money, property, services,
7 discount, loan forgiveness, payment of indebtedness, or
8 anything else of value in return for which legal consideration
9 of equal or greater value is not given and received. However,
10 "gift" does not mean any of the following:

11 a. Anything received by a donee whose official action or
12 lack of official action will potentially have no material
13 effect, distinguishable from material effects on the public
14 generally, on the interests of the donor.

15 b. Campaign contributions.

16 c. Informational material relevant to a public servant's
17 official functions, such as books, pamphlets, reports,
18 documents, or periodicals.

19 d. Anything received from a person related within the
20 fourth degree by kinship or marriage, unless the donor is
21 acting as an agent or intermediary for another person not so
22 related.

23 e. Anything which is donated within thirty days after its
24 receipt to a public body or to a bona fide educational or
25 charitable organization, without the donation being claimed at
26 any time as a charitable contribution for tax purposes.

27 f. An inheritance.

28 g. Anything available to or distributed to the public
29 generally without regard to official status of the recipient.

30 h. Reimbursement for or payment of actual expenses
31 incurred for public speaking engagements or other formal
32 public appearances.

33 10. "Local official" and "local employee" mean an official
34 or employee of the political subdivisions of this state.

35 11. "Public disclosure" means a written report filed by

1 the fifteenth day of the month following the month in which a
2 gift is received as required by this chapter or required by
3 rules adopted pursuant to this chapter.

4 12. "Immediate family members" means the spouse or minor
5 children of a person required to file reports pursuant to this
6 chapter or required by the rules adopted or executive order
7 issued pursuant to this chapter.

8 Sec. 2. Section 68B.5, Code 1987, is amended by striking
9 the section and inserting in lieu thereof the following:

10 68B.5 GIFTS SOLICITED OR ACCEPTED.

11 An official, employee, local official, local employee,
12 member of the general assembly, candidate, or legislative
13 employee shall not, directly or indirectly, solicit, accept,
14 or receive any gift having a value of fifty dollars or more in
15 any one occurrence. A person shall not, directly or
16 indirectly, offer or make any such gift to an official,
17 employee, local official, local employee, member of the
18 general assembly, candidate or legislative employee which has
19 a value in excess of fifty dollars in any one occurrence.

20 Sec. 3. Section 68B.11, Code 1987, is amended by striking
21 the section and inserting in lieu thereof the following:

22 68B.11 REPORTING OF GIFTS.

23 1. The house of representatives and the senate shall adopt
24 rules relating to the reporting of gifts made to members of
25 the general assembly, legislative employees and their
26 immediate family members. The rules shall require public
27 disclosure of the nature, amount, date and donor of any gift
28 made to one of those individuals which exceeds fifteen dollars
29 in value in any one occurrence.

30 2. The governor shall issue an executive order relating to
31 the reporting of gifts made to officials and employees of the
32 executive department of the state and their immediate family
33 members. The executive order shall require public disclosure
34 of the nature, amount, date and donor of any gift made to one
35 of those individuals which exceeds fifteen dollars in value in

1 any one occurrence.

2 3. The supreme court of this state shall adopt rules
3 relating to the reporting of gifts made to officials and
4 employees of the judicial department of this state and their
5 immediate family members. The rules shall require public
6 disclosure of the nature, amount, date and donor of any gift
7 made to one of those individuals which exceeds fifteen dollars
8 in value in any one occurrence.

9 4. The governing body of a political subdivision of this
10 state may adopt rules relating to the reporting of gifts made
11 to its respective members or their immediate family members
12 and employees of the political subdivision of this state or
13 their immediate family members. Such rules as adopted shall
14 require public disclosure of the nature, amount, date and
15 donor of any gift made to one of those individuals having a
16 value which exceeds fifteen dollars in any one occurrence.

17 Where such rules are not adopted a local official or local
18 employee shall make public disclosure by filing a report with
19 the county auditor of the county of that person's residence
20 setting out the nature, amount, date and donor of any gift
21 made to the person or to the person's immediate family members
22 which exceeds fifteen dollars in value in any one occurrence.
23 The secretary of state shall develop a standard form for
24 public disclosure of gifts in compliance with this subsection
25 which shall be available at every county auditor's office
26 without cost.

27 5. A person who does not make public disclosure of gifts
28 as required by the rules adopted or executive order issued
29 pursuant to this chapter or who does not make public
30 disclosure as required by this chapter shall be guilty of a
31 serious misdemeanor.

32 Sec. 4. Section 722.1, Code 1987, is amended by striking
33 the section and inserting in lieu thereof the following:

34 722.1 BRIBERY.

35 A person who offers, promises or gives anything of value or

1 any benefit to any person who is serving or has been elected,
2 selected, appointed, employed or otherwise engaged to serve in
3 a public capacity, including any public officer or employee,
4 any referee, juror or venireman, or any witness in any
5 judicial or arbitration hearing or any official inquiry, or
6 any member of a board of arbitration, pursuant to an agreement
7 or arrangement or with the understanding that the promise or
8 thing of value or benefit will influence the act, vote,
9 opinion, judgment, decision or exercise of discretion of such
10 person with respect to the person's services in such capacity
11 commits a class "D" felony. In addition, any person convicted
12 under this section shall be disqualified from holding public
13 office under the laws of this state.

14 Sec. 5. Section 722.2, Code 1987, is amended by striking
15 the section and inserting in lieu thereof the following:

16 722.2 ACCEPTING BRIBE.

17 Any person who is serving or has been elected, selected,
18 appointed, employed or otherwise engaged to serve in a public
19 capacity, including any public officer or employee, any
20 referee, juror or jury panel member, or any witness in any
21 judicial or arbitration hearing or any official inquiry, or
22 any member of a board of arbitration who shall solicit or
23 knowingly accept or receive any promise or anything of value
24 or any benefit given pursuant to an understanding or
25 arrangement that the promise or thing of value or benefit will
26 influence the act, vote, opinion, judgment, decision or
27 exercise of discretion of such person with respect to the
28 person's services in that capacity commits a class "C" felony.
29 In addition, any person convicted under this section shall be
30 disqualified from holding public office under the laws of this
31 state.

32 Sec. 6. This Act is effective upon enactment.

33 EXPLANATION

34 This reenacts the provisions relating to gifts to public
35 officials and bribery contained in the 1980 Code editor's

1 bill.

2 The bill is effective upon enactment.

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Sen Ethics 1/19/87

Amend per 3022 + D. Pass 1/29 (p. 254)

SENATE FILE 19
BY COMMITTEE ON ETHICS

(AS AMENDED AND PASSED BY THE SENATE JANUARY 15, 1986)
- New Language by the Senate

^{Sen 5-20-87}
Passed Senate, Date 2-5-87 (p. 269) Passed House, Date 2-2-87 (p. 273)
Vote: Ayes 46 Nays 0 Vote: Ayes 63 Nays 34
Approved 2/21/87 (p. 506)
motion to reconsider w/d (p. 270) *Repassed House per H-3052 2-12-87 (p. 351)*
SI-15

A BILL FOR

1 An Act relating to the giving of gifts to public employees and
2 officials and to candidates and subjecting violators to a
3 penalty and providing an effective date.

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

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S.F. 19

1 Section 1. Section 68B.2, subsections 8, 9, 10, 11, and
2 12, Code 1987, are amended by striking the subsections and
3 inserting in lieu thereof the following:

4 8. "Candidate" means a candidate as defined in section
5 56.2 for a statewide office or the general assembly.

6 9. "Gift" means a rendering of money, property, services,
7 discount, loan forgiveness, payment of indebtedness, or
8 anything else of value in return for which legal consideration
9 of equal or greater value is not given and received. However,
10 "gift" does not mean any of the following:

11 a. Anything received by a donee whose official action or
12 lack of official action will potentially have no material
13 effect, distinguishable from material effects on the public
14 generally, on the interests of the donor.

15 b. Campaign contributions.

