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SENATE FILE 476
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 334)

Passed Senate, Date 4/5/91 (P. 1483) Passed House, Date 4/23/91 (P. 1468)
Vote: Ayes 46 Nays 0 Vote: Ayes 99 Nays 0
Approved May 30, 1991

A BILL FOR

1 An Act relating to campaign finance disclosure by changing the
2 definition of a candidate's committee, requiring the reporting
3 to the treasurer of a committee of all contributions received
4 by a person for the committee, requiring disclosure reports of
5 out-of-state political action committees, changing the number
6 of disclosure reports required in nonelection years, providing
7 that the treasurer of a committee is not responsible for
8 filing disclosure reports or liable for civil penalties,
9 allowing contributions from family-owned corporations,
10 directing the use of leftover campaign funds, and providing
11 for a civil penalty for violations regarding placement of
12 political signs.

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

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SF 476

1 Section 1. Section 56.2, subsection 4, Code 1991, is
2 amended to read as follows:

3 4. "Candidate's committee" means the committee designated
4 by the candidate to receive contributions, expend funds, or
5 incur indebtedness in the aggregate in excess of two hundred
6 fifty dollars in any calendar year on behalf of the candidate.

7 Sec. 2. Section 56.3, subsection 2, Code 1991, is amended
8 to read as follows:

9 2. A person who receives contributions ~~in excess of one~~
10 ~~hundred dollars~~ for a committee shall, not later than fifteen
11 days from the date of receipt of the contributions or on
12 demand of the treasurer, render to the treasurer the
13 contributions and an account of the total of all
14 contributions; including the name and address of each person
15 making a contribution in excess of ten dollars, the amount of
16 the contributions, and the date on which the contributions
17 were received. The treasurer shall deposit all contributions
18 within seven days of receipt by the treasurer in an account
19 maintained by the committee in a financial institution. All
20 funds of a committee shall be segregated from any other funds
21 held by officers, members, or associates of the committee or
22 the committee's candidate. However, if a candidate's
23 committee receives contributions only from the candidate, or
24 if a permanent organization temporarily engages in activity
25 which qualifies it as a political committee and all
26 expenditures of the organization are made from existing
27 general operating funds and funds are not solicited or
28 received for this purpose from sources other than operating
29 funds, then that committee is not required to maintain a
30 separate account in a financial institution. The funds of a
31 committee are not attachable for the personal debt of the
32 committee's candidate or an officer, member, or associate of
33 the committee.

34 Sec. 3. Section 56.5, subsection 5, Code 1991, is amended
35 to read as follows:

1 5. A committee not domiciled in Iowa which makes a
2 contribution to a candidate's committee or political committee
3 domiciled in Iowa shall disclose each contribution to the
4 commission. ~~The committee~~ A committee not domiciled in Iowa
5 which is not registered and filing full disclosure reports of
6 all financial activities with the federal election commission
7 or another state's disclosure commission shall register and
8 file full disclosure reports with the commission pursuant to
9 this chapter. A committee which is currently filing a
10 disclosure report in another jurisdiction shall either file a
11 statement of organization under subsections 1 and 2 and file
12 disclosure reports, the same as those required of Iowa-
13 domiciled committees, under section 56.6, or shall file one
14 copy of a verified statement with the commission and a second
15 copy with the treasurer of the committee receiving the
16 contribution. The form shall be completed and filed at the
17 time the contribution is made. The verified statement shall
18 be on forms prescribed by the commission and be attached to
19 the report required of the committee receiving the
20 contribution under section 56.6. The form shall include the
21 complete name, address, and telephone number of the
22 contributing committee, the state or federal jurisdiction
23 under which it is registered or operates, the identification
24 of any parent entity or other affiliates or sponsors, the
25 purpose, the name and address of an Iowa resident authorized
26 to receive service of original notice and the name and address
27 of the receiving committee, the amount of the cash or in-kind
28 contribution, and the date the contribution was made.

29 Sec. 4. Section 56.6, subsection 1, paragraph a, Code
30 1991, is amended to read as follows:

31 a. Each treasurer of a committee shall file with the
32 commission or commissioner disclosure reports of contributions
33 received and disbursed on forms prescribed by rules a
34 provided by chapter 17A. The reports from all committees
35 except those committees for municipal and school elec

1 offices and for local ballot issues, shall be filed on the
2 twentieth day or mailed bearing a United States postal service
3 postmark dated on or before the nineteenth day of January,
4 May, July, and October of each year. The May, July, and
5 October reports shall be current as of five days prior to the
6 filing deadline. The January report shall be the annual
7 report covering activity through December 31. However, a
8 state or county statutory political committee is not required
9 to file the May and July reports for a year in which no
10 primary or general election is held. A candidate's committee,
11 other than for municipal and school elective offices, for a
12 year in which the candidate is not standing for election, is
13 not required to file the May, and July, and October reports.
14 Reports for committees for a ballot issue placed before the
15 voters of the entire state shall be filed at the January, May,
16 July, and October deadlines.

17 Sec. 5. Section 56.10, subsection 4, Code 1991, is amended
18 to read as follows:

19 4. Adopt rules pursuant to chapter 17A and levy civil
20 penalties to carry out this chapter. The rules shall provide
21 that the candidate~~7-or-the-treasurer~~ of a candidate's
22 committee, or the chairperson ~~or-treasurer~~ of a political
23 committee, is responsible for filing disclosure reports as
24 required by this chapter, and shall receive notice from the
25 commission if the committee has failed to file a disclosure
26 report at the time required by this chapter. A candidate~~7-or~~
27 ~~treasurer~~ of a candidate's committee, or chairperson ~~or~~
28 ~~treasurer~~ of a political committee, may be subject to a civil
29 penalty for failure to file a disclosure report required by
30 this chapter if the report has not been filed when required by
31 section 56.6, subsection 1. The rules shall also provide that
32 a person who violates chapter 306C regarding the placement of
33 political signs may be subject to a civil penalty. The state
34 department of transportation shall notify the commission of a
35 violation of chapter 306C which may subject the violator to a

1 civil penalty under this subsection, and shall make
2 information relating to the violation available to the
3 commission.

3237 4 Sec. 6. Section 56.15, Code 1991, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 4A. The restrictions imposed by
7 subsections 1 and 2 do not apply to a corporation wholly owned
8 by persons related within the third degree of consanguinity to
9 a candidate, provided that the candidate files with the
10 commission a report including the following: a statement that
11 the family corporation exists; a list of the shareholders of
12 the family corporation and their relationship to the
13 candidate; and a statement indicating that the candidate
14 intends to use in the candidate's campaign money, property, or
15 things of value belonging to the family corporation, subject
16 to full disclosure to the commission.

3437 17 Sec. 7. NEW SECTION. 56.41 UNEXPENDED BALANCES.

18 1. If an unexpended balance of campaign funds received on
19 or after July 1, 1991, remains when a candidate of a political
20 party ceases to be a candidate or the candidate's committee
21 ceases to function, the unexpended balance shall be
22 transferred to the political party's applicable statutory
23 political committee.

24 2. If an unexpended balance of campaign funds received on
25 or after July 1, 1991, remains when a nonpartisan or
26 independent candidate ceases to be a candidate or the
27 candidate's committee ceases to function, the unexpended
28 balance shall be used in one or more of the following ways:

- 29 a. For donations to a charitable purpose.
30 b. For return of contributions to the contributors on a
31 pro rata basis.

32 Sec. 8. NEW SECTION. 56.42 USE OF PUBLIC MONEYS IN
33 BALLOT ISSUE CAMPAIGNS.

34 The governing body of a county, city, or other political
35 subdivision of the state shall not expend or permit the

1 expenditure of public moneys for the purpose of supporting or
2 opposing a ballot issue.

3 EXPLANATION

4 This bill changes provisions of chapter 56 of the Code
5 relating to campaign finance disclosure.

6 Section 1 of the bill changes the definition of a
7 candidate's committee to coincide with the definition of
8 political committee by providing that the committee receives
9 contributions, expends funds, or incurs indebtedness in the
10 aggregate in excess of \$250 in a calendar year.

11 Section 2 provides that all contributions, rather than only
12 those in excess of \$100 in the aggregate, received by a person
13 for a committee, shall be reported and given to the treasurer
14 of the committee.

15 Section 3 requires an out-of-state political action
16 committee which makes contributions to a candidate's committee
17 or political committee in Iowa to file a campaign disclosure
18 report with the federal election commission, another state's
19 disclosure commission, or Iowa's campaign finance disclosure
20 commission.

21 Section 4 requires certain candidate's committees to file a
22 disclosure report only once in a nonelection year, and certain
23 political committees to file only twice in a year in which no
24 primary or general election is held.

25 Section 5 provides that the campaign finance disclosure
26 commission may levy a civil penalty on a person who violates
27 Code provisions relating to the placement of political signs.
28 Section 5 also provides that the treasurer of a committee is
29 no longer required to file reports, or subject to a civil
30 penalty for failure to file.

31 Section 6 allows family-owned corporations to make
32 contributions to a candidate's campaign if the candidate is
33 related within the third degree of consanguinity and subject
34 to other conditions.

35 Section 7 addresses the disposition of leftover campaign

1 funds received on or after July 1, 1991, requiring that they
2 be transferred to the applicable political party in the case
3 of a partisan candidate and that they be either donated to a
4 charitable purpose or returned to contributors in the case of
5 a nonpartisan or independent candidate.

6 Section 8 prohibits the use of public moneys by political
7 subdivisions to support or oppose a ballot issue.

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SENATE FILE 476

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- 1 Amend Senate File 476 as follows:
- 2 1. Page 4, by striking lines 4 through 16.
- 3 2. Page 4, by striking lines 22 and 23 and
- 4 inserting the following: "used in one or more of the
- 5 following ways:
- 6 a. For transfer to the political party's
- 7 applicable statutory political committee.
- 8 b. For donations to a charitable purpose.
- 9 c. For return of contributions to the contributors
- 10 on a pro rata basis."
- 11 3. Title page, by striking line 9.
- 12 4. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-3237 FILED APRIL 1, 1991

Adopted 4/5/91 (p. 1079)

SENATE FILE 476

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- 1 Amend Senate File 476 as follows:
- 2 1. Page 4, lines 32 and 33, by striking the words
- 3 "IN BALLOT ISSUE CAMPAIGNS" and inserting the
- 4 following: "FOR POLITICAL PURPOSES".
- 5 2. Page 5, by striking lines 1 and 2, and
- 6 inserting the following: "expenditure of public
- 7 moneys for political purposes, including supporting or
- 8 opposing a ballot issue."

By JIM LIND

S-3337 FILED APRIL 5, 1991

ADOPTED (p. 1083)

SENATE FILE 476

S-3338

1 Amend Senate File 476 as follows:

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

4 "DIVISION I

5 LIMITATIONS ON CONTRIBUTIONS

6 Section 1. Sections 2 through 7 of this Act are
7 created as a new subchapter of chapter 56.

8 Sec. 2. NEW SECTION. 56.81 LIMITATIONS ON
9 CONTRIBUTIONS TO CANDIDATES FOR GOVERNOR AND OTHER
10 STATEWIDE OFFICES.

11 1. An individual or a political committee, other
12 than a state or county statutory political committee,
13 shall not make contributions to a particular candidate
14 for governor, secretary of agriculture, attorney
15 general, auditor of state, secretary of state, or
16 treasurer of state which exceed ten thousand dollars
17 during a calendar year.

18 2. An individual shall not make contributions to
19 candidates which aggregate more than ten thousand
20 dollars during a calendar year for any particular
21 office listed below:

- 22 a. Governor.
- 23 b. Secretary of agriculture.
- 24 c. Attorney general.
- 25 d. Auditor of state.
- 26 e. Secretary of state.
- 27 f. Treasurer of state.

28 3. A political committee, other than a state or
29 county statutory political committee, shall not make
30 contributions to candidates which aggregate more than
31 twenty-five thousand dollars during a calendar year
32 for any particular office listed below:

- 33 a. Governor.
- 34 b. Secretary of agriculture.
- 35 c. Attorney general.
- 36 d. Auditor of state.
- 37 e. Secretary of state.
- 38 f. Treasurer of state.

39 4. A candidate for governor, secretary of
40 agriculture, attorney general, auditor of state,
41 secretary of state, or treasurer of state shall not
42 accept from a particular individual or political
43 committee, other than a state or county statutory
44 political committee, contributions which exceed ten
45 thousand dollars during a calendar year.

46 5. A candidate for governor, secretary of
47 agriculture, attorney general, auditor of state,
48 secretary of state, or treasurer of state shall not
49 accept contributions from political committees,
50 excluding state and county statutory political

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1 committees, which aggregate more than one hundred
2 fifty thousand dollars during a primary election
3 period and one hundred fifty thousand dollars during a
4 general election period.

5 Sec. 3. NEW SECTION. 56.82 LIMITATIONS ON
6 CONTRIBUTIONS TO GENERAL ASSEMBLY CANDIDATES.

7 1. An individual shall not make contributions to
8 candidates for the office of member of the general
9 assembly which aggregate more than ten thousand
10 dollars during a calendar year.

11 2. A political committee, other than a state or
12 county statutory political committee, shall not make
13 contributions to candidates for the office of member
14 of the general assembly which aggregate more than
15 twenty-five thousand dollars during a calendar year.

16 Sec. 4. NEW SECTION. 56.83 LIMITATIONS ON
17 CONTRIBUTIONS TO CANDIDATES FOR STATE SENATOR.

18 1. An individual or a political committee, other
19 than a state or county statutory political committee,
20 shall not make contributions to a particular candidate
21 for state senator which exceed one thousand dollars
22 during a calendar year.

23 2. A candidate for state senator shall not accept
24 from a particular individual or political committee,
25 other than a state or county statutory political
26 committee, contributions which exceed one thousand
27 dollars during a calendar year.

28 3. A candidate for the office of state senator
29 shall not accept contributions from political
30 committees, excluding state and county statutory
31 political committees, which aggregate more than ten
32 thousand dollars during a primary election period and
33 ten thousand dollars during a general election period.

34 Sec. 5. NEW SECTION. 56.84 LIMITATIONS ON
35 CONTRIBUTIONS TO CANDIDATES FOR STATE REPRESENTATIVE.

36 1. An individual or a political committee, other
37 than a state or county statutory political committee,
38 shall not make contributions to a particular candidate
39 for the office of state representative which exceed
40 five hundred dollars during a calendar year.

41 2. A candidate for the office of state
42 representative shall not accept from a particular
43 individual or political committee, other than a state
44 or county statutory political committee, contributions
45 which exceed five hundred dollars during a calendar
46 year.

47 3. A candidate for the office of state
48 representative shall not accept contributions from
49 political committees, excluding state and county
50 statutory political committees, which aggregate more

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1 than five thousand dollars during a primary election
2 period and five thousand dollars during a general
3 election period.

4 Sec. 6. NEW SECTION. 56.85 RULES.

5 The commission shall adopt rules for determining
6 the applicable beginning and ending dates of the
7 primary election period and the general election
8 period for each office for purposes of this
9 subchapter. The commission shall also adopt rules for
10 determining the applicable beginning and ending dates
11 in the case of a special election.

12 Sec. 7. NEW SECTION. 56.86 APPLICABILITY --
13 LIMITATIONS LIFTED UNDER CERTAIN CIRCUMSTANCES.

14 1. The provisions of sections 56.81 through 56.85
15 relating to contributions by individuals do not apply
16 to contributions by a candidate to the candidate's own
17 campaign.

18 2. If a candidate for governor, secretary of
19 agriculture, attorney general, auditor of state,
20 secretary of state, or treasurer of state contributes
21 or obligates more than one hundred thousand dollars of
22 the candidate's own money to the candidate's campaign,
23 the candidate shall within twenty-four hours give
24 written notice of that fact to the commission. From
25 that time, the limitations on contributions set forth
26 in this subchapter shall not apply to the campaigns of
27 the other candidates for the same office.

28 3. If a candidate for the office of state senator
29 or state representative contributes or obligates more
30 than ten thousand dollars of the candidate's own money
31 to the candidate's campaign, the candidate shall
32 within twenty-four hours give written notice of that
33 fact to the commission. From that time, the
34 limitations on contributions set forth in this
35 subchapter shall not apply to the campaigns of the
36 other candidates for the same office.

37 DIVISION II

38 USE OF CAMPAIGN FUNDS

39 Sec. 8. Sections 9 through 12 of this Act are
40 created as a new subchapter of chapter 56.

41 Sec. 9. NEW SECTION. 56.41 DEFINITION.

42 As used in this subchapter, "campaign funds" means
43 contributions to a candidate or candidate's committee
44 which are required by this chapter to be deposited in
45 a separate campaign account.

46 Sec. 10. NEW SECTION. 56.42 PROHIBITED USES OF
47 CAMPAIGN FUNDS -- RULES.

48 A candidate or the candidate's committee shall not
49 use campaign funds for any type of expenditure from
50 which the candidate or members of the candidate's

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1 immediate family would derive personal benefit or
2 gain. The commission shall adopt rules to implement
3 this section. The rules shall specify the types of
4 expenditures which are prohibited.

5 Sec. 11. NEW SECTION. 56.43 UNEXPENDED BALANCES.

6 1. If an unexpended balance of campaign funds
7 remains when a candidate of a political party ceases
8 to be a candidate or the candidate's committee ceases
9 to function, the unexpended balance shall be
10 transferred to the political party's applicable
11 statutory political committee.

12 2. If an unexpended balance of campaign funds
13 remains when a nonpartisan or independent candidate
14 ceases to be a candidate or the candidate's committee
15 ceases to function, the unexpended balance shall be
16 used in one or more of the following ways:

17 a. For donations to a charitable purpose.

18 b. For return of contributions to the contributors
19 on a pro rata basis.

20 Sec. 12. NEW SECTION. 56.44 TRANSFERS FROM ONE
21 CANDIDATE'S COMMITTEE TO ANOTHER.

22 A candidate or candidate's committee shall not use
23 campaign funds for transfers or contributions to
24 another candidate or candidate's committee. The cost
25 of purchasing tickets to a fund-raising event held by
26 or on behalf of a candidate to raise money for the
27 candidate's campaign is considered a contribution for
28 purposes of this section, unless the event is
29 sponsored by a state or county statutory political
30 committee.

31 DIVISION III

32 PROHIBITIONS

33 Sec. 13. NEW SECTION. 56.61 TRANSFERS BY CERTAIN
34 POLITICAL COMMITTEES.

35 A political committee registered in this state
36 shall not make transfers or contributions to another
37 political committee unless the political committee
38 receiving the transfer or contribution is a state or
39 county statutory political committee.

40 Sec. 14. NEW SECTION. 56.62 CERTAIN ACCOUNTS BY
41 OFFICEHOLDERS PROHIBITED.

42 A holder of public office shall not maintain an
43 account, other than a campaign account, to receive
44 contributions for the purpose of publishing and
45 distributing newsletters or performing other
46 constituent services related to the official duties of
47 public office. This section applies whether or not
48 the officeholder is a candidate.

49 Sec. 15. NEW SECTION. 56.63 HONORARIA --
50 EXPENSES.

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1 i. A holder of a statewide office or the office of
2 state representative or state senator shall not
3 solicit or accept an honorarium from a group,
4 association, organization, or individual with an
5 interest in issues before the general assembly.
6 However, this section does not prohibit the acceptance
7 of reimbursement for actual expenses in connection
8 with an appearance, speech, or participation in a
9 seminar, panel, or workshop sponsored by the group,
10 association, organization, or individual if the amount
11 of the reimbursement is disclosed pursuant to section
12 56.6. The reimbursed expenses shall not be considered
13 contributions for purposes of the contribution
14 limitations set forth in sections 56.81 through 56.85.

15 2. As used in this section:

16 a. "Appearance" means attendance at a public or
17 private conference, convention, meeting, social event,
18 or like gathering, and the remarks made at that time.

19 b. "Article" means a writing, other than a book,
20 which has been or is intended to be published.

21 c. "Honorarium" means a payment of money or
22 anything of value if it is accepted as consideration
23 for an appearance, speech, or article. "Honorarium"
24 does not include payment for or provision of actual
25 travel and subsistence expenses, including
26 transportation, accommodations, and meals.

27 d. "Speech" means an address, oration, or other
28 form of oral presentation, regardless of whether
29 presented in person, recorded, or broadcast over the
30 media.

31 Sec. 16. NEW SECTION. 56.64 CONSULTING FEES.

32 A holder of statewide office or the office of state
33 representative or state senator shall not accept a
34 consulting fee from a group, association,
35 organization, or individual with an interest in issues
36 before the general assembly.

37 Sec. 17. NEW SECTION. 56.65 CONTRIBUTIONS WHILE
38 GENERAL ASSEMBLY IS IN SESSION.

39 The candidate's committee of a holder of a
40 statewide office or the office of state representative
41 or state senator shall not solicit or accept
42 contributions from a political committee, other than a
43 state or county statutory political committee, or from
44 a lobbyist registered under the rules adopted by
45 either house of the general assembly while the general
46 assembly is in session.

47 Sec. 18. NEW SECTION. 56.66 USE OF PUBLIC MONEYS
48 IN BALLOT ISSUE CAMPAIGNS.

49 The governing body of a county, city, or other
50 political subdivision of the state shall not expend or

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1 permit the expenditure of public moneys for the
2 purpose of supporting or opposing a ballot issue.

3 DIVISION IV

4 REPORTING AND DISCLOSURE

5 Sec. 19. Section 56.5A, Code 1991, is amended to
6 read as follows:

7 56.5A CANDIDATE'S COMMITTEE.

8 1. Each Except as otherwise provided in subsection
9 2, each candidate for public office shall organize
10 one, and only one, candidate's committee for a
11 specific office sought when the candidate receives
12 contributions, makes expenditures, or incurs
13 indebtedness in excess of two hundred fifty dollars in
14 a calendar year.

15 2. If a candidate does not make campaign
16 expenditures in excess of five hundred dollars in a
17 calendar year, does not receive contributions or incur
18 indebtedness, and makes all campaign expenditures
19 solely from the candidate's own money, the candidate
20 is not required to organize a candidate's committee.
21 The commission shall adopt rules requiring the
22 candidate to submit an affidavit in advance certifying
23 that the candidate will meet the requirements of this
24 subsection.

25 Sec. 20. Section 56.6, subsection 1, paragraphs a
26 and b, Code 1991, are amended to read as follows:

27 a. Each treasurer of a committee shall file with
28 the commission or commissioner disclosure reports of
29 contributions received and disbursed on forms
30 prescribed by rules as provided by chapter 17A. The
31 reports from all committees, except those committees
32 for municipal and school elective offices and for
33 local ballot issues, shall be filed on the twentieth
34 day or mailed bearing a United States postal service
35 postmark dated on or before the nineteenth day of
36 January, May, July and October of each year. The May,
37 July, and October reports shall be current as of five
38 days prior to the filing deadline. The January report
39 shall be the annual report covering activity through
40 December 31. A state or county statutory political
41 committee is not required to file the May and July
42 reports for a year in which no primary or general
43 election is held. A candidate's committee, other than
44 for municipal and school elective offices, for a year
45 in which the candidate is not standing for election is
46 not required to file the May and July reports.
47 Reports for committees for a ballot issue placed
48 before the voters of the entire state shall be filed
49 at the January, May, July, and October deadlines.

50 b. A candidate's committee of a candidate for

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

18 A statewide political committee, other than a state
19 statutory political committee, shall file a report on
20 the Friday preceding the primary election and on the
21 Friday preceding the general election in a year in
22 which a primary or general election is held.