16 c. Informational material relevant to a public servant's
17 official functions, such as books, pamphlets, reports,
18 documents, or periodicals.

19 d. Anything received from a person related within the
20 fourth degree by kinship or marriage, unless the donor is
21 acting as an agent or intermediary for another person not so
22 related.

23 e. Anything which is donated within thirty days after its
24 receipt to a public body or to a bona fide educational or
25 charitable organization, without the donation being claimed at
26 any time as a charitable contribution for tax purposes.

27 f. An inheritance.

28 g. Anything available to or distributed to the public
29 generally without regard to official status of the recipient.

30 h. Reimbursement for or payment of actual expenses
31 incurred for public speaking engagements or other formal
32 public appearances.

33 10. "Local official" and "local employee" mean an official
34 or employee of the political subdivisions of this state.

35 11. "Public disclosure" means a written report filed by

1 the fifteenth day of the month following the month in which a
2 gift is received as required by this chapter or required by
3 rules adopted pursuant to this chapter.

4 12. "Immediate family members" means the spouse or minor
5 children of a person required to file reports pursuant to this
6 chapter or required by the rules adopted or executive order
7 issued pursuant to this chapter.

8 Sec. 2. Section 68B.5, Code 1987, is amended by striking
9 the section and inserting in lieu thereof the following:

10 68B.5 GIFTS SOLICITED OR ACCEPTED.

11 An official, employee, local official, local employee,
12 member of the general assembly, candidate, or legislative
13 employee shall not, directly or indirectly, solicit, accept,
14 or receive any gift having a value of fifty dollars or more in
15 any one occurrence. A person shall not, directly or
16 indirectly, offer or make any such gift to an official,
17 employee, local official, local employee, member of the
18 general assembly, candidate or legislative employee which has
19 a value in excess of fifty dollars in any one occurrence.

20 Sec. 3. Section 68B.11, Code 1987, is amended by striking
21 the section and inserting in lieu thereof the following:

22 68B.11 REPORTING OF GIFTS.

23 1. The house of representatives and the senate shall adopt
24 rules relating to the reporting of gifts made to members of
25 the general assembly, legislative employees and their
26 immediate family members. The rules shall require public
27 disclosure of the nature, amount, date and donor of any gift
28 made to one of those individuals which exceeds fifteen dollars
29 in value in any one occurrence.

30 2. The governor shall issue an executive order relating to
31 the reporting of gifts made to officials and employees of the
32 executive department of the state and their immediate family
33 members. The executive order shall require public disclosure
34 of the nature, amount, date and donor of any gift made to one
35 of those individuals which exceeds fifteen dollars in value in

1 any one occurrence.

2 3. The supreme court of this state shall adopt rules
3 relating to the reporting of gifts made to officials and
4 employees of the judicial department of this state and their
5 immediate family members. The rules shall require public
6 disclosure of the nature, amount, date and donor of any gift
7 made to one of those individuals which exceeds fifteen dollars
8 in value in any one occurrence.

9 4. The governing body of a political subdivision of this
10 state may adopt rules relating to the reporting of gifts made
11 to its respective members or their immediate family members
12 and employees of the political subdivision of this state or
13 their immediate family members. Such rules as adopted shall
14 require public disclosure of the nature, amount, date and
15 donor of any gift made to one of those individuals having a
16 value which exceeds fifteen dollars in any one occurrence.

17 Where such rules are not adopted a local official or local
18 employee shall make public disclosure by filing a report with
19 the county auditor of the county of that person's residence
20 setting out the nature, amount, date and donor of any gift
21 made to the person or to the person's immediate family members
22 which exceeds fifteen dollars in value in any one occurrence.
23 The secretary of state shall develop a standard form for
24 public disclosure of gifts in compliance with this subsection
25 which shall be available at every county auditor's office
26 without cost.

27 5. A person who does not make public disclosure of gifts
28 as required by the rules adopted or executive order issued
29 pursuant to this chapter or who does not make public
30 disclosure as required by this chapter shall be guilty of a
31 serious misdemeanor.

32 Sec. 4. Section 722.1, Code 1987, is amended by striking
33 the section and inserting in lieu thereof the following:

34 722.1 BRIBERY.

35 A person who offers, promises or gives anything of value or

1 any benefit to any person who is serving or has been elected,
2 selected, appointed, employed or otherwise engaged to serve in
3 a public capacity, including any public officer or employee,
4 any referee, juror or venireman, or any witness in any
5 judicial or arbitration hearing or any official inquiry, or
6 any member of a board of arbitration, pursuant to an agreement
7 or arrangement or with the understanding that the promise or
8 thing of value or benefit will influence the act, vote,
9 opinion, judgment, decision or exercise of discretion of such
10 person with respect to the person's services in such capacity
11 commits a class "D" felony. In addition, any person convicted
12 under this section shall be disqualified from holding public
13 office under the laws of this state.

14 Sec. 5. Section 722.2, Code 1987, is amended by striking
15 the section and inserting in lieu thereof the following:

16 722.2 ACCEPTING BRIBE.

17 Any person who is serving or has been elected, selected,
18 appointed, employed or otherwise engaged to serve in a public
19 capacity, including any public officer or employee, any
20 referee, juror or jury panel member, or any witness in any
21 judicial or arbitration hearing or any official inquiry, or
22 any member of a board of arbitration who shall solicit or
23 knowingly accept or receive any promise or anything of value
24 or any benefit given pursuant to an understanding or
25 arrangement that the promise or thing of value or benefit will
26 influence the act, vote, opinion, judgment, decision or
27 exercise of discretion of such person with respect to the
28 person's services in that capacity commits a class "C" felony.
29 In addition, any person convicted under this section shall be
30 disqualified from holding public office under the laws of this
31 state.

32 Sec. 6. This Act is effective upon enactment.

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1 Amend Senate File 19 as amended, passed and
2 reprinted by the Senate as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 Section 1. Section 68B.2, Code 1987, is amended by
6 striking the section and inserting the following:

7 68B.2 DEFINITIONS.

8 When used in this chapter, unless the context
9 otherwise requires:

10 1. "Compensation" means any money, thing of value,
11 or financial benefit conferred in return for services
12 rendered or to be rendered.

13 2. "Legislative employee" means any full-time
14 officer or employee of the general assembly but shall
15 not include members of the general assembly.

16 3. "Member of the general assembly" means any
17 individual duly elected to the senate or the house of
18 representatives of the state of Iowa.

19 4. "Regulatory agency" means department of
20 agriculture and land stewardship, department of
21 employment services, department of commerce,
22 department of public health, department of public
23 safety, department of education, state board of
24 regents, department of human services, department of
25 revenue and finance, department of inspections and
26 appeals, department of personnel, public employment
27 relations board, department of transportation, civil
28 rights commission, department of public defense, and
29 department of natural resources.

30 5. "Employee" means any full-time, salaried
31 employee of the state of Iowa and does not include
32 part-time employees or independent contractors.
33 Employee shall include but not be limited to all
34 clerical personnel.

35 6. "Official" means any officer of the state of
36 Iowa receiving a salary or per diem whether elected or
37 appointed or whether serving full-time or part-time.
38 Official shall include but not be limited to all
39 supervisory personnel and members of state agencies
40 and shall not include members of the general assembly
41 or legislative employees.

42 7. "State agency" means any state department or
43 division, board, commission, or bureau of the state
44 including regulatory agencies.

45 8. "Candidate" means a candidate as defined in
46 section 56.2 for a statewide office or the general
47 assembly.

48 9. "Gift" means a rendering of money, property,
49 services, discount, loan forgiveness, payment of
50 indebtedness, or anything else of value in return for

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1 which legal consideration of equal or greater value is
2 not given and received, if the donor:

3 (1) Is doing or seeking to do business of any kind
4 with the donee's agency;

5 (2) Is engaged in activities which are regulated
6 or controlled by the donee's agency;

7 (3) Has financial interests which may be
8 substantially and materially affected, in a manner
9 distinguishable from the public generally, by the
10 performance or nonperformance of the donee's duty; or

11 (4) Is a lobbyist with respect to matters within
12 the donee's jurisdiction.