23 Each contribution of five hundred dollars or more
24 received between the date of the committee's last
25 preelection report and the date of the election shall
26 be reported to the commission by the candidate's
27 committee by letter postmarked the date of receipt of
28 such contribution.

29 A political committee, other than a state or county
30 political committee, shall report to the commission,
31 by letter postmarked the date the check is issued or
32 other payment made, each contribution of five hundred
33 dollars or more made to a candidate's committee during
34 the seven-day period preceding the date of the
35 election.

36 Sec. 21. Section 56.6, subsection 1, paragraph c,
37 Code 1991, is amended by striking the paragraph.

38 Sec. 22. Section 56.10A, Code 1991, is amended to
39 read as follows:

40 56.10A REPORTING OF HONORARIA OR EXPENSES.

41 1. The commission shall adopt rules requiring the
42 filing of periodic reports by officeholders showing
43 all honoraria or expenses received during the
44 reporting period.

45 2. The rules shall require that:

46 a. Holders of statewide office must file reports
47 of the aggregate amount received as reimbursement for
48 expenses in connection with appearances, speeches, or
49 participation in seminars, panels, or workshops
50 sponsored by groups, associations, organizations, or

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1 individuals with an interest in issues before the
2 general assembly with the state commissioner of
3 elections.

4 b. Holders of the office of state senator must
5 file reports of the aggregate amount received as
6 reimbursement for expenses in connection with
7 appearances, speeches, or participation in seminars,
8 panels, or workshops sponsored by groups,
9 associations, organizations, or individuals with an
10 interest in issues before the general assembly with
11 the secretary of the senate.

12 c. Holders of the office of state representative
13 must file reports of the aggregate amount received as
14 reimbursement for expenses in connection with
15 appearances, speeches, or participation in seminars,
16 panels, or workshops sponsored by groups,
17 associations, organizations, or individuals with an
18 interest in issues before the general assembly with
19 the chief clerk of the house of representatives.

20 d. Holders of county and other offices must file
21 reports of honoraria with the county commissioner of
22 elections.

23 3. The reports shall be available for public
24 inspection.

DIVISION V

INCOME TAX CHECKOFF

27 Sec. 23. Section 56.18, Code 1991, is amended to
28 read as follows:

29 56.18 ~~CHECKOFF~~----INCOME TAX CHECKOFF FOR
30 POLITICAL PARTIES.

31 A person whose state income tax liability for any
32 ~~taxable a tax year is one-dollar-and-fifty-cents two~~
33 ~~dollars~~ or more may direct that ~~one-dollar-and-fifty~~
34 ~~cents two dollars~~ of that liability be paid over to
35 the Iowa election campaign fund when submitting the
36 person's state income tax return to the department of
37 revenue and finance. In the case of a joint return of
38 husband and wife having a state income tax liability
39 of ~~three~~ four dollars or more, each spouse may direct
40 that ~~one-dollar-and-fifty-cents two dollars~~ be paid to
41 the fund. The director of revenue and finance shall
42 draft the income tax form to provide spaces on the tax
43 return which the taxpayer may use to designate that
44 contributions made under this section be credited to a
45 specified political party as defined by section 43.2,
46 or to the Iowa election campaign fund as a
47 contribution to be shared by all such political
48 parties in the manner prescribed by section 56.19.
49 The form shall inform the taxpayer of the consequences
50 of the choices provided under this section, but this

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1 information may be contained in a footnote or other
2 suitable form if the director of revenue and finance
3 finds it is not feasible to place the information
4 immediately above the signature line. The action
5 taken by a person for the checkoff is irrevocable.

6 DIVISION VI

7 POLITICAL CONTRIBUTION DEDUCTION

8 Sec. 24. Section 422.7, Code 1991, is amended by
9 adding the following new subsection:

10 NEW SUBSECTION. 24. Subtract the amount donated
11 during the tax year as political contributions to a
12 state statutory political committee of a political
13 party as defined in section 43.2. The maximum amount
14 of donations eligible for the political contribution
15 deduction is fifty dollars for a single person or for
16 a married person filing a separate return or filing
17 separately on a combined return. The maximum amount
18 of donations eligible for the political contribution
19 deduction is one hundred dollars for married persons
20 filing a joint return.

21 DIVISION VII

22 MISCELLANEOUS

23 Sec. 25. Section 56.10, subsection 4, Code 1991,
24 is amended to read as follows:

25 4. Adopt rules pursuant to chapter 17A and levy
26 civil penalties to carry out this chapter. The rules
27 shall provide that the candidate, or the treasurer of
28 a candidate's committee, or the chairperson or
29 treasurer of a political committee, is responsible for
30 filing disclosure reports as required by this chapter,
31 and shall receive notice from the commission if the
32 committee has failed to file a disclosure report at
33 the time required by this chapter. A candidate, or
34 treasurer of a candidate's committee, or chairperson
35 or treasurer of a political committee, may be subject
36 to a civil penalty for failure to file a disclosure
37 report required by this chapter if the report has not
38 been filed when required by section 56.6, subsection
39 1. A person who causes the publication or
40 distribution of published political advertising
41 material may be subject to a civil penalty for failure
42 to include the identity and address of the person
43 responsible for the material as required by section
44 56.14.

45 Sec. 26. NEW SECTION. 56.31 CANDIDATE FOR
46 LIEUTENANT GOVERNOR NOT CONSIDERED A SEPARATE
47 CANDIDATE.

48 For purposes of this chapter, a candidate for
49 lieutenant governor shall not be considered a separate
50 candidate, but shall be considered part of a team of

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Page 10

1 candidates for governor and lieutenant governor. The
 2 commission shall adopt rules for the application of
 3 this section with respect to accounting, reporting,
 4 public financing, and other requirements and
 5 provisions of this chapter.

6 Sec. 27. APPLICABILITY DATE.

7 Section 23 of this Act is retroactively applicable
 8 to January 1, 1991, for tax years beginning on or
 9 after that date.

10 Section 24 of this Act takes effect January 1,
 11 1992, for tax years beginning on or after that date."

12 2. Title page, by striking lines 1 through 12 and
 13 inserting the following: "An Act relating to
 14 political campaigns, providing limitations on certain
 15 contributions, restricting the use of campaign funds,
 16 providing additional disclosure requirements,
 17 increasing the income tax checkoff for political
 18 parties, providing a political contribution tax
 19 deduction, providing certain prohibitions, providing
 20 that the candidate for lieutenant governor is not
 21 considered a separate candidate for campaign finance
 22 purposes, providing penalties, and providing effective
 23 and applicability dates."

By PAUL D. PATE	MARY E. KRAMER	RICHARD F. DRAKE
MAGGIE TINSMAN	JAMES B. KERSTEN	RICHARD VANDE HOEF
JACK RIFE	MARK R. HAGERLA	WILMER RENSINK
H. KAY HEDGE	SHELDON RITTMER	
HARRY G. SLIFE	DERRYL MCLAREN	
ALLEN BORLAUG	JIM LIND	

S-3338 FILED APRIL 5, 1991

RULED OUT OF ORDER (p. 1083)

SENATE FILE 476

S-3339

1 Amend the amendment, S-3338, to Senate File 476 as
 2 follows:

3 1. Page 5, by striking line 48 and inserting the
 4 following: "FOR POLITICAL PURPOSES."

5 2. Page 6, by striking lines 1 and 2, and
 6 inserting the following: "permit the expenditure of
 7 public moneys for political purposes, including
 8 supporting or opposing a ballot issue."

By JIM LIND

S-3339 FILED APRIL 5, 1991

RULED OUT OF ORDER (p. 1083)

SENATE FILE 476

S-3340

1 Amend the amendment, S-3338, to Senate File 476 as
2 follows:

3 1. Page 4, by striking lines 10 and 11, and
4 inserting the following: "used in one or more of the
5 following ways:

6 a. For transfer to the political party's
7 applicable statutory political committee.

8 b. For donations to a charitable purpose.

9 c. For return of contributors on a pro rata
10 basis."

11 2. Page 6, by inserting after line 4, the
12 following:

13 "Sec. ____ . Section 56.3, subsection 2, Code 1991,
14 is amended to read as follows:

15 2. A person who receives contributions in-excess
16 ~~of one-hundred-dollars~~ for a committee shall, not
17 later than fifteen days from the date of receipt of
18 the contributions or on demand of the treasurer,
19 render to the treasurer the contributions and an
20 account of the total of all contributions; including
21 the name and address of each person making a
22 contribution in excess of ten dollars, the amount of
23 the contributions, and the date on which the
24 contributions were received. The treasurer shall
25 deposit all contributions within seven days of receipt
26 by the treasurer in an account maintained by the
27 committee in a financial institution. All funds of a
28 committee shall be segregated from any other funds
29 held by officers, members, or associates of the
30 committee or the committee's candidate. However, if a
31 candidate's committee receives contributions only from
32 the candidate, or if a permanent organization
33 temporarily engages in activity which qualifies it as
34 a political committee and all expenditures of the
35 organization are made from existing general operating
36 funds and funds are not solicited or received for this
37 purpose from sources other than operating funds, then
38 that committee is not required to maintain a separate
39 account in a financial institution. The funds of a
40 committee are not attachable for the personal debt of
41 the committee's candidate or an officer, member, or
42 associate of the committee.

43 Sec. ____ . Section 56.5, subsection 5, Code 1991,
44 is amended to read as follows:

45 5. A committee not domiciled in Iowa which makes a
46 contribution to a candidate's committee or political
47 committee domiciled in Iowa shall disclose each
48 contribution to the commission. ~~The-committee A~~
49 committee not domiciled in Iowa which is not
50 registered and filing full disclosure reports of all

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Page 2

1 financial activities with the federal election
 2 commission or another state's disclosure commission
 3 shall register and file full disclosure reports with
 4 the commission pursuant to this chapter. A committee
 5 which is currently filing a disclosure report in
 6 another jurisdiction shall either file a statement of
 7 organization under subsections 1 and 2 and file
 8 disclosure reports, the same as those required of
 9 Iowa-domiciled committees, under section 56.6, or
 10 shall file one copy of a verified statement with the
 11 commission and a second copy with the treasurer of the
 12 committee receiving the contribution. The form shall
 13 be completed and filed at the time the contribution is
 14 made. The verified statement shall be on forms
 15 prescribed by the commission and be attached to the
 16 report required of the committee receiving the
 17 contribution under section 56.6. The form shall
 18 include the complete name, address, and telephone
 19 number of the contributing committee, the state or
 20 federal jurisdiction under which it is registered or
 21 operates, the identification of any parent entity or
 22 other affiliates or sponsors, its purpose, the name
 23 and address of an Iowa resident authorized to receive
 24 service of original notice and the name and address of
 25 the receiving committee, the amount of the cash or in-
 26 kind contribution, and the date the contribution was
 27 made."

28 3. Page 9, by inserting after line 22, the
 29 following:

30 "Sec. ____ . Section 56.2, subsection 4, Code 1991,
 31 is amended to read as follows:

32 4. "Candidate's committee" means the committee
 33 designated by the candidate to receive contributions,
 34 expend funds, or incur indebtedness in the aggregate
 35 in excess of two hundred fifty dollars in any calendar
 36 year on behalf of the candidate."

37 4. By renumbering as necessary.

By PAUL D. PATE

S-3340 FILED APRIL 5, 1991

RULED OUT OF ORDER (p. 1083)

in State Gov. 4/5/91 Amend (3634); De Pas 4/15/91

SENATE FILE 476
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 334)

(AS AMENDED AND PASSED BY THE SENATE APRIL 5, 1991)

~~_____~~ - New Language by the Senate
* - Language Stricken by the Senate

Passed Senate, Date See Below Passed House, Date 4/23/91 (p. 1468)
Vote: Ayes _____ Nays _____ Vote: Ayes 99 Nays 0
Approved May 30, 1991 *motion to reconsider (p. 1472) w/c 4/25/91*

A BILL FOR

3634 1 An Act relating to campaign finance disclosure by changing the
2 definition of a candidate's committee, requiring the reporting
3 to the treasurer of a committee of all contributions received
4 by a person for the committee, requiring disclosure reports of
5 out-of-state political action committees, changing the number
6 of disclosure reports required in nonelection years, providing
7 that the treasurer of a committee is not responsible for
8 filing disclosure reports or liable for civil penalties,
9 directing the use of leftover campaign funds, and providing
10 for a civil penalty for violations regarding placement of
11 political signs.

3674, 3515
3685

S.F. 476

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

13
14 Conference Committee Appointed 5/10/91
15 Hiebes (Chair), Gronstal, Floyd-Jones, Brake, & Pate 5/10/91 (p. 1776)
16 Rep. Halvorson (Chair), Blenshaw, Leaford, Berken, Hanson (p. 2253)

17 Passed for Conference Committee Report
18 Passed Senate 5/11/91 (p. 1804) 48-0 Passed House 5/11/91 (p. 2406) 99-0
19
20
21

1 Section 1. Section 56.2, subsection 4, Code 1991, is
2 amended to read as follows:

3 4. "Candidate's committee" means the committee designated
4 by the candidate to receive contributions, expend funds, or
5 incur indebtedness in the aggregate in excess of two hundred
6 fifty dollars in any calendar year on behalf of the candidate.

7 Sec. 2. Section 56.3, subsection 2, Code 1991, is amended
8 to read as follows:

9 2. A person who receives contributions ~~in excess of one~~
10 ~~hundred dollars~~ for a committee shall, not later than fifteen
11 days from the date of receipt of the contributions or on
12 demand of the treasurer, render to the treasurer the
13 contributions and an account of the total of all
14 contributions; including the name and address of each person
15 making a contribution in excess of ten dollars, the amount of
16 the contributions, and the date on which the contributions
17 were received. The treasurer shall deposit all contributions
18 within seven days of receipt by the treasurer in an account
19 maintained by the committee in a financial institution. All
20 funds of a committee shall be segregated from any other funds
21 held by officers, members, or associates of the committee or
22 the committee's candidate. However, if a candidate's
23 committee receives contributions only from the candidate, or
24 if a permanent organization temporarily engages in activity
25 which qualifies it as a political committee and all
26 expenditures of the organization are made from existing
27 general operating funds and funds are not solicited or
28 received for this purpose from sources other than operating
29 funds, then that committee is not required to maintain a
30 separate account in a financial institution. The funds of a
31 committee are not attachable for the personal debt of the
32 committee's candidate or an officer, member, or associate of
33 the committee.

34 Sec. 3. Section 56.5, subsection 5, Code 1991, is amended
35 to read as follows:

1 5. A committee not domiciled in Iowa which makes a
2 contribution to a candidate's committee or political committee
3 domiciled in Iowa shall disclose each contribution to the
4 commission. ~~The committee~~ A committee not domiciled in Iowa
5 which is not registered and filing full disclosure reports of
6 all financial activities with the federal election commission
7 or another state's disclosure commission shall register and
8 file full disclosure reports with the commission pursuant to
9 this chapter. A committee which is currently filing a
10 disclosure report in another jurisdiction shall either file a
11 statement of organization under subsections 1 and 2 and file
12 disclosure reports, the same as those required of Iowa-
13 domiciled committees, under section 56.6, or shall file one
14 copy of a verified statement with the commission and a second
15 copy with the treasurer of the committee receiving the
16 contribution. The form shall be completed and filed at the
17 time the contribution is made. The verified statement shall
18 be on forms prescribed by the commission and be attached to
19 the report required of the committee receiving the
20 contribution under section 56.6. The form shall include the
21 complete name, address, and telephone number of the
22 contributing committee, the state or federal jurisdiction
23 under which it is registered or operates, the identification
24 of any parent entity or other affiliates or sponsors, its
25 purpose, the name and address of an Iowa resident authorized
26 to receive service of original notice and the name and address
27 of the receiving committee, the amount of the cash or in-kind
28 contribution, and the date the contribution was made.

29 Sec. 4. Section 56.6, subsection 1, paragraph a, Code
30 1991, is amended to read as follows:

31 a. Each treasurer of a committee shall file with the
32 commission or commissioner disclosure reports of contributions
33 received and disbursed on forms prescribed by rules as
34 provided by chapter 17A. The reports from all committees,
35 except those committees for municipal and school elective

1 offices and for local ballot issues, shall be filed on the
2 twentieth day or mailed bearing a United States postal service
3 postmark dated on or before the nineteenth day of January,
4 May, July, and October of each year. The May, July, and
5 October reports shall be current as of five days prior to the
6 filing deadline. The January report shall be the annual
7 report covering activity through December 31. However, a
8 state or county statutory political committee is not required
9 to file the May and July reports for a year in which no
10 primary or general election is held. A candidate's committee,
11 other than for municipal and school elective offices, for a
12 year in which the candidate is not standing for election, is
13 not required to file the May, and July, and October reports.
14 Reports for committees for a ballot issue placed before the
15 voters of the entire state shall be filed at the January, May,
16 July, and October deadlines.

17 Sec. 5. Section 56.10, subsection 4, Code 1991, is amended
18 to read as follows:

3497 19 4. Adopt rules pursuant to chapter 17A and levy civil
20 penalties to carry out this chapter. The rules shall provide
21 that the candidate, ~~or the treasurer~~ of a candidate's
22 committee, or the chairperson ~~or treasurer~~ of a political
23 committee, is responsible for filing disclosure reports as
24 required by this chapter, and shall receive notice from the
25 commission if the committee has failed to file a disclosure
26 report at the time required by this chapter. A candidate, ~~or~~
27 ~~treasurer~~ of a candidate's committee, or chairperson ~~or~~
28 ~~treasurer~~ of a political committee, may be subject to a civil
29 penalty for failure to file a disclosure report required by
30 this chapter if the report has not been filed when required by
31 section 56.6, subsection 1. The rules shall also provide that
32 a person who violates chapter 306C regarding the placement of
33 political signs may be subject to a civil penalty. The state
34 department of transportation shall notify the commission of a
35 violation of chapter 306C which may subject the violator to a

1 civil penalty under this subsection, and shall make
2 information relating to the violation available to the
3 commission.

3685

4 Sec. 6. NEW SECTION. 56.41 UNEXPENDED BALANCES.

5 1. If an unexpended balance of campaign funds received on
6 or after July 1, 1991, remains when a candidate of a political
7 party ceases to be a candidate or the candidate's committee
8 ceases to function, the unexpended balance shall be used in
9 one or more of the following ways:

10 a. For transfer to the political party's applicable
11 statutory political committee.

12 b. For donations to a charitable purpose.

13 c. For return of contributions to the contributors on a
14 pro rata basis.

15 2. If an unexpended balance of campaign funds received on
16 or after July 1, 1991, remains when a nonpartisan or
17 independent candidate ceases to be a candidate or the
18 candidate's committee ceases to function, the unexpended
19 balance shall be used in one or more of the following ways:

20 a. For donations to a charitable purpose.

21 b. For return of contributions to the contributors on a
22 pro rata basis.

23 Sec. 7. NEW SECTION. 56.42 USE OF PUBLIC MONEYS FOR
24 POLITICAL PURPOSES.

25 The governing body of a county, city, or other political
26 subdivision of the state shall not expend or permit the
27 expenditure of public moneys for political purposes, including
28 supporting or opposing a ballot issue.

3638, 3515,
3674

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SENATE FILE 476

H-3575

1 Amend Senate File 476, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 4, by inserting after line 28, the
4 following:

5 "Sec. ____ . NEW SECTION. 79.19A PAYROLL
6 DEDUCTIONS FOR POLITICAL CONTRIBUTIONS.

7 A state officer, including the state board of
8 regents, in charge of a payroll system shall also make
9 payroll deductions authorized by an employee for
10 political committees under chapter 56 if the
11 employee's payroll system is currently making
12 deductions for employee organization membership dues,
13 and if the following conditions are met:

14 1. The request for the payroll deduction is made
15 in writing to the officer in charge of the payroll
16 system.

17 2. The pay period during which the deduction is
18 made and the frequency and amount of the deduction are
19 compatible with the payroll system.

20 3. The political committee for which the deduction
21 is requested is related to the employee organization
22 for which the employee's payroll system is currently
23 making membership dues deductions.

24 Sec. ____ . NEW SECTION. 294.17 PAYROLL
25 DEDUCTIONS.

26 In addition to payroll deductions for the purpose
27 of paying annuity premiums, a school district shall
28 also make payroll deductions authorized by the
29 employee for political committees under chapter 56 if
30 the school district's payroll system is currently
31 making deductions for employee organization membership
32 dues, and if the following conditions are met:

33 1. The request for the payroll deduction is made
34 in writing to the officer in charge of the payroll
35 system.

36 2. The pay period during which the deduction is
37 made, and the frequency and amount of the deduction
38 are compatible with the payroll system.

39 3. The political committee for which the deduction
40 is requested is related to the employee organization
41 for which the school district's payroll system is
42 currently making membership dues deductions."

43 2. Title page, line 9, by inserting after the
44 word "funds," the following: "permitting certain
45 payroll deductions for political committees for public
46 employees and employees of school districts,".

47 3. By renumbering as necessary.

By CONNORS of Polk	RENAUD of Polk
PAVICH of Pottawattamie	SHONING of Woodbury
WISSING of Scott	BISIGNANO of Polk
MURPHY of Dubuque	

H-3575 FILED APRIL 10, 1991

4/10 4/23 (p. 1463)

SENATE FILE 476

H-3767

1 Amend amendment, H-3634, to Senate File 476, as
2 amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 2, by striking lines 12 and 13 and
5 inserting the following: "use campaign funds only for
6 campaign purposes, and shall not use campaign".
7 2. Page 3, line 4, by inserting after the word
8 "candidacy" the following: "or the candidacy of
9 another person".

By BLANSHAN of Greene
HALVORSON of Webster
HANSON of Delaware

H-3767 FILED APRIL 22, 1991

4/15 4/23/91

SENATE FILE 476

H-3782

1 Amend amendment, H-3634, to Senate File 476, as
2 amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 2, by striking lines 12 and 13 and
5 inserting the following: "use campaign funds only for
6 campaign purposes, and shall not use campaign".
7 2. Page 3, line 4, by inserting after the word
8 "candidacy" the following: "or the candidacy of
9 another person".
10 3. Page 3, lines 5 and 6, by striking the words
11 "official campaign functions" and inserting the
12 following: "campaign related purposes".

By BLANSHAN of Greene
HALVORSON of Webster
HANSON of Delaware

H-3782 FILED APRIL 23, 1991

ADOPTED (*p. 1462*)

SENATE FILE 476

H-3790

1 Amend amendment H-3685 to Senate File 476, as
2 amended, passed and reprinted by the Senate, as
3 follows:
4 1. Page 1, by striking lines 5 through 25.
5 2. Page 2, by striking lines 1 through 3 and
6 inserting the following: "word "funds," the
7 following: "providing"".

By HANSON of Delaware

H-3790 FILED APRIL 23, 1991

ADOPTED (*p. 1468*)

SENATE FILE 476

H-3685

1 Amend Senate File 476, as amended, passed, and
2 reprinted by the Senate, as follows:

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

*5 "Sec. ____ . NEW SECTION. 56.12A TRANSFERS FROM
6 ONE CANDIDATE'S COMMITTEE TO ANOTHER.

7 A candidate for the general assembly or the
8 candidate's committee shall not use campaign funds for
9 transfers or contributions to another candidate for
10 office in the same house of the general assembly or to
11 the candidate's committee. The cost of purchasing
12 tickets to a fund-raising event held by or on behalf
13 of a candidate to raise money for the candidate's
14 campaign is considered a contribution for purposes of
15 this section, unless the event is sponsored by a state
16 or county statutory political committee.