13 However, "gift" does not mean any of the following:

14 a. Campaign contributions.

15 b. Informational material relevant to a public
16 servant's official functions, such as books,
17 pamphlets, reports, documents, or periodicals, and
18 registration fees or tuition not including travel or
19 lodging, for not more than three days, at seminars or
20 other public meetings conducted in this state, at
21 which the public servant receives information relevant
22 to the public servant's official functions.

23 c. Anything received from a person related within
24 the fourth degree by kinship or marriage, unless the
25 donor is acting as an agent or intermediary for
26 another person not so related.

27 d. Anything which is donated within thirty days
28 after its receipt to a public body or to a bona fide
29 educational or charitable organization, without the
30 donation being claimed by the donor to the
31 organization at any time as a charitable contribution
32 for tax purposes.

33 e. An inheritance.

34 f. Anything available to or distributed to the
35 public generally without regard to official status of
36 the recipient.

37 g. Honoraria.

38 h. Food, beverages, registration, and scheduled
39 entertainment at group events to which all members of
40 the general assembly are invited.

41 i. Reasonable expenses for food, beverages,
42 travel, lodging, registration, and scheduled
43 entertainment of the donee for a meeting which is
44 given in return for participation in a panel or
45 speaking engagement at the meeting.

46 10. "Local official" and "local employee" mean an
47 official or employee of the political subdivisions of
48 this state.

49 11. "Public disclosure" means a written report
50 filed by the fifteenth day of the month following the

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1 month in which a gift is received as required by this chapter or required by rules adopted pursuant to this chapter.

12. "Immediate family members" means the spouse or minor children of a person required to file reports pursuant to this chapter or required by the rules adopted or executive order issued pursuant to this chapter.

13. "Doing business with the state or a political subdivision" means being a party to any one or any combination of sales, purchases, leases, or contracts to, from, or with the state or a political subdivision, or any agency thereof, involving consideration of five thousand dollars or more on a cumulative basis during a calendar year, provided that in the case of the awarding or execution of a contract or lease, the total ascertainable consideration at the time of the making of the contract or lease thereby committed to be paid, regardless of the period of time over which such payments are to be made, shall be included within the calendar year of such award or execution.

When the terms "legislative employee", "member of the general assembly", "candidate", "employee", "local employee," "official" or "local official" are used in this chapter, they include a firm or association of which any of those persons is a member or partner and a corporation of which any of those persons holds ten percent or more of the stock either directly or indirectly, and the spouse and minor children of any of those persons.

Sec. 2. Section 68B.5, Code 1987, is amended by striking the section and inserting in lieu thereof following:

68B.5 GIFTS SOLICITED OR ACCEPTED.

1. An official, employee, local official, local employee, member of the general assembly, candidate, or legislative employee shall not, directly or indirectly, solicit, accept, or receive from any one donor any gift or any series of gifts having a value of fifty dollars or more in any one calendar day.

2. A person shall not, directly or indirectly, offer or make any gift or series of gifts to an official, employee, local official, local employee, member of the general assembly, candidate or legislative employee which has a value in excess of fifty dollars in any one calendar day. A person shall not, directly or indirectly, join with one or more other persons to offer or make any gift or series of gifts to an official, employee, local official, local

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1 employee, member of the general assembly, candidate or
2 legislative employee which has a total value in excess
3 of fifty dollars in any one calendar day.

4 Sec. 3. Section 68B.10, subsection 3, Code 1987,
5 is amended to read as follows:

6 3. Issue advisory opinions interpreting the intent
7 of constitutional and statutory provisions relating to
8 legislators and lobbyists as well as interpreting the
9 code of ethics and rules issued pursuant to this
10 section. Opinions shall be issued when approved by a
11 majority of the seven members and may be issued upon
12 the written request of a member of the general
13 assembly or upon the committee's initiation. Opinions
14 are not binding on the legislator or lobbyist.

15 Sec. 4. Section 68B.10, subsection 4 and
16 unnumbered paragraph 5, Code 1987, are amended to read
17 as follows:

18 4. Investigate complaints and charges of official
19 misconduct against members of its house and if
20 warranted, report the results of such investigation to
21 its house with recommendations for further action.

22 Violation of the code of ethics may result in the
23 suspension of a member from the general assembly and
24 the forfeiture of the member's salary if directed by a
25 two-thirds vote of the house to which the member
26 belongs. Such suspension or forfeiture of salary
27 shall be for such duration as specified in the
28 directing resolution provided however, that it cannot
29 extend beyond the ~~date of adjournment of the session~~
30 end of the general assembly during which the violation
31 occurred. Violation of the rules relating to
32 lobbyists and lobbying activities may result in the
33 suspension of any lobbyist if directed by a two-thirds
34 vote of the house wherein the violation occurred.

35 Sec. 5. Section 68B.10, Code 1987, is amended by
36 adding the following new unnumbered paragraph after
37 subsection 5:

38 NEW UNNUMBERED PARAGRAPH. The ethics committee may
39 employ an independent legal counsel to assist it in
40 carrying out its duties under this chapter with the
41 approval of its house during a legislative session and
42 with the approval of the speaker of the house for the
43 house committee or the senate majority leader for the
44 senate committee when the general assembly is not in
45 session. Payment of costs for the independent legal
46 counsel shall be made from section 2.12.;

47 Sec. 6. Section 68B.11, Code 1987, is amended by
48 striking the section and inserting in lieu thereof the
49 following:

50 68B.11 REPORTING OF GIFTS AND FINANCIAL

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1 DISCLOSURE.

2 1. The house of representatives and the senate
3 shall adopt rules requiring the reporting of gifts
4 made to members of the general assembly, legislative
5 employees and their immediate family members. The
6 rules shall require public disclosure of the nature,
7 amount, date and donor of any gift or gifts from any
8 one donor made to one of those individuals which
9 exceeds fifteen dollars in cumulative value in any one
10 calendar day. The rules shall require such disclosure
11 by both the donor and donee.

12 2. The governor shall issue an executive order
13 requiring the reporting of gifts made to officials and
14 employees of the executive department of the state and
15 their immediate family members. The executive order
16 shall require public disclosure of the nature, amount,
17 date and donor of any gift or gifts from any one donor
18 made to one of those individuals which exceeds fifteen
19 dollars in cumulative value in any one calendar day.
20 The executive order shall require such disclosure by
21 both the donor and donee.

22 3. The supreme court of this state shall adopt
23 rules requiring the reporting of gifts made to
24 officials and employees of the judicial department of
25 this state and their immediate family members. The
26 rules shall require public disclosure of the nature,
27 amount, date and donor of any gift or gifts from any
28 one donor made to one of those individuals which
29 exceeds fifteen dollars in cumulative value in any one
30 calendar day. The rules shall require such disclosure
31 by both the donor and donee.

32 4. The governing body of a political subdivision
33 of this state shall adopt rules requiring the
34 reporting of gifts made to its respective members or
35 their immediate family members and employees of the
36 political subdivision of this state or their immediate
37 family members. Such rules as adopted shall require
38 public disclosure of the nature, amount, date and
39 donor of any gift or gifts from any one donor made to
40 one of those individuals having a cumulative value
41 which exceeds fifteen dollars in any one calendar day.
42 The rules shall require such disclosure by both the
43 donor and donee. Copies of the rules and reports
44 shall be filed with the county auditor of the county
45 in which the political subdivision is located.

46 The secretary of state shall develop a standard
47 form for public disclosure of gifts in compliance with
48 this subsection which shall be available at every
49 county auditor's office without cost.

50 5. a. The value to a donor of a gift made by more

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1 than one individual to one or more donees shall be
2 determined by dividing the total value of the donor's
3 contribution to the gift by the number of individuals
4 receiving the gift. However, in determining the value
5 of a gift, an individual making a gift on behalf of
6 more than one person shall not divide the value of the
7 gift by the number of persons on whose behalf the gift
8 is made.

9 b. The value of a gift to the donee is the value
10 actually received. An individual in whose honor an
11 event is held is the donee of only those gifts
12 actually received by that individual, and is not the
13 donee of gifts that may be provided to other persons
14 in attendance at the event.

15 c. For the purposes of the reporting requirements
16 of this section, any donor of a gift made by more than
17 one individual to one or more donees shall report the
18 gift if the total value of the gift to the donee
19 exceeds fifteen dollars.

20 6. Expenses for food, beverages, registration, and
21 scheduled entertainment at group events to which all
22 members of the general assembly have been invited
23 shall be reported for each such event by reporting the
24 date, location, and total expense incurred by the
25 donor or donors.

26 7. Reporting requirements adopted or issued under
27 this section shall apply to gifts given by lobbyists
28 to an official or employee at a location outside the
29 state.

30 8. Reporting requirements adopted or issued under
31 this section may include requirements relating to the
32 reporting of income which is not a gift.

33 9. A person who does not make public disclosure of
34 gifts as required by the rules adopted or executive
35 order issued pursuant to this chapter or who does not
36 make public disclosure as required by this chapter
37 shall be guilty of a serious misdemeanor.

38 Sec. 7. Section 722.1, Code 1987, is amended by
39 striking the section and inserting in lieu thereof the
40 following:

41 722.1 BRIBERY.

42 A person who offers, promises or gives anything of
43 value or any benefit to any person who is serving or
44 has been elected, selected, appointed, employed or
45 otherwise engaged to serve in a public capacity,
46 including any public officer or employee, any referee,
47 juror or venireman, or any witness in any judicial or
48 arbitration hearing or any official inquiry, or any
49 member of a board of arbitration, pursuant to an
50 agreement or arrangement or with the understanding

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1 that the promise or thing of value or benefit will
 2 influence the act, vote, opinion, judgment, decision
 3 or exercise of discretion of such person with respect
 4 to the person's services in such capacity commits a
 5 class "D" felony. In addition, any person convicted
 6 under this section shall be disqualified from holding
 7 public office under the laws of this state.

8 Sec. 8. Section 722.2, Code 1987, is amended by
 9 striking the section and inserting in lieu thereof the
 10 following:

11 722.2 ACCEPTING BRIBE.

12 Any person who is serving or has been elected,
 13 selected, appointed, employed or otherwise engaged to
 14 serve in a public capacity, including any public
 15 officer or employee, any referee, juror or jury panel
 16 member, or any witness in any judicial or arbitration
 17 hearing or any official inquiry, or any member of a
 18 board of arbitration who shall solicit or knowingly
 19 accept or receive any promise or anything of value or
 20 any benefit given pursuant to an understanding or
 21 arrangement that the promise or thing of value or
 22 benefit will influence the act, vote, opinion,
 23 judgment, decision or exercise of discretion of such
 24 person with respect to the person's services in that
 25 capacity commits a class "C" felony. In addition, any
 26 person convicted under this section shall be
 27 disqualified from holding public office under the laws
 28 of this state.

29 Sec. 9. This Act is effective upon enactment."

H-3022 FILED JANUARY 29, 1987

BY COMMITTEE ON ETHICS

*Accepted as amended by H-3050
 2/2/87 (p 272)*

SENATE FILE 19

H-3035

1 Amend amendment H-3022 to Senate File 19 as
2 amended, passed, and reprinted by the Senate as
3 follows:

4 1. Page 4, by striking lines 4 through 46 and
5 inserting the following:

6 "Sec. 3. Section 68B.10, Code 1987, is amended by
7 striking the section and inserting in lieu thereof the
8 following:

9 68B.10 LEGISLATIVE ETHICS COMMISSION.

10 There is established a commission on legislative
11 ethics which shall consist of six members appointed by
12 the supreme court, one from each congressional
13 district, and one member appointed by the governor.
14 The appointments shall be for a term coinciding with
15 the term of the general assembly and shall be subject
16 to confirmation by the senate. Vacancies shall be
17 filled in the same manner as the original appointment
18 for the balance of the term.

19 The members of the commission shall receive a per
20 diem of forty dollars and travel expenses at the same
21 rate as paid members of interim committees for
22 attending meetings of the ethics commission. The per
23 diem and expenses shall be paid from funds
24 appropriated by section 2.12.

25 The commission shall elect a chairperson and shall
26 have the following powers, duties and functions:

27 1. Prepare a code of ethics within thirty days
28 after the commencement of the session for each house.

29 2. Prepare rules relating to lobbyists and
30 lobbying activities in the general assembly for each
31 house.

32 3. Issue advisory opinions interpreting
33 constitutional and statutory provisions relating to
34 legislators and lobbyists as well as interpreting the
35 code of ethics and rules issued pursuant to this
36 section. Opinions shall be issued when approved by a
37 majority of the seven members and may be issued upon
38 the written request of a member of the general
39 assembly or upon the commission's initiation.
40 Opinions are not binding on the legislator or the
41 lobbyist.

42 4. Investigate complaints and charges of official
43 misconduct against members of either house and if
44 warranted, report the results of such investigation to
45 the member's house with recommendations for further
46 action.

47 5. Recommend legislation to each house relating to
48 legislative ethics and lobbying activities.

49 The code of ethics and rules relating to lobbyists
50 and lobbying activities shall not become effective

H-3035
Page Two

1 until approved by the members of the house to which
2 the proposed code and rules apply. The code or rules
3 may be amended either upon the recommendation of the
4 ethics commission or by members of the general
5 assembly.

6 Violation of the code of ethics may result in the
7 suspension of a member from the general assembly and
8 the forfeiture of the member's salary if directed by a
9 two-thirds vote of the house to which the member
10 belongs. Such suspension or forfeiture of salary
11 shall be for such duration as specified in the
12 directing resolution provided however, that it cannot
13 extend beyond the end of the general assembly during
14 which the violation occurred. Violation of the rules
15 relating to lobbyists and lobbying activities may
16 result in the suspension of any lobbyist if directed
17 by a two-thirds vote of the house wherein the
18 violation occurred.

19 The ethics commission may employ an independent
20 legal counsel to assist it in carrying out its duties
21 under this chapter with the approval of the
22 legislative council. Payment of costs for the
23 independent legal counsel shall be made from section
24 2.12."

BY HERMANN of Scott

H-3035 FILED FEBRUARY 2, 1987 DE GROOT of Lyon
LOST (p. 271)

SENATE FILE 19

H-3026

1 Amend the Committee amendment H-3022 to Senate File
2 19 as amended, passed and reprinted by the Senate as
3 follows:

4 1. Page 6, by inserting after line 37 the
5 following:

6 "10. The rules adopted under subsections 1, 2, and
7 4 shall require elected officials, local officials and
8 members of the general assembly to file their reports
9 under this section with the officer with whom their
10 campaign finance disclosure reports would be filed
11 under chapter 56."

H-3026 FILED FEBRUARY 2, 1987 BY CARPENTER of Polk
LOST (p. 268)

SENATE FILE 19

H-3032

1 Amend the Committee amendment H-3022 to Senate File
2 19, as amended, passed and reprinted as follows:

3 1. Page 2, by striking lines 38-40.

H-3032 FILED FEBRUARY 2, 1987 BY CARPENTER of Polk
LOST (p. 267)

SENATE FILE 19

H-3038

1 Amend the Committee amendment H-3022 to Senate File
2 19 as amended, passed, and reprinted by the Senate as
3 follows:

4 1. Page 3, lines 37 and 38, by striking the words
5 "member of the general assembly, candidate, or
6 legislative employee" and inserting the following:
7 "or candidate to be an official or local official".

8 2. Page 3, lines 45 and 46, by striking the words
9 "member of the general assembly, candidate or
10 legislative employee" and inserting the following:
11 "or candidate to be an official or local official".