17 Sec. ____ . NEW SECTION. 56.13A CERTAIN ACCOUNTS
18 BY OFFICEHOLDERS PROHIBITED.

19 A holder of public office shall not maintain an
20 account, other than a campaign account, to receive
21 contributions for the purpose of publishing and
22 distributing newsletters or performing other
23 constituent services related to the official duties of
24 public office. This section applies whether or not
25 the officeholder is a candidate.

26 Sec. ____ . NEW SECTION. 56.14A RESTRICTIONS ON
27 ACCEPTANCE OF CONTRIBUTIONS.

28 1. The candidate's committee of a holder of the
29 office or of a candidate for the office of state
30 representative or state senator shall not solicit or
31 accept contributions from a political committee, other
32 than a state or county statutory political committee,
33 or from a lobbyist registered under the rules adopted
34 by either house of the general assembly while the
35 general assembly is in regular session. As used in
36 this subsection, "in regular session" does not include
37 the period of time between final adjournment sine die
38 for that year and the ceremonial closing of the
39 session.

40 2. The candidate's committee of a holder of the
41 office or of a candidate for the office of governor
42 shall not solicit or accept contributions from a
43 political committee, other than a state or county
44 statutory political committee, or from a lobbyist
45 registered under the rules adopted by either house of
46 the general assembly while the general assembly is in
47 regular session and for thirty days after the final
48 adjournment sine die of the general assembly for that
49 year."

50 2. Title page, line 9, by inserting after the

H-3685

Page 2

- 1 word "funds," the following: "prohibiting certain
- 2 transfers by candidates' committees, prohibiting
- 3 certain accounts by officeholders, providing
- 4 restrictions on acceptance of certain contributions,".
- 5 3. By renumbering as necessary.

By HANSON of Delaware
CARPENTER of Poik

H-3685 FILED APRIL 17, 1991

Adopted as amended by 3790 4/23/91 (p. 1448)

SENATE FILE 476

H-3697

- 1 Amend Senate File 476, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. By striking page 3, line 31, through page 4,
- 4 line 3, and inserting the following: "section 56.6,
- 5 subsection 1."

By HALVORSON of Webster
HANSON of Delaware

H-3697 FILED APRIL 17, 1991

12/15 4/23

SENATE FILE 476

H-3674

- 1 Amend Senate File 476 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 4, by inserting after line 28, the
- 4 following:
- 5 "Sec. ____ . NEW SECTION. 56.43 CERTAIN ACCOUNTS
- 6 BY OFFICEHOLDERS PROHIBITED.
- 7 A holder of public office shall not maintain an
- 8 account, other than a campaign account, to receive
- 9 contributions for the purpose of publishing and
- 10 distributing newsletters or performing other
- 11 constituent services related to the official duties of
- 12 public office. This section applies whether or not
- 13 the officeholder is a candidate."
- 14 2. Title page, line 9, by inserting after the
- 15 word "funds," the following: "prohibiting certain
- 16 accounts by officeholders,".
- 17 3. By renumbering as necessary.

By HALVORSON of Webster HANSON of Delaware
TEAFORD of Black Hawk RENKEN of Grundy
PAVICH of Pottawattamie KREBSBACH of Mitchell
BEATTY of Warren

H-3674 FILED APRIL 17, 1991

Adopted 4/23/91 (p. 1466)

SENATE FILE 476

H-3634

1 Amend Senate File 476, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, by striking lines 1 through 6, and
4 inserting the following:

5 "Section 1. Section 56.2, subsection 4, Code 1991,
6 is amended by striking the subsection and inserting in
7 lieu thereof the following:

8 4. "Candidate's committee" means the committee
9 designated by the candidate to receive contributions,
10 expend funds, or incur indebtedness in the aggregate
11 as follows:

12 a. For federal, state, or county office, in excess
13 of two hundred fifty dollars in any calendar year on
14 behalf of the candidate.

15 b. For city or school office, in excess of five
16 hundred dollars in any calendar year on behalf of the
17 candidate."

18 2. Page 2, by striking lines 18 through 20 and
19 inserting the following: "be on forms prescribed by
20 the commission ~~and be attached to the report required~~
21 ~~of the committee receiving the contribution under~~
22 ~~section 56-6. The form shall include the".~~

23 3. Page 2, by inserting after line 28, the
24 following:

25 "Sec. ____ . Section 56.5A, Code 1991, is amended to
26 read as follows:

27 56.5A CANDIDATE'S COMMITTEE.

28 Each candidate for public federal, state, or county
29 office shall organize one, and only one, candidate's
30 committee for a specific office sought when the
31 candidate receives contributions, makes expenditures,
32 or incurs indebtedness in excess of two hundred fifty
33 dollars in a calendar year.

34 Each candidate for city or school office shall
35 organize one, and only one, candidate's committee for
36 a specific office sought when the candidate receives
37 contributions, makes expenditures, or incurs
38 indebtedness in excess of five hundred dollars in a
39 calendar year."

40 4. Page 4, by striking lines 4 through 22.

41 5. Page 4, line 23, by striking the figure
42 "56.42" and inserting the following: "56.12A".

43 6. Page 4, by inserting after line 28 the
44 following:

45 "This section shall not be construed to limit the
46 freedom of speech of the governing body of, or the
47 officials or employees of the governing body of, a
48 county, city, or other political subdivision of the
49 state."

50 7. Page 4, by inserting after line 28, the

H-3634

Page 2

1 following:

2 "Sec. 100. Sections 101 through 105 of this Act
3 are created as a new division of chapter 56.

4 Sec. 101. NEW SECTION. 56.40 CAMPAIGN FUNDS.

5 As used in this division, "campaign funds" means
6 contributions to a candidate or candidate's committee
7 which are required by this chapter to be deposited in
8 a separate campaign account.

9 Sec. 102. NEW SECTION. 56.41 USES OF CAMPAIGN
10 FUNDS.

11 1. A candidate and the candidate's committee shall
12 use campaign funds only for the purpose of winning and
13 retaining public office, and shall not use campaign
14 funds for personal expenses.

15 2. Campaign funds shall not be used for any of the
16 following purposes:

17 a. Payment of civil or criminal penalties.

18 However, payment of civil penalties relating to
19 campaign finance and disclosure requirements is
20 permitted.

21 b. Satisfaction of personal debts, other than
22 campaign loans.

23 c. Personal services, including the services of
24 attorneys, accountants, physicians, and other
25 professional persons. However, payment for personal
26 services directly related to campaign activities is
27 permitted.

28 d. Clothing or laundry expense of a candidate or
29 members of the candidate's family.

30 e. Purchase of or installment payments for a motor
31 vehicle. However, a candidate may lease a motor
32 vehicle during the duration of the campaign if the
33 vehicle will be used for campaign purposes. If a
34 vehicle is leased, detailed records shall be kept on
35 the use of the vehicle and the cost of noncampaign
36 usage shall not be paid from campaign funds.

37 Candidates and campaign workers may be reimbursed for
38 actual mileage for campaign-related travel at a rate
39 not to exceed the current rate of reimbursement
40 allowed under the standard mileage rate method for
41 computation of business expenses pursuant to the
42 Internal Revenue Code.

43 f. Mortgage payments, rental payments,
44 furnishings, or renovation or improvement expenses for
45 a permanent residence of a candidate or family member,
46 including a residence in the state capital during a
47 term of office or legislative session.

48 g. Membership in professional organizations.

49 h. Membership in service organizations, except
50 those organizations which the candidate joins solely

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1 for the purpose of enhancing the candidacy.

2 i. Meals, groceries, or other food expense, except
3 for tickets to meals that the candidate attends solely
4 for the purpose of enhancing the candidacy. However,
5 payment for food and drink purchased for official
6 campaign functions and for entertainment of campaign
7 volunteers is permitted.

8 j. Payments clearly in excess of the fair market
9 value of the item or service purchased.

10 Sec. 103. NEW SECTION. 56.42 TRANSFER OF
11 CAMPAIGN FUNDS.

12 1. In addition to the uses permitted under section
13 56.41, a candidate's committee may transfer campaign
14 funds in one or more of the following ways:

15 a. Contributions to charitable organizations.

16 b. Contributions to national, state, or local
17 political party central committees, or other
18 candidate's committees.

19 c. Transfers to the treasurer of state for deposit
20 in the general fund of the state.

21 d. Return of contributions to contributors on a
22 pro rata basis, except that any contributor who
23 contributed five dollars or less may be excluded from
24 the distribution.

25 2. If an unexpended balance of campaign funds
26 remains when a candidate ceases to be a candidate or
27 the candidate's committee dissolves, the unexpended
28 balance shall be transferred pursuant to subsection 1.

29 3. A candidate or candidate's committee making a
30 transfer of campaign funds pursuant to subsection 1 or
31 2 shall not place any requirements or conditions on
32 the use of the campaign funds transferred.

33 4. A candidate or candidate's committee shall not
34 transfer campaign funds except as provided in this
35 section.

36 5. A candidate or candidate's committee shall not
37 transfer campaign funds with the intent of
38 circumventing the requirements of this section.

39 Sec. 104. NEW SECTION. 56.43 CAMPAIGN PROPERTY.

40 1. Equipment, supplies, or other materials
41 purchased on or after July 1, 1991, with campaign
42 funds are campaign property. Campaign property
43 belongs to the candidate's committee and not to the
44 candidate.

45 2. Upon dissolution of the candidate's committee,
46 a report accounting for the disposition of all items
47 of campaign property having a residual value of
48 twenty-five dollars or more shall be filed with the
49 commission. Each item of campaign property having a
50 residual value of twenty-five dollars or more shall be

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1 disposed of by one of the following methods.

2 a. Sale of the property at fair market value, in
3 which case the proceeds shall be treated the same as
4 other campaign funds.

5 b. Donation of the property under one of the
6 options for transferring campaign funds set forth in
7 section 56.42.

8 Sec. 105. APPLICABILITY. The restrictions imposed
9 by sections 102 and 103 of this Act apply to all
10 campaign funds held in campaign accounts on and after
11 the effective date of this Act."

12 8. Title page, line 9, by inserting after the
13 word "funds," the following: "restricting the uses of
14 campaign funds, providing for the transfer of campaign
15 funds, providing for the ownership and disposition of
16 campaign property, making penalties applicable,".

By COMMITTEE ON STATE GOVERNMENT
BLANSHAN of Greene, Chairperson

H-3634 FILED APRIL 15, 1991

Adopted as amended by 2708 4/23/91 (p. 1463)

SENATE FILE 476

H-3708

1 Amend the amendment, H-3634, to Senate File 476, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 3, by inserting after line 36, the
5 following:

6 "6. An individual or a political committee shall
7 not knowingly make transfers or contributions to a
8 candidate or candidate's committee for the purpose of
9 transferring the funds to another candidate or
10 candidate's committee to avoid the disclosure of the
11 source of the funds pursuant to this chapter. A
12 candidate or candidate's committee shall not knowingly
13 accept transfers or contributions from an individual
14 or political committee for the purpose of transferring
15 funds to another candidate or candidate's committee as
16 prohibited by this subsection. A candidate or
17 candidate's committee shall not accept transfers or
18 contributions which have been transferred to another
19 candidate or candidate's committee as prohibited by
20 this subsection. The commission shall notify
21 candidates of the prohibition of such transfers and
22 contributions under this subsection."

By HANSON of Delaware
HALVORSON of Webster
CARPENTER of Polk

H-3708 FILED APRIL 18, 1991

Adopted 4/23/91 (p. 1463)

SENATE FILE 476

H-3638

1 Amend Senate File 476, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 4, by inserting after line 28, the
4 following:

5 "Sec. ____ . NEW SECTION. 79.19A PAYROLL
6 DEDUCTIONS FOR POLITICAL CONTRIBUTIONS.