12 3. Page 4, lines 1 and 2, by striking the words
13 "member of the general assembly, candidate or
14 legislative employee" and inserting the following:
15 "or candidate to be an official or local official".

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

18 "3. A member of the general assembly, candidate
19 for the general assembly, legislative employee, or
20 their immediate family members shall not, directly or
21 indirectly, solicit, accept or receive a gift. A
22 person shall not, directly or indirectly, make or join
23 with others to make a gift to a member of the general
24 assembly, candidate for the general assembly,
25 legislative employee, or their immediate family
26 members. If a person is subject to this subsection
27 and another subsection of this section, the
28 limitations of this subsection shall prevail. For the
29 purpose of this subsection the exclusion from the
30 definition of "gift" provided by section 68B.2,
31 subsection 9, paragraph "h", does not apply."

BY HANSON of Delaware

CLARK of Cerro Gordo

DE GROOT of Lyon

HERMANN of Scott

JOHNSON of Winneshiek

TYRRELL of Iowa

McKEAN of Jones

TEAFORD of Black Hawk

CARPENTER of Polk

MULLINS of Kossuth

H-3038 FILED FEBRUARY 2, 1987

OSTERBERG of Linn

LOST (p 272)

SENATE FILE 19

H-3030

1 Amend the Committee amendment H-3022 to Senate File
2 19 as amended, passed and reprinted by the Senate as
3 follows:

4 1. Page 3, lines 46 and 47, by striking the words
5 "in excess of fifty dollars" and inserting the words
6 "of fifty dollars or more".

7 2. Page 4, lines 2 and 3, by striking the words
8 "in excess of fifty dollars" and inserting the words
9 "of fifty dollars or more".

H-3030 FILED FEBRUARY 2, 1987 BY HOLVECK of Polk

ADOPTED (p 268)

SENATE FILE 19

H-3043

- 1 Amend the Committee amendment H-3022 to Senate File
2 19 as amended, passed and reprinted by the Senate as
3 follows:
4 1. Page 5, line 9, by striking the word "fifteen"
5 and inserting the word "ten".
6 2. Page 5, line 18, by striking the word
7 "fifteen" and inserting the word "ten".
8 3. Page 5, line 29, by striking the word
9 "fifteen" and inserting the word "ten".
10 4. Page 5, line 41, by striking the word
11 "fifteen" and inserting the word "ten".
12 5. Page 6, line 19, by striking the word
13 "fifteen" and inserting the word "ten".

H-3043 FILED FEBRUARY 2, 1987 BY CARPENTER of Polk
LOST (p 271)

SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE FILE 19
H-3052

- 1 Amend the House amendment S-3019 to Senate File 19
2 as amended, passed, and reprinted by the Senate as
3 follows:
4 1. Page 6, by striking lines 27 through 30.
5 2. By renumbering the amendment to conform with
6 this amendment.

H-3052 FILED FEBRUARY 5, 1987 RECEIVED FROM THE SENATE
(Handwritten: 2/11/87 (p 251))

HOUSE AMENDMENT TO SENATE FILE 19

S-3019

1 Amend Senate File 19 as amended, passed and
2 reprinted by the Senate as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 68B.2, Code 1987, is amended
6 by striking the section and inserting the following:
7 68B.2 DEFINITIONS.

8 When used in this chapter, unless the context
9 otherwise requires:

10 1. "Compensation" means any money, thing of value,
11 or financial benefit conferred in return for services
12 rendered or to be rendered.

13 2. "Legislative employee" means any full-time
14 officer or employee of the general assembly but shall
15 not include members of the general assembly.

16 3. "Member of the general assembly" means any
17 individual duly elected to the senate or the house of
18 representatives of the state of Iowa.

19 4. "Regulatory agency" means department of
20 agriculture and land stewardship, department of
21 employment services, department of commerce,
22 department of public health, department of public
23 safety, department of education, state board of
24 regents, department of human services, department of
25 revenue and finance, department of inspections and
26 appeals, department of personnel, public employment
27 relations board, department of transportation, civil
28 rights commission, department of public defense, and
29 department of natural resources.

30 5. "Employee" means any full-time, salaried
31 employee of the state of Iowa and does not include
32 part-time employees or independent contractors.
33 Employee shall include but not be limited to all
34 clerical personnel.

35 6. "Official" means any officer of the state of
36 Iowa receiving a salary or per diem whether elected or
37 appointed or whether serving full-time or part-time.
38 Official shall include but not be limited to all
39 supervisory personnel and members of state agencies
40 and shall not include members of the general assembly
41 or legislative employees.

42 7. "State agency" means any state department or
43 division, board, commission, or bureau of the state
44 including regulatory agencies.

45 8. "Candidate" means a candidate as defined in
46 section 56.2 for a statewide office or the general
47 assembly.

48 9. "Gift" means a rendering of money, property,
49 services, discount, loan forgiveness, payment of
50 indebtedness, or anything else of value in return for

S-3019 p. 2

1 which legal consideration of equal or greater value is
2 not given and received, if the donor:

3 (1) Is doing or seeking to do business of any kind
4 with the donee's agency; --

5 (2) Is engaged in activities which are regulated
6 or controlled by the donee's agency;

7 (3) Has financial interests which may be
8 substantially and materially affected, in a manner
9 distinguishable from the public generally, by the
10 performance or nonperformance of the donee's duty; or

11 (4) Is a lobbyist with respect to matters within
12 the donee's jurisdiction.

13 However, "gift" does not mean any of the following:

14 a. Campaign contributions.

15 b. Informational material relevant to a public
16 servant's official functions, such as books,
17 pamphlets, reports, documents, or periodicals, and
18 registration fees or tuition not including travel or
19 lodging, for not more than three days, at seminars or
20 other public meetings conducted in this state, at
21 which the public servant receives information relevant
22 to the public servant's official functions.

23 c. Anything received from a person related within
24 the fourth degree by kinship or marriage, unless the
25 donor is acting as an agent or intermediary for
26 another person not so related.

27 d. Anything which is donated within thirty days
28 after its receipt to a public body or to a bona fide
29 educational or charitable organization, without the
30 donation being claimed by the donor to the
31 organization at any time as a charitable contribution
32 for tax purposes.

33 e. An inheritance.

34 f. Anything available to or distributed to the
35 public generally without regard to official status of
36 the recipient.

37 g. Honoraria.

38 h. Food, beverages, registration, and scheduled
39 entertainment at group events to which all members of
40 the general assembly are invited.

41 i. Reasonable expenses for food, beverages,
42 travel, lodging, registration, and scheduled
43 entertainment of the donee for a meeting which is
44 given in return for participation in a panel or
45 speaking engagement at the meeting.

46 10. "Local official" and "local employee" mean an
47 official or employee of the political subdivisions of
48 this state.

49 11. "Public disclosure" means a written report
50 filed by the fifteenth day of the month following the

S-3019 p. 3

1 month in which a gift is received as required by this
chapter or required by rules adopted pursuant to this
chapter.

12. "Immediate family members" means the spouse or
minor children of a person required to file reports
pursuant to this chapter or required by the rules
adopted or executive order issued pursuant to this
chapter.

13. "Doing business with the state or a political
subdivision" means being a party to any one or any
combination of sales, purchases, leases, or contracts
to, from, or with the state or a political
subdivision, or any agency thereof, involving
consideration of five thousand dollars or more on a
cumulative basis during a calendar year, provided that
in the case of the awarding or execution of a contract
or lease, the total ascertainable consideration at the
time of the making of the contract or lease thereby
committed to be paid, regardless of the period of time
over which such payments are to be made, shall be
included within the calendar year of such award or
execution.

When the terms "legislative employee", "member of
the general assembly", "candidate", "employee", "local
employee," "official" or "local official" are used in
this chapter, they include a firm or association of
which any of those persons is a member or partner and
a corporation of which any of those persons holds ten
percent or more of the stock either directly or
indirectly, and the spouse and minor children of any
of those persons.