7 A state officer, including the state board of
8 regents, in charge of a payroll system shall also make
9 payroll deductions authorized by an employee for
10 political committees under chapter 56 if the
11 employee's payroll system is currently making
12 deductions for employee organization membership dues,
13 and if the following conditions are met:

14 1. The request for the payroll deduction is made
15 in writing to the officer in charge of the payroll
16 system.

17 2. The pay period during which the deduction is
18 made and the frequency and amount of the deduction are
19 compatible with the payroll system.

20 3. The political committee for which the deduction
21 is requested is related to the employee organization
22 for which the employee's payroll system is currently
23 making membership dues deductions.

24 Sec. ____ . NEW SECTION. 294.17 PAYROLL
25 DEDUCTIONS.

26 In addition to payroll deductions for the purpose
27 of paying annuity premiums, a school district shall
28 also make payroll deductions authorized by the
29 employee for political committees under chapter 56 if
30 the school district's payroll system is currently
31 making deductions for employee organization membership
32 dues, and if the following conditions are met:

33 1. The request for the payroll deduction is made
34 in writing to the officer in charge of the payroll
35 system.

36 2. The pay period during which the deduction is
37 made, and the frequency and amount of the deduction
38 are compatible with the payroll system.

39 3. The political committee for which the deduction
40 is requested is related to the employee organization
41 for which the school district's payroll system is
42 currently making membership dues deductions.

43 Sec. ____ . NEW SECTION. 331.325 PAYROLL
44 DEDUCTIONS FOR POLITICAL CONTRIBUTIONS.

45 The board or the county officer in charge of any
46 county payroll system shall make payroll deductions
47 authorized by an employee for political committees
48 under chapter 56 if the employee's payroll system is
49 currently making deductions for employee organization
50 membership dues, and if the following conditions are

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1 met:

2 1. The request for the payroll deduction is made
3 in writing to the officer in charge of the payroll
4 system.

5 2. The pay period during which the deduction is
6 made and the frequency and amount of the deduction are
7 compatible with the payroll system.

8 3. The political committee for which the deduction
9 is requested is related to the employee organization
10 for which the employee's payroll system is currently
11 making membership dues deductions.

12 Sec. . . . NEW SECTION. 364.25 PAYROLL DEDUCTIONS
13 FOR POLITICAL CONTRIBUTIONS.

14 A city, or the city officer in charge of any city
15 payroll system shall make payroll deductions
16 authorized by an employee for political committees
17 under chapter 56 if the employee's payroll system is
18 currently making deductions for employee organization
19 membership dues, and if the following conditions are
20 met:

21 1. The request for the payroll deduction is made
22 in writing to the officer in charge of the payroll
23 system.

24 2. The pay period during which the deduction is
25 made and the frequency and amount of the deduction are
26 compatible with the payroll system.

27 3. The political committee for which the deduction
28 is requested is related to the employee organization
29 for which the employee's payroll system is currently
30 making membership dues deductions."

31 2. Title page, line 9, by inserting after the
32 word "funds," the following: "permitting certain
33 payroll deductions for political committees for state,
34 county, and city employees and employees of school
35 districts,".

36 3. By renumbering as necessary.

By CONNORS of Polk

H-3638 FILED APRIL 15, 1991

*Revised met program, Public Accountant
Laws 4/23/91 1466*

HOUSE AMENDMENT TO
SENATE FILE 476

S-3631

1 Amend Senate File 476, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, by striking lines 1 through 6, and
4 inserting the following:

5 "Section 1. Section 56.2, subsection 4, Code 1991,
6 is amended by striking the subsection and inserting in
7 lieu thereof the following:

8 4. "Candidate's committee" means the committee
9 designated by the candidate to receive contributions,
10 expend funds, or incur indebtedness in the aggregate
11 as follows:

12 a. For federal, state, or county office, in excess
13 of two hundred fifty dollars in any calendar year on
14 behalf of the candidate.

15 b. For city or school office, in excess of five
16 hundred dollars in any calendar year on behalf of the
17 candidate."

18 2. Page 2, by striking lines 18 through 20 and
19 inserting the following: "be on forms prescribed by
20 the commission ~~and be attached to the report required~~
21 ~~of the committee receiving the contribution under~~
22 ~~section 56-6.~~ The form shall include the".

23 3. Page 2, by inserting after line 28, the
24 following:

25 "Sec. ____ . Section 56.5A, Code 1991, is amended to
26 read as follows:

27 56.5A CANDIDATE'S COMMITTEE.

28 Each candidate for ~~public~~ federal, state, or county
29 office shall organize one, and only one, candidate's
30 committee for a specific office sought when the
31 candidate receives contributions, makes expenditures,
32 or incurs indebtedness in excess of two hundred fifty
33 dollars in a calendar year.

34 Each candidate for city or school office shall
35 organize one, and only one, candidate's committee for
36 a specific office sought when the candidate receives
37 contributions, makes expenditures, or incurs
38 indebtedness in excess of five hundred dollars in a
39 calendar year."

40 4. By striking page 3, line 31, through page 4,
41 line 3, and inserting the following: "section 56.6,
42 subsection 1."

43 5. Page 4, by inserting after line 3 the
44 following:

45 "Sec. ____ . NEW SECTION. 56.14A RESTRICTIONS ON
46 ACCEPTANCE OF CONTRIBUTIONS.

47 1. The candidate's committee of a holder of the
48 office or of a candidate for the office of state
49 representative or state senator shall not solicit or
50 accept contributions from a political committee, other

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1 than a state or county statutory political committee,
2 or from a lobbyist registered under the rules adopted
3 by either house of the general assembly while the
4 general assembly is in regular session. As used in
5 this subsection, "in regular session" does not include
6 the period of time between final adjournment sine die
7 for that year and the ceremonial closing of the
8 session.

9 2. The candidate's committee of a holder of the
10 office or of a candidate for the office of governor
11 shall not solicit or accept contributions from a
12 political committee, other than a state or county
13 statutory political committee, or from a lobbyist
14 registered under the rules adopted by either house of
15 the general assembly while the general assembly is in
16 regular session and for thirty days after the final
17 adjournment sine die of the general assembly for that
18 year."

19 6. Page 4, by striking lines 4 through 22.

20 7. Page 4, line 23, by striking the figure
21 "56.42" and inserting the following: "56.12A".

22 8. Page 4, by inserting after line 28 the
23 following:

24 "This section shall not be construed to limit the
25 freedom of speech of the governing body of, or the
26 officials or employees of the governing body of, a
27 county, city, or other political subdivision of the
28 state."

29 9. Page 4, by inserting after line 28, the
30 following:

31 "Sec. 100. Sections 101 through 105 of this Act
32 are created as a new division of chapter 56.

33 Sec. 101. NEW SECTION. 56.40 CAMPAIGN FUNDS.

34 As used in this division, "campaign funds" means
35 contributions to a candidate or candidate's committee
36 which are required by this chapter to be deposited in
37 a separate campaign account.

38 Sec. 102. NEW SECTION. 56.41 USES OF CAMPAIGN
39 FUNDS.

40 1. A candidate and the candidate's committee shall
41 use campaign funds only for campaign purposes, and
42 shall not use campaign funds for personal expenses.

43 2. Campaign funds shall not be used for any of the
44 following purposes:

45 a. Payment of civil or criminal penalties.
46 However, payment of civil penalties relating to
47 campaign finance and disclosure requirements is
48 permitted.

49 b. Satisfaction of personal debts, other than
50 campaign loans.

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- 1 c. Personal services, including the services of
2 attorneys, accountants, physicians, and other
3 professional persons. However, payment for personal
4 services directly related to campaign activities is
5 permitted.
- 6 d. Clothing or laundry expense of a candidate or
7 members of the candidate's family.
- 8 e. Purchase of or installment payments for a motor
9 vehicle. However, a candidate may lease a motor
10 vehicle during the duration of the campaign if the
11 vehicle will be used for campaign purposes. If a
12 vehicle is leased, detailed records shall be kept on
13 the use of the vehicle and the cost of noncampaign
14 usage shall not be paid from campaign funds.
- 15 Candidates and campaign workers may be reimbursed for
16 actual mileage for campaign-related travel at a rate
17 not to exceed the current rate of reimbursement
18 allowed under the standard mileage rate method for
19 computation of business expenses pursuant to the
20 Internal Revenue Code.
- 21 f. Mortgage payments, rental payments,
22 furnishings, or renovation or improvement expenses for
23 a permanent residence of a candidate or family member,
24 including a residence in the state capital during a
25 term of office or legislative session.
- 26 g. Membership in professional organizations.
- 27 h. Membership in service organizations, except
28 those organizations which the candidate joins solely
29 for the purpose of enhancing the candidacy.
- 30 i. Meals, groceries, or other food expense, except
31 for tickets to meals that the candidate attends solely
32 for the purpose of enhancing the candidacy or the
33 candidacy of another person. However, payment for
34 food and drink purchased for campaign related purposes
35 and for entertainment of campaign volunteers is
36 permitted.
- 37 j. Payments clearly in excess of the fair market
38 value of the item or service purchased.
- 39 Sec. 103. NEW SECTION. 56.42 TRANSFER OF
40 CAMPAIGN FUNDS.
- 41 1. In addition to the uses permitted under section
42 56.41, a candidate's committee may transfer campaign
43 funds in one or more of the following ways:
- 44 a. Contributions to charitable organizations.
45 b. Contributions to national, state, or local
46 political party central committees, or other
47 candidate's committees.
- 48 c. Transfers to the treasurer of state for deposit
49 in the general fund of the state.
- 50 d. Return of contributions to contributors on a

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1 pro rata basis, except that any contributor who
2 contributed five dollars or less may be excluded from
3 the distribution.

4 2. If an unexpended balance of campaign funds
5 remains when a candidate ceases to be a candidate or
6 the candidate's committee dissolves, the unexpended
7 balance shall be transferred pursuant to subsection 1.

8 3. A candidate or candidate's committee making a
9 transfer of campaign funds pursuant to subsection 1 or
10 2 shall not place any requirements or conditions on
11 the use of the campaign funds transferred.

12 4. A candidate or candidate's committee shall not
13 transfer campaign funds except as provided in this
14 section.

15 5. A candidate or candidate's committee shall not
16 transfer campaign funds with the intent of
17 circumventing the requirements of this section.

18 6. An individual or a political committee shall
19 not knowingly make transfers or contributions to a
20 candidate or candidate's committee for the purpose of
21 transferring the funds to another candidate or
22 candidate's committee to avoid the disclosure of the
23 source of the funds pursuant to this chapter. A
24 candidate or candidate's committee shall not knowingly
25 accept transfers or contributions from an individual
26 or political committee for the purpose of transferring
27 funds to another candidate or candidate's committee as
28 prohibited by this subsection. A candidate or
29 candidate's committee shall not accept transfers or
30 contributions which have been transferred to another
31 candidate or candidate's committee as prohibited by
32 this subsection. The commission shall notify
33 candidates of the prohibition of such transfers and
34 contributions under this subsection.

35 Sec. 104. NEW SECTION. 56.43 CAMPAIGN PROPERTY.

36 1. Equipment, supplies, or other materials
37 purchased on or after July 1, 1991, with campaign
38 funds are campaign property. Campaign property
39 belongs to the candidate's committee and not to the
40 candidate.

41 2. Upon dissolution of the candidate's committee,
42 a report accounting for the disposition of all items
43 of campaign property having a residual value of
44 twenty-five dollars or more shall be filed with the
45 commission. Each item of campaign property having a
46 residual value of twenty-five dollars or more shall be
47 disposed of by one of the following methods:

48 a. Sale of the property at fair market value, in
49 which case the proceeds shall be treated the same as
50 other campaign funds.

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1 b. Donation of the property under one of the
2 options for transferring campaign funds set forth in
3 section 56.42.

4 Sec. 105. APPLICABILITY. The restrictions imposed
5 by sections 102 and 103 of this Act apply to all
6 campaign funds held in campaign accounts on and after
7 the effective date of this Act."

8 10. Page 4, by inserting after line 28, the
9 following:

10 "Sec. . NEW SECTION. 56.44 CERTAIN ACCOUNTS
11 BY OFFICEHOLDERS PROHIBITED.

12 A holder of public office shall not maintain an
13 account, other than a campaign account, to receive
14 contributions for the purpose of publishing and
15 distributing newsletters or performing other
16 constituent services related to the official duties of
17 public office. This section applies whether or not
18 the officeholder is a candidate."

19 11. Title page, line 9, by inserting after the
20 word "funds," the following: "restricting the uses of
21 campaign funds, providing for the transfer of campaign
22 funds, providing for the ownership and disposition of
23 campaign property, making penalties applicable,".

24 12. Title page, line 9, by inserting after the
25 word "funds," the following: "providing restrictions
26 on acceptance of certain contributions,".

27 13. Title page, line 9, by inserting after the
28 word "funds," the following: "prohibiting certain
29 accounts by officeholders,".

30 14. By renumbering, relettering, or redesignating
31 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-3631 FILED APRIL 29, 1991

See Refund to Caucus 5/10/91 (p. 1756)
House revisited 5/10/91

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 476

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to consider the differences between the Senate and the House of Representatives on Senate File 476, a bill for an Act relating to campaign finance disclosure by changing the definition of a candidate's committee, requiring the reporting to the treasurer of a committee of all contributions received by a person for the committee, requiring disclosure reports of out-of-state political action committees, changing the number of disclosure reports required in nonelection years, providing that the treasurer of a committee is not responsible for filing disclosure reports or liable for civil penalties, directing the use of leftover campaign funds, and providing for a civil penalty for violations regarding placement of political signs, respectfully submit the following recommendations:

1. That the House amendment, S-3631, to Senate File 476, as amended, passed, and reprinted by the Senate, is amended as follows:

1. By striking page 1, line 43, through page 2, line 18.

2. Page 5, by inserting after line 18 the following:

"___ . Page 4, by inserting after line 28 the following:

"Sec. ___ . 1991 Iowa Acts, Senate File 505, section 12, if enacted by the Seventy-fourth General Assembly, 1991 Session, is amended to read as follows:

SEC. 12. ANTISEVERABILITY CLAUSE.

Notwithstanding section 4.12, if section 56.36A, subsections 3 or 4, or section 56.37, subsection 3, or the application thereof is invalid, this Act as a whole shall be invalid."

3. Page 5, by striking lines 24 through 26.

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4. By renumbering as necessary.

ON THE PART OF THE SENATE:

JOHN P. KIBBIE, Chairperson
MICHAEL E. GRONSTAL
JEAN LLOYD-JONES
RICHARD F. DRAKE
PAUL D. PATE

ON THE PART OF THE HOUSE:

ROD HALVORSON, Chairperson
EUGENE BLANSHAN
JANE TEAFORD
DARRELL R. HANSON
BOB RENKEN

CCS-476 FILED MAY 11, 1991

ADOPTED (p. 1804)

Adopted 5/11/91 (p. 2405)

BRONSTAL, CH.
LLOYD-JONES
KIBBIE
DRAKE
RIFE

SSB 334
STATE GOVERNMENT

SENATE FILE 476
BY (PROPOSED COMMITTEE ON STATE
GOVERNMENT BILL BY CHAIR-
PERSON KIBBIE)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to campaign finance disclosure by changing the
2 definition of a candidate's committee, requiring the reporting
3 to the treasurer of a committee of all contributions received
4 by a person for the committee, requiring disclosure reports of
5 out-of-state political action committees, changing the number
6 of disclosure reports required in nonelection years, providing
7 that the treasurer of a committee is not responsible for
8 filing disclosure reports or liable for civil penalties,
9 allowing contributions from family-owned corporations,
10 directing the use of leftover campaign funds, and providing
11 for a civil penalty for violations regarding placement of
12 political signs.

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

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1 Section 1. Section 56.2, subsection 4, Code 1991, is
2 amended to read as follows:

3 4. "Candidate's committee" means the committee designated
4 by the candidate to receive contributions, expend funds, or
5 incur indebtedness in the aggregate in excess of two hundred
6 fifty dollars in any calendar year on behalf of the candidate.

7 Sec. 2. Section 56.3, subsection 2, Code 1991, is amended
8 to read as follows:

9 2. A person who receives contributions ~~in-excess-of-one~~
10 ~~hundred-dollars~~ for a committee shall, not later than fifteen
11 days from the date of receipt of the contributions or on
12 demand of the treasurer, render to the treasurer the
13 contributions and an account of the total of all
14 contributions; including the name and address of each person
15 making a contribution in excess of ten dollars, the amount of
16 the contributions, and the date on which the contributions
17 were received. The treasurer shall deposit all contributions
18 within seven days of receipt by the treasurer in an account
19 maintained by the committee in a financial institution. All
20 funds of a committee shall be segregated from any other funds
21 held by officers, members, or associates of the committee or
22 the committee's candidate. However, if a candidate's
23 committee receives contributions only from the candidate, or
24 if a permanent organization temporarily engages in activity
25 which qualifies it as a political committee and all
26 expenditures of the organization are made from existing
27 general operating funds and funds are not solicited or
28 received for this purpose from sources other than operating
29 funds, then that committee is not required to maintain a
30 separate account in a financial institution. The funds of a
31 committee are not attachable for the personal debt of the
32 committee's candidate or an officer, member, or associate of
33 the committee.

34 Sec. 3. Section 56.5, subsection 5, Code 1991, is amended
35 to read as follows:

1 5. A committee not domiciled in Iowa which makes a
2 contribution to a candidate's committee or political committee
3 domiciled in Iowa shall disclose each contribution to the
4 commission. ~~The committee~~ A committee not domiciled in Iowa
5 which is not registered and filing full disclosure reports of
6 all financial activities with the federal election commission
7 or another state's disclosure commission shall register and
8 file full disclosure reports with the commission pursuant to
9 this chapter. A committee which is currently filing a
10 disclosure report in another jurisdiction shall either file a
11 statement of organization under subsections 1 and 2 and file
12 disclosure reports, the same as those required of Iowa-
13 domiciled committees, under section 56.6, or shall file one
14 copy of a verified statement with the commission and a second
15 copy with the treasurer of the committee receiving the
16 contribution. The form shall be completed and filed at the
17 time the contribution is made. The verified statement shall
18 be on forms prescribed by the commission and be attached to
19 the report required of the committee receiving the
20 contribution under section 56.6. The form shall include the
21 complete name, address, and telephone number of the
22 contributing committee, the state or federal jurisdiction
23 under which it is registered or operates, the identification
24 of any parent entity or other affiliates or sponsors, its
25 purpose, the name and address of an Iowa resident authorized
26 to receive service of original notice and the name and address
27 of the receiving committee, the amount of the cash or in-kind
28 contribution, and the date the contribution was made.

29 Sec. 4. Section 56.6, subsection 1, paragraph a, Code
30 1991, is amended to read as follows:

31 a. Each treasurer of a committee shall file with the
32 commission or commissioner disclosure reports of contributions
33 received and disbursed on forms prescribed by rules as
34 provided by chapter 17A. The reports from all committees,
35 except those committees for municipal and school elective

1 offices and for local ballot issues, shall be filed on the
2 twentieth day or mailed bearing a United States postal service
3 postmark dated on or before the nineteenth day of January,
4 May, July, and October of each year. The May, July, and
5 October reports shall be current as of five days prior to the
6 filing deadline. The January report shall be the annual
7 report covering activity through December 31. However, a
8 state or county statutory political committee is not required
9 to file the May and July reports for a year in which no
10 primary or general election is held. A candidate's committee,
11 other than for municipal and school elective offices, for a
12 year in which the candidate is not standing for election, is
13 not required to file the May and July, and October reports.
14 Reports for committees for a ballot issue placed before the
15 voters of the entire state shall be filed at the January, May,
16 July, and October deadlines.

17 Sec. 5. Section 56.10, subsection 4, Code 1991, is amended
18 to read as follows:

19 4. Adopt rules pursuant to chapter 17A and levy civil
20 penalties to carry out this chapter. The rules shall provide
21 that the candidate~~7-or-the-treasurer~~ of a candidate's
22 committee, or the chairperson ~~or-treasurer~~ of a political
23 committee, is responsible for filing disclosure reports as
24 required by this chapter, and shall receive notice from the
25 commission if the committee has failed to file a disclosure
26 report at the time required by this chapter. A candidate~~7-or~~
27 ~~treasurer~~ of a candidate's committee, or chairperson ~~or~~
28 ~~treasurer~~ of a political committee, may be subject to a civil
29 penalty for failure to file a disclosure report required by
30 this chapter if the report has not been filed when required by
31 section 56.6, subsection 1. The rules shall also provide that
32 a person who violates chapter 306C regarding the placement of
33 political signs may be subject to a civil penalty. The state
34 department of transportation shall notify the commission of a
35 violation of chapter 306C which may subject the violator to a

1 civil penalty under this subsection, and shall make
2 information relating to the violation available to the
3 commission.

4 Sec. 6. Section 56.15, Code 1991, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 4A. The restrictions imposed by
7 subsections 1 and 2 do not apply to a corporation wholly owned
8 by persons related within the third degree of consanguinity to
9 a candidate, provided that the candidate files with the
10 commission a report including the following: a statement that
11 the family corporation exists; a list of the shareholders of
12 the family corporation and their relationship to the
13 candidate; and a statement indicating that the candidate
14 intends to use in the candidate's campaign money, property, or
15 things of value belonging to the family corporation, subject
16 to full disclosure to the commission.

17 Sec. 7. NEW SECTION. 56.41 UNEXPENDED BALANCES.

18 1. If an unexpended balance of campaign funds received on
19 or after July 1, 1991, remains when a candidate of a political
20 party ceases to be a candidate or the candidate's committee
21 ceases to function, the unexpended balance shall be
22 transferred to the political party's applicable statutory
23 political committee.

24 2. If an unexpended balance of campaign funds received on
25 or after July 1, 1991, remains when a nonpartisan or
26 independent candidate ceases to be a candidate or the
27 candidate's committee ceases to function, the unexpended
28 balance shall be used in one or more of the following ways:

29 a. For donations to a charitable purpose.

30 b. For return of contributions to the contributors on a
31 pro rata basis.

32 Sec. 8. NEW SECTION. 56.42 USE OF PUBLIC MONEYS IN
33 BALLOT ISSUE CAMPAIGNS.

34 The governing body of a county, city, or other political
35 subdivision of the state shall not expend or permit the

1 expenditure of public moneys for the purpose of supporting or
2 opposing a ballot issue.

3 EXPLANATION

4 This bill changes provisions of chapter 56 of the Code
5 relating to campaign finance disclosure.

6 Section 1 of the bill changes the definition of a
7 candidate's committee to coincide with the definition of
8 political committee by providing that the committee receives
9 contributions, expends funds, or incurs indebtedness in the
10 aggregate in excess of \$250 in a calendar year.

11 Section 2 provides that all contributions, rather than only
12 those in excess of \$100 in the aggregate, received by a person
13 for a committee, shall be reported and given to the treasurer
14 of the committee.

15 Section 3 requires an out-of-state political action
16 committee which makes contributions to a candidate's committee
17 or political committee in Iowa to file a campaign disclosure
18 report with the federal election commission, another state's
19 disclosure commission, or Iowa's campaign finance disclosure
20 commission.

21 Section 4 requires certain candidate's committees to file a
22 disclosure report only once in a nonelection year, and certain
23 political committees to file only twice in a year in which no
24 primary or general election is held.

25 Section 5 provides that the campaign finance disclosure
26 commission may levy a civil penalty on a person who violates
27 Code provisions relating to the placement of political signs.
28 Section 5 also provides that the treasurer of a committee is
29 no longer required to file reports, or subject to a civil
30 penalty for failure to file.