Sec. 2. Section 68B.5, Code 1987, is amended by
striking the section and inserting in lieu thereof
following:

68B.5 GIFTS SOLICITED OR ACCEPTED.

1. An official, employee, local official, local
employee, member of the general assembly, candidate,
or legislative employee shall not, directly or
indirectly, solicit, accept, or receive from any one
donor any gift or any series of gifts having a value
of fifty dollars or more in any one calendar day.

2. A person shall not, directly or indirectly,
offer or make any gift or series of gifts to an
official, employee, local official, local employee,
member of the general assembly, candidate or
legislative employee which has a value of fifty
dollars or more in any one calendar day. A person
shall not, directly or indirectly, join with one or
more other persons to offer or make any gift or series
of gifts to an official, employee, local official,

S-3019 p.4

1 local employee, member of the general assembly,
2 candidate or legislative employee which has a total
3 value of fifty dollars or more in any one calendar
4 day.

5 Sec. 3. Section 68B.10, subsection 3, Code 1987,
6 is amended to read as follows:

7 3. Issue advisory opinions interpreting the intent
8 of constitutional and statutory provisions relating to
9 legislators and lobbyists as well as interpreting the
10 code of ethics and rules issued pursuant to this
11 section. Opinions shall be issued when approved by a
12 majority of the seven members and may be issued upon
13 the written request of a member of the general
14 assembly or upon the committee's initiation. Opinions
15 are not binding on the legislator or lobbyist.

16 Sec. 4. Section 68B.10, subsection 4 and
17 unnumbered paragraph 5, Code 1987, are amended to read
18 as follows:

19 4. Investigate complaints and charges of official
20 misconduct against members of its house and if
21 warranted, report the results of such investigation to
22 its house with recommendations for further action.

23 Violation of the code of ethics may result in the
24 suspension of a member from the general assembly and
25 the forfeiture of the member's salary if directed by a
26 two-thirds vote of the house to which the member
27 belongs. Such suspension or forfeiture of salary
28 shall be for such duration as specified in the
29 directing resolution provided however, that it cannot
30 extend beyond the ~~date-of-adjourment-of-the-session~~
31 end of the general assembly during which the violation
32 occurred. Violation of the rules relating to
33 lobbyists and lobbying activities may result in the
34 suspension of any lobbyist if directed by a two-thirds
35 vote of the house wherein the violation occurred.

36 Sec. 5. Section 68B.10, Code 1987, is amended by
37 adding the following new unnumbered paragraph after
38 subsection 5:

39 NEW UNNUMBERED PARAGRAPH. The ethics committee may
40 employ an independent legal counsel to assist it in
41 carrying out its duties under this chapter with the
42 approval of its house during a legislative session and
43 with the approval of the speaker of the house for the
44 house committee or the senate majority leader for the
45 senate committee when the general assembly is not in
46 session. Payment of costs for the independent legal
47 counsel shall be made from section 2.12.

48 Sec. 6. Section 68B.11, Code 1987, is amended by
49 striking the section and inserting in lieu thereof the
50 following:

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1 68B.11 REPORTING OF GIFTS AND FINANCIAL

2 DISCLOSURE.

3 1. The house of representatives and the senate
4 shall adopt rules requiring the reporting of gifts
5 made to members of the general assembly, legislative
6 employees and their immediate family members. The
7 rules shall require public disclosure of the nature,
8 amount, date and donor of any gift or gifts from any
9 one donor made to one of those individuals which
10 exceeds fifteen dollars in cumulative value in any one
11 calendar day. The rules shall require such disclosure
12 by both the donor and donee.

13 2. The governor shall issue an executive order
14 requiring the reporting of gifts made to officials and
15 employees of the executive department of the state and
16 their immediate family members. The executive order
17 shall require public disclosure of the nature, amount,
18 date and donor of any gift or gifts from any one donor
19 made to one of those individuals which exceeds fifteen
20 dollars in cumulative value in any one calendar day.
21 The executive order shall require such disclosure by
22 both the donor and donee.

23 3. The supreme court of this state shall adopt
24 rules requiring the reporting of gifts made to
25 officials and employees of the judicial department of
26 this state and their immediate family members. The
27 rules shall require public disclosure of the nature,
28 amount, date and donor of any gift or gifts from any
29 one donor made to one of those individuals which
30 exceeds fifteen dollars in cumulative value in any one
31 calendar day. The rules shall require such disclosure
32 by both the donor and donee.

33 4. The governing body of a political subdivision
34 of this state shall adopt rules requiring the
35 reporting of gifts made to its respective members or
36 their immediate family members and employees of the
37 political subdivision of this state or their immediate
38 family members. Such rules as adopted shall require
39 public disclosure of the nature, amount, date and
40 donor of any gift or gifts from any one donor made to
41 one of those individuals having a cumulative value
42 which exceeds fifteen dollars in any one calendar day.
43 The rules shall require such disclosure by both the
44 donor and donee. Copies of the rules and reports
45 shall be filed with the county auditor of the county
46 in which the political subdivision is located.

47 The secretary of state shall develop a standard
48 form for public disclosure of gifts in compliance with
49 this subsection which shall be available at every
50 county auditor's office without cost.

S-3019 p. 6

1 5. a. The value to a donor of a gift made by more
2 than one individual to one or more donees shall be
3 determined by dividing the total value of the donor's
4 contribution to the gift by the number of individuals
5 receiving the gift. However, in determining the value
6 of a gift, an individual making a gift on behalf of
7 more than one person shall not divide the value of the
8 gift by the number of persons on whose behalf the gift
9 is made.

10 b. The value of a gift to the donee is the value
11 actually received. An individual in whose honor an
12 event is held is the donee of only those gifts
13 actually received by that individual, and is not the
14 donee of gifts that may be provided to other persons
15 in attendance at the event.

16 c. For the purposes of the reporting requirements
17 of this section, any donor of a gift made by more than
18 one individual to one or more donees shall report the
19 gift if the total value of the gift to the donee
20 exceeds fifteen dollars.

21 6. Expenses for food, beverages, registration, and
22 scheduled entertainment at group events to which all
23 members of the general assembly have been invited
24 shall be reported for each such event by reporting the
25 date, location, and total expense incurred by the
26 donor or donors.

27 7. Reporting requirements adopted or issued under
28 this section shall apply to gifts given by lobbyists
29 to an official or employee at a location outside the
30 state.

31 8. Reporting requirements adopted or issued under
32 this section may include requirements relating to the
33 reporting of income which is not a gift.

34 9. A person who does not make public disclosure of
35 gifts as required by the rules adopted or executive
36 order issued pursuant to this chapter or who does not
37 make public disclosure as required by this chapter
38 shall be guilty of a serious misdemeanor.

39 Sec. 7. Section 722.1, Code 1987, is amended by
40 striking the section and inserting in lieu thereof the
41 following:

42 722.1 BRIBERY.

43 A person who offers, promises or gives anything of
44 value or any benefit to any person who is serving or
45 has been elected, selected, appointed, employed or
46 otherwise engaged to serve in a public capacity,
47 including any public officer or employee, any referee,
48 juror or venireman, or any witness in any judicial or
49 arbitration hearing or any official inquiry, or any
50 member of a board of arbitration, pursuant to an

S-3019 p. 7

agreement or arrangement or with the understanding that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision or exercise of discretion of such person with respect to the person's services in such capacity commits a class "D" felony. In addition, any person convicted under this section shall be disqualified from holding public office under the laws of this state.

Sec. 3. Section 722.2, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

722.2 ACCEPTING BRIBE.

Any person who is serving or has been elected, selected, appointed, employed or otherwise engaged to serve in a public capacity, including any public officer or employee, any referee, juror or jury panel member, or any witness in any judicial or arbitration hearing or any official inquiry, or any member of a board of arbitration who shall solicit or knowingly accept or receive any promise or anything of value or any benefit given pursuant to an understanding or arrangement that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision or exercise of discretion of such person with respect to the person's services in that capacity commits a class "C" felony. In addition, any person convicted under this section shall be disqualified from holding public office under the laws of this state.