31 Section 6 allows family-owned corporations to make
32 contributions to a candidate's campaign if the candidate is
33 related within the third degree of consanguinity and subject
34 to other conditions.

35 Section 7 addresses the disposition of leftover campaign

1 funds received on or after July 1, 1991, requiring that they
2 be transferred to the applicable political party in the case
3 of a partisan candidate and that they be either donated to a
4 charitable purpose or returned to contributors in the case of
5 a nonpartisan or independent candidate.

6 Section 8 prohibits the use of public moneys by political
7 subdivisions to support or oppose a ballot issue.

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SENATE FILE 476

AN ACT

RELATING TO CAMPAIGN FINANCE DISCLOSURE BY CHANGING THE DEFINITION OF A CANDIDATE'S COMMITTEE, REQUIRING THE REPORTING TO THE TREASURER OF A COMMITTEE OF ALL CONTRIBUTIONS RECEIVED BY A PERSON FOR THE COMMITTEE, REQUIRING DISCLOSURE REPORTS OF OUT-OF-STATE POLITICAL ACTION COMMITTEES, CHANGING THE NUMBER OF DISCLOSURE REPORTS REQUIRED IN NONELECTION YEARS, PROVIDING THAT THE TREASURER OF A COMMITTEE IS NOT RESPONSIBLE FOR FILING DISCLOSURE REPORTS OR LIABLE FOR CIVIL PENALTIES, DIRECTING THE USE OF LEFTOVER CAMPAIGN FUNDS, RESTRICTING THE USES OF CAMPAIGN FUNDS, PROVIDING FOR THE TRANSFER OF CAMPAIGN FUNDS, PROVIDING FOR THE OWNERSHIP AND DISPOSITION OF CAMPAIGN PROPERTY, MAKING PENALTIES APPLICABLE, PROHIBITING CERTAIN ACCOUNTS BY OFFICERHOLDERS, AND PROVIDING FOR A CIVIL PENALTY FOR VIOLATIONS REGARDING PLACEMENT OF POLITICAL SIGNS.

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

Section 1. Section 56.2, subsection 4, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

4. "Candidate's committee" means the committee designated by the candidate to receive contributions, expend funds, or incur indebtedness in the aggregate as follows:

a. For federal, state, or county office, in excess of two hundred fifty dollars in any calendar year on behalf of the candidate.

b. For city or school office, in excess of five hundred dollars in any calendar year on behalf of the candidate.

Sec. 2. Section 56.3, subsection 2, Code 1991, is amended to read as follows:

2. A 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 each person making a contribution in excess of ten dollars, the amount of the contributions, 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 other funds held by officers, members, or associates of the committee or the committee's candidate. However, if a candidate's committee receives contributions only from the candidate, or if a permanent organization temporarily engages in activity which qualifies it as a political committee and all expenditures of the organization are made from existing general operating funds and funds are not solicited or received for this purpose from sources other than operating funds, then that committee is not required to maintain a separate account in a financial institution. The funds of a committee are not attachable for the personal debt of the committee's candidate or an officer, member, or associate of the committee.

Sec. 3. Section 56.5, subsection 5, Code 1991, is amended to read as follows:

5. A committee not domiciled in Iowa which makes a contribution to a candidate's committee or political committee domiciled in Iowa shall disclose each contribution to the commission. ~~The committee~~ A committee not domiciled in Iowa which is not registered and filing full disclosure reports of all financial activities with the federal election commission or another state's disclosure commission shall register and file full disclosure reports with the commission pursuant to this chapter. A committee which is currently filing a disclosure report in another jurisdiction shall either file a statement of organization under subsections 1 and 2 and file disclosure reports, the same as those required of Iowa-domiciled committees, under section 56.6, or shall file one copy of a verified statement with the commission and a second copy with the treasurer of the committee receiving the contribution. The form shall be completed and filed at the time the contribution is made. The verified statement shall be on forms prescribed by the commission and be attached to the report required of the committee receiving the contribution under section 56.6. The form shall include the complete name, address, and telephone number of the contributing 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, the name and address of an Iowa resident authorized to receive service of original notice and the name and address of the receiving committee, the amount of the cash or in-kind contribution, and the date the contribution was made.

Sec. 4. Section 56.5A, Code 1991, is amended to read as follows:

56.5A CANDIDATE'S COMMITTEE.

Each candidate for public federal, state, or county office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions, makes expenditures, or incurs indebtedness in excess of two hundred fifty dollars in a calendar year.

Each candidate for city or school office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions, makes expenditures, or incurs indebtedness in excess of five hundred dollars in a calendar year.

Sec. 5. Section 56.6, subsection 1, paragraph a, Code 1991, is amended to read as follows:

a. Each treasurer of a committee shall file with the commission or commissioner disclosure reports of contributions received and disbursed on forms prescribed by rules as provided by chapter 17A. The reports from all committees, except those committees for municipal and school elective offices and for local ballot issues, shall be filed on the twentieth day or mailed bearing a United States postal service postmark dated on or before the nineteenth day of January, May, July, and October of each year. The May, July, and October reports shall be current as of five days prior to the filing deadline. The January report shall be the annual report covering activity through December 31. However, a state or county statutory political committee is not required to file the May and July reports for a year in which no primary or general election is held. A candidate's committee, other than for municipal and school elective offices, for a year in which the candidate is not standing for election, is not required to file the May, and July, and October reports. Reports for committees for a ballot issue placed before the voters of the entire state shall be filed at the January, May, July, and October deadlines.

Sec. 6. Section 56.10, subsection 4, Code 1991, is amended to read as follows:

4. Adopt rules pursuant to chapter 17A and levy civil penalties to carry out this chapter. The rules shall provide that the candidate or the treasurer of a candidate's committee, or the chairperson or treasurer of a political committee, is responsible for filing disclosure reports as

required by this chapter, and shall receive notice from the commission if the committee has failed to file a disclosure report at the time required by this chapter. A candidate or treasurer of a candidate's committee, or chairperson or treasurer of a political committee, may be subject to a civil penalty for failure to file a disclosure report required by this chapter if the report has not been filed when required by section 56.6, subsection 1.

Sec. 7. NEW SECTION. 56.12A USE OF PUBLIC MONEYS FOR POLITICAL PURPOSES.

The governing body of a county, city, or other political subdivision of the state shall not expend or permit the expenditure of public moneys for political purposes, including supporting or opposing a ballot issue.

This section shall not be construed to limit the freedom of speech of the governing body of, or the officials or employees of the governing body of, a county, city, or other political subdivision of the state.

Sec. 8. Sections 9 through 13 of this Act are created as a new division of chapter 56.

Sec. 9. NEW SECTION. 56.40 CAMPAIGN FUNDS.

As used in this division, "campaign funds" means contributions to a candidate or candidate's committee which are required by this chapter to be deposited in a separate campaign account.

Sec. 10. NEW SECTION. 56.41 USES OF CAMPAIGN FUNDS.

1. A candidate and the candidate's committee shall use campaign funds only for campaign purposes, and shall not use campaign funds for personal expenses.

2. Campaign funds shall not be used for any of the following purposes:

a. Payment of civil or criminal penalties. However, payment of civil penalties relating to campaign finance and disclosure requirements is permitted.

b. Satisfaction of personal debts, other than campaign loans.

c. Personal services, including the services of attorneys, accountants, physicians, and other professional persons. However, payment for personal services directly related to campaign activities is permitted.

d. Clothing or laundry expense of a candidate or members of the candidate's family.

e. Purchase of or installment payments for a motor vehicle. However, a candidate may lease a motor vehicle during the duration of the campaign if the vehicle will be used for campaign purposes. If a vehicle is leased, detailed records shall be kept on the use of the vehicle and the cost of noncampaign usage shall not be paid from campaign funds. Candidates and campaign workers may be reimbursed for actual mileage for campaign-related travel at a rate not to exceed the current rate of reimbursement allowed under the standard mileage rate method for computation of business expenses pursuant to the Internal Revenue Code.

f. Mortgage payments, rental payments, furnishings, or renovation or improvement expenses for a permanent residence of a candidate or family member, including a residence in the state capital during a term of office or legislative session.

g. Membership in professional organizations.

h. Membership in service organizations, except those organizations which the candidate joins solely for the purpose of enhancing the candidacy.

i. Meals, groceries, or other food expense, except for tickets to meals that the candidate attends solely for the purpose of enhancing the candidacy or the candidacy of another person. However, payment for food and drink purchased for campaign related purposes and for entertainment of campaign volunteers is permitted.

j. Payments clearly in excess of the fair market value of the item or service purchased.

Sec. 11. NEW SECTION. 56.42 TRANSFER OF CAMPAIGN FUNDS.

1. In addition to the uses permitted under section 56.41, a candidate's committee may transfer campaign funds in one or more of the following ways:

- a. Contributions to charitable organizations.
- b. Contributions to national, state, or local political party central committees, or other candidate's committees.
- c. Transfers to the treasurer of state for deposit in the general fund of the state.
- d. Return of contributions to contributors on a pro rata basis, except that any contributor who contributed five dollars or less may be excluded from the distribution.

2. If an unexpended balance of campaign funds remains when a candidate ceases to be a candidate or the candidate's committee dissolves, the unexpended balance shall be transferred pursuant to subsection 1.

3. A candidate or candidate's committee making a transfer of campaign funds pursuant to subsection 1 or 2 shall not place any requirements or conditions on the use of the campaign funds transferred.

4. A candidate or candidate's committee shall not transfer campaign funds except as provided in this section.

5. A candidate or candidate's committee shall not transfer campaign funds with the intent of circumventing the requirements of this section.

6. An individual or a political committee shall not knowingly make transfers or contributions to a candidate or candidate's committee for the purpose of transferring the funds to another candidate or candidate's committee to avoid the disclosure of the source of the funds pursuant to this chapter. A candidate or candidate's committee shall not knowingly accept transfers or contributions from an individual or political committee for the purpose of transferring funds to another candidate or candidate's committee as prohibited by this subsection. A candidate or candidate's committee shall not accept transfers or contributions which have been

transferred to another candidate or candidate's committee as prohibited by this subsection. The commission shall notify candidates of the prohibition of such transfers and contributions under this subsection.

Sec. 12. NEW SECTION. 56.43 CAMPAIGN PROPERTY.

1. Equipment, supplies, or other materials purchased on or after July 1, 1991, with campaign funds are campaign property. Campaign property belongs to the candidate's committee and not to the candidate.

2. Upon dissolution of the candidate's committee, a report accounting for the disposition of all items of campaign property having a residual value of twenty-five dollars or more shall be filed with the commission. Each item of campaign property having a residual value of twenty-five dollars or more shall be disposed of by one of the following methods:

- a. Sale of the property at fair market value, in which case the proceeds shall be treated the same as other campaign funds.

- b. Donation of the property under one of the options for transferring campaign funds set forth in section 56.42.

Sec. 13. APPLICABILITY. The restrictions imposed by sections 10 and 11 of this Act apply to all campaign funds held in campaign accounts on and after the effective date of this Act.

Sec. 14. NEW SECTION. 56.44 CERTAIN ACCOUNTS BY OFFICEHOLDERS PROHIBITED.

A holder of public office shall not maintain an account, other than a campaign account, to receive contributions for the purpose of publishing and distributing newsletters or performing other constituent services related to the official duties of public office. This section applies whether or not the officeholder is a candidate.

Sec. 15. 1991 Iowa Acts, Senate File 505, section 12, if enacted by the Seventy-fourth General Assembly, 1991 Session, is amended to read as follows:

SEC. 12. ANTISEVERABILITY CLAUSE.

Notwithstanding section 4.12, if section 56.36A, subsections 3 or 4, or section 56.37, subsection 3, or the application thereof is invalid, this Act as a whole shall be invalid.

JOE J. WELSH
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 476, Seventy-fourth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 30, 1991

TERRY E. BRANSTAD
Governor

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