Sec. 9. This Act is effective upon enactment."

S-3019

Filed February 3, 1987

Adopted as amended by 3020

RECEIVED FROM HOUSE

Senate concurred 2/5 (p. 268)

[Faint, mostly illegible text and stamps at the bottom of the page, including "Adopted 2/5/87 (p. 268)" and "RECEIVED FROM HOUSE" stamp.]

SENATE FILE 19

S-3020

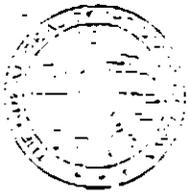
1 Amend the House amendment S-3019 to Senate File 19
2 as amended, passed, and reprinted by the Senate as
3 follows:

- 4 1. Page 6, by striking lines 27 through 30.
- 5 2. By renumbering the amendment to conform with
6 this amendment.

S-3020

Filed February 4, 1987

BY EMIL J. HUSAK
DONALD E. GETTINGS
RICHARD F. DRAKE
RAY TAYLOR



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

MARY E. BRANSTAD
GOVERNOR

February 27, 1987

The Honorable JoAnn Zimmerman
Lieutenant Governor of Iowa
Statehouse
Des Moines, Iowa 50319

Dear Governor Zimmerman:

Senate File 19, "An Act relating to the giving of gifts to public employees and officials and to candidates and subjecting violators to a penalty and providing an effective date" is hereby disapproved and transmitted to you in accordance with Article III, Section 16, of the Constitution of the State of Iowa.

I have reached this decision after a careful review of the legal implications of this proposed law and after discussions with legislative leaders.

It is incumbent upon state officials to take action to restore public faith and trust in the legislative process. A reformed gift law should close loopholes in the current law. Senate File 19 actually opens new loopholes and effectively legalizes past legislative indiscretions. The General Assembly can do better.

Senate File 19 liberalizes the gift law; it creates new exceptions and new definitions to allow more gifts to slip through the restrictions in the existing law.

For example, Senate File 19:

-- opens up a gaping exception for undefined "honoraria" which could, in effect, incongruously exempt all gifts from gift law restrictions -- Black's law dictionary defines honoraria as a "free gift";

-- allows persons that do business with the state in contracts worth less than \$5,000 to escape the gift law;

Lt. Governor Zimmerman
February 27, 1987
Page two

-- authorizes parties given by lobbyists for legislators and gives individuals in whose honor parties are thrown a way to skirt the restrictions in the gift law;

-- allows the acceptance of registration fees and tuition for certain seminars and continuing education classes;

-- expands the list of costs which can be paid for in return for a speaking engagement from the "actual" to "reasonable" expenses;

I cannot in good conscience allow these changes to become law. Senate File 19 does contain some language which is more restrictive than current law -- reporting by both gift givers and receivers and requirements for local government gift law regulations, for example. However, these restrictions are overwhelmingly counterbalanced by the new loopholes that are opened up in the gift law.

Instead, action should be taken to include additional safeguards to increase public confidence in the legislative process. The General Assembly would do well to eliminate those portions of Senate File 19 which liberalize current law; accept those provisions which tighten it; and adopt a provision on calendar year reporting that is used in Wisconsin. That provision would require the reporting of gifts having a cumulative value of greater than \$50 in any one calendar year from one donor. This will require public disclosure of continuing lobbyist/public official relationships that would otherwise be shielded from public purview.

Further, I would recommend that parties given by registered lobbyists for specific legislators or state officials not be allowed. There should be a ban on these events, not an effort to divide up the contributions so that the event can go on and be authorized by law.

Lt. Governor Zimmerman
February 27, 1987
Page three

I urge the legislature to take action this session to correct the problems which I have identified in Senate File 19. In the event the General Assembly does not, the status of the law will be as recently announced by the Attorney General. That will reduce the value of allowable gifts for state officials from \$50 to \$25 and maintain the current reporting requirements. Local government officials and employees must abide by the \$50 limit in the 1980 law. And the broader definition of a gift provided for in the 1979 law must be observed.

I will be issuing an executive order next week to implement these and my recommended further restrictions for employees of the executive branch of the state and their immediate family members. I will work with the General Assembly to put these provisions in statute, as well.

In short, Senate File 19 opens new loopholes in the current gift law. Instead of liberalizing the current law, action should be taken to tighten the law in order to help restore public faith and confidence in the legislative process. The General Assembly should act soon to get that important job done.

Sincerely,



Terry E. Branstad
Governor

TEB:w

cc: Secretary of the Senate
Chief Clerk of the House
Secretary of State

Vetland

SENATE FILE 19

AN ACT

RELATING TO THE GIVING OF GIFTS TO PUBLIC EMPLOYEES AND OFFICIALS AND TO CANDIDATES AND SUBJECTING VIOLATORS TO A PENALTY AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 68B.2, Code 1987, is amended by striking the section and inserting the following:

68B.2 DEFINITIONS.

When used in this chapter, unless the context otherwise requires:

1. "Compensation" means any money, thing of value, or financial benefit conferred in return for services rendered or to be rendered.

2. "Legislative employee" means any full-time officer or employee of the general assembly but shall not include members of the general assembly.

3. "Member of the general assembly" means any individual duly elected to the senate or the house of representatives of the state of Iowa.

4. "Regulatory agency" means department of agriculture and land stewardship, department of employment services, department of commerce, department of public health, department of public safety, department of education, state board of regents, department of human services, department of revenue and finance, department of inspections and appeals, department of

personnel, public employment relations board, department of transportation, civil rights commission, department of public defense, and department of natural resources.

5. "Employee" means any full-time, salaried employee of the state of Iowa and does not include part-time employees or independent contractors. Employee shall include but not be limited to all clerical personnel.

6. "Official" means any officer of the state of Iowa receiving a salary or per diem whether elected or appointed or whether serving full-time or part-time. Official shall include but not be limited to all supervisory personnel and members of state agencies and shall not include members of the general assembly or legislative employees.

7. "State agency" means any state department or division, board, commission, or bureau of the state including regulatory agencies.

8. "Candidate" means a candidate as defined in section 56.2 for a statewide office or the general assembly.

9. "Gift" means a rendering of money, property, services, discount, loan forgiveness, payment of indebtedness, or anything else of value in return for which legal consideration of equal or greater value is not given and received, if the donor:

(1) Is doing or seeking to do business of any kind with the donee's agency;

(2) Is engaged in activities which are regulated or controlled by the donee's agency;

(3) Has financial interests which may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the donee's duty; or

(4) Is a lobbyist with respect to matters within the

donor's jurisdiction.

However, "gift" does not mean any of the following:

- a. Campaign contributions.
- b. Informational material relevant to a public servant's official functions, such as books, pamphlets, reports, documents, or periodicals, and registration fees or tuition not including travel or lodging, for not more than three days, at seminars or other public meetings conducted in this state, at which the public servant receives information relevant to the public servant's official functions.
- c. Anything received from a person related within the fourth degree by kinship or marriage, unless the donor is acting as an agent or intermediary for another person not so related.
- d. Anything which is donated within thirty days after its receipt to a public body or to a bona fide educational or charitable organization, without the donation being claimed by the donor to the organization at any time as a charitable contribution for tax purposes.
- e. An inheritance.
- f. Anything available to or distributed to the public generally without regard to official status of the recipient.
- g. Honoraria.
- h. Food, beverages, registration, and scheduled entertainment at group events to which all members of the general assembly are invited.
- i. Reasonable expenses for food, beverages, travel, lodging, registration, and scheduled entertainment of the donee for a meeting which is given in return for participation in a panel or speaking engagement at the meeting.
10. "Local official" and "local employee" mean an official or employee of the political subdivisions of this state.

11. "Public disclosure" means a written report filed by the fifteenth day of the month following the month in which a gift is received as required by this chapter or required by rules adopted pursuant to this chapter.

12. "Immediate family members" means the spouse or minor children of a person required to file reports pursuant to this chapter or required by the rules adopted or executive order issued pursuant to this chapter.

13. "Doing business with the state or a political subdivision" means being a party to any one or any combination of sales, purchases, leases, or contracts to, from, or with the state or a political subdivision, or any agency thereof, involving consideration of five thousand dollars or more on a cumulative basis during a calendar year, provided that in the case of the awarding or execution of a contract or lease, the total ascertainable consideration at the time of the making of the contract or lease thereby committed to be paid, regardless of the period of time over which such payments are to be made, shall be included within the calendar year of such award or execution.

When the terms "legislative employee", "member of the general assembly", "candidate", "employee", "local employee", "official" or "local official" are used in this chapter, they include a firm or association of which any of those persons is a member or partner and a corporation of which any of those persons holds ten percent or more of the stock either directly or indirectly, and the spouse and minor children of any of those persons.

Sec. 2. Section 68B.5, Code 1981, is amended by striking the section and inserting in lieu thereof following:

68B.5 GIFTS SOLICITED OR ACCEPTED.

1. An official, employee, local official, local employee,

member of the general assembly, candidate, or legislative employee shall not, directly or indirectly, solicit, accept, or receive from any one donor any gift or any series of gifts having a value of fifty dollars or more in any one calendar day.

2. A person shall not, directly or indirectly, offer or make any gift or series of gifts to an official, employee, local official, local employee, member of the general assembly, candidate or legislative employee which has a value of fifty dollars or more in any one calendar day. A person shall not, directly or indirectly, join with one or more other persons to offer or make any gift or series of gifts to an official, employee, local official, local employee, member of the general assembly, candidate or legislative employee which has a total value of fifty dollars or more in any one calendar day.

Sec. 3. Section 68B.10, subsection 3, Code 1987, is amended to read as follows:

3. Issue advisory opinions interpreting the intent of constitutional and statutory provisions relating to legislators and lobbyists as well as interpreting the code of ethics and rules issued pursuant to this section. Opinions shall be issued when approved by a majority of the seven members and may be issued upon the written request of a member of the general assembly or upon the committee's initiation. Opinions are not binding on the legislator or lobbyist.

Sec. 4. Section 68B.10, subsection 4 and unnumbered paragraph 5, Code 1987, are amended to read as follows:

4. Investigate complaints and charges of official misconduct against members of its house and if warranted, report the results of such investigation to its house with recommendations for further action.

Violation of the code of ethics may result in the suspension

of a member from the general assembly and the forfeiture of the member's salary if directed by a two-thirds vote of the house to which the member belongs. Such suspension or forfeiture of salary shall be for such duration as specified in the directing resolution provided however, that it cannot extend beyond the ~~date of adjournment of the session~~ end of the general assembly during which the violation occurred. Violation of the rules relating to lobbyists and lobbying activities may result in the suspension of any lobbyist if directed by a two-thirds vote of the house wherein the violation occurred.

Sec. 5. Section 68B.10, Code 1987, is amended by adding the following new unnumbered paragraph after subsection 5:

NEW UNNUMBERED PARAGRAPH. The ethics committee may employ an independent legal counsel to assist it in carrying out its duties under this chapter with the approval of its house during a legislative session and with the approval of the speaker of the house for the house committee or the senate majority leader for the senate committee when the general assembly is not in session. Payment of costs for the independent legal counsel shall be made from section 2.12.

Sec. 6. Section 68B.11, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

68B.11 REPORTING OF GIFTS AND FINANCIAL DISCLOSURE.

1. The house of representatives and the senate shall adopt rules requiring the reporting of gifts made to members of the general assembly, legislative employees and their immediate family members. The rules shall require public disclosure of the nature, amount, date and donor of any gift or gifts from any one donor made to one of those individuals which exceeds fifteen dollars in cumulative value in any one calendar day. The rules shall require such disclosure by both the donor and donee.

3. The governor shall issue an executive order regarding the reporting of gifts made to officials and employees of the executive department of the state and their immediate family members. The executive order shall require public disclosure of the nature, amount, date and donor of any gift or gifts from any one donor made to one of those individuals which exceeds fifteen dollars in cumulative value in any one calendar day. The executive order shall require such disclosure by both the donor and donee.

3. The supreme court of this state shall adopt rules requiring the reporting of gifts made to officials and employees of the judicial department of this state and their immediate family members. The rules shall require public disclosure of the nature, amount, date and donor of any gift or gifts from any one donor made to one of those individuals which exceeds fifteen dollars in cumulative value in any one calendar day. The rules shall require such disclosure by both the donor and donee.

4. The governing body of a political subdivision of this state shall adopt rules requiring the reporting of gifts made to its respective members or their immediate family members and employees of the political subdivision of this state or their immediate family members. Such rules as adopted shall require public disclosure of the nature, amount, date and donor of any gift or gifts from any one donor made to one of those individuals having a cumulative value which exceeds fifteen dollars in any one calendar day. The rules shall require such disclosure by both the donor and donee. Copies of the rules and reports shall be filed with the county auditor of the county in which the political subdivision is located.

The secretary of state shall develop a standard form for public disclosure of gifts in compliance with this subsection.

which shall be available at every county auditor's office without cost.

5. a. The value to a donor of a gift made by more than one individual to one or more donees shall be determined by dividing the total value of the donor's contribution to the gift by the number of individuals receiving the gift. However, in determining the value of a gift, an individual making a gift on behalf of more than one person shall not divide the value of the gift by the number of persons on whose behalf the gift is made.

b. The value of a gift to the donee is the value actually received. An individual in whose honor an event is held is the donee of only those gifts actually received by that individual, and is not the donee of gifts that may be provided to other persons in attendance at the event.

6. For the purposes of the reporting requirements of this section, any donor of a gift made by more than one individual to one or more donees shall report the gift if the total value of the gift to the donee exceeds fifteen dollars.

6. Expenses for food, beverages, registration, and scheduled entertainment at group events to which all members of the general assembly have been invited shall be reported for each such event by reporting the date, location, and total expense incurred by the donor or donors.

7. Reporting requirements adopted or issued under this section may include requirements relating to the reporting of income which is not a gift.

8. A person who does not make public disclosure of gifts as required by the rules adopted or executive order issued pursuant to this chapter or who does not make public disclosure as required by this chapter shall be guilty of a serious misdemeanor.

Sec. 7. Section 722.1, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

722.1 BRIBERY.

A person who offers, promises or gives anything of value or any benefit to any person who is serving or has been elected, selected, appointed, employed or otherwise engaged to serve in a public capacity, including any public officer or employee, any referee, juror or venireman, or any witness in any judicial or arbitration hearing or any official inquiry, or any member of a board of arbitration, pursuant to an agreement or arrangement or with the understanding that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision or exercise of discretion of such person with respect to the person's services in such capacity commits a class "D" felony. In addition, any person convicted under this section shall be disqualified from holding public office under the laws of this state.

Sec. 8. Section 722.2, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

722.2 ACCEPTING BRIBES.

Any person who is serving or has been elected, selected, appointed, employed or otherwise engaged to serve in a public capacity, including any public officer or employee, any referee, juror or jury panel member, or any witness in any judicial or arbitration hearing or any official inquiry, or any member of a board of arbitration who shall solicit or knowingly accept or receive any promise or anything of value or any benefit given pursuant to an understanding or arrangement that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision or exercise of discretion of such person with respect to the person's services in that capacity commits a class "C" felony. In addition, any

person convicted under this section shall be disqualified from holding public office under the laws of this state.

Sec. 9. This Act is effective upon enactment.

JO ANN ZIMMERMAN
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 19, seventy-second General Assembly.

JOHN F. DWYER
Secretary of the Senate

Vetoed
~~Approved~~ Feb. 27, 1987

TERRY E. BRANSTAD
Governor