

H. J. 2466 substituted 4/20

FILED APR 08 1992

SENATE FILE 2359

BY HUTCHINS and RIFE

Passed Senate, Date _____ Passed House, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to government ethics, the use and receipt of
2 certain campaign contributions by government officials and
3 candidates for government office and providing for effective
4 dates and transition provisions.

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

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

SF 2359

DIVISION I

1
2 Section 1. Section 68B.1, Code 1991, is amended by
3 striking the section and inserting in lieu thereof the
4 following:

5 68B.1 LEGISLATIVE INTENT.

6 It is the intent of the general assembly to create a system
7 through which ethical issues, including matters of conduct of
8 public officials and public employees and issues related to
9 the financing of campaigns of elected public officials on the
10 state and local level, may be addressed in a fair,
11 nonpolitical, and open manner and which will allow state and
12 local officials and employees to seek advice when in doubt as
13 to the ethical propriety of specific action. The Iowa ethics
14 and campaign finance board is therefore established to serve
15 as an instrument for discipline, redress, and guidance for
16 persons elected to or employed in positions within the
17 executive and legislative branches of state government and for
18 persons elected to or employed in positions in local
19 government. The supreme court is required to prescribe rules
20 establishing a code of ethics which is substantially similar
21 to the provisions of this chapter which shall apply to those
22 persons who are subject to the administrative or disciplinary
23 authority of the supreme court.

24 Sec. 2. Section 68B.2, Code 1991, is amended by striking
25 the section and inserting in lieu thereof the following:

26 68B.2 DEFINITIONS.

27 As used in this chapter, unless the context otherwise
28 requires:

29 1. "Agency" means a department, division, board,
30 commission, bureau, or office of the executive or legislative
31 branch of state government, including a regulatory agency, or
32 any political subdivisions of the state.

33 2. "Anything of value" includes any of the following:

34 a. A pecuniary item, including money, or a bank bill or
35 note.

- 1 b. A promissory note, bill of exchange, order, draft,
2 warrant, check, or bond given for the payment of money.
- 3 c. A contract, agreement, promise, or other obligation for
4 an advance conveyance, forgiveness of indebtedness, deposit,
5 distribution, loan payment, gift, pledge, or transfer of
6 money.
- 7 d. A stock, bond, note, or other investment interest in an
8 entity.
- 9 e. A receipt given for the payment of money or other
10 property.
- 11 f. A right in action.
- 12 g. A gift, tangible good, chattel, or an interest in a
13 gift, tangible good, or chattel.
- 14 h. A loan or forgiveness of indebtedness.
- 15 i. A work of art, antique, or collectible.
- 16 j. An automobile or other means of personal
17 transportation.
- 18 k. Real property or an interest in real property,
19 including title to realty, a fee simple or partial interest,
20 present or future, contingent or vested in real property, a
21 leasehold interest, or other beneficial interest in real
22 property.
- 23 l. An honorarium or compensation for services.
- 24 m. A rebate or discount unless the rebate or discount is
25 made in the ordinary course of business to a member of the
26 public without regard to that person's status as a public
27 official or public employee.
- 28 n. The sale or trade of something for reasonable
29 compensation that would ordinarily not be available to a
30 member of the public.
- 31 o. A promise or offer of employment.
- 32 p. Any other thing of value that is pecuniary or
33 compensatory in value to a person.
- 34 q. Any other thing determined to be of value in rules
35 adopted by the board.

1 3. "Board" means the Iowa ethics and campaign finance
2 board established in section 68B.10A.

3 4. "Candidate" means any individual who has taken
4 affirmative action to seek nomination, election, or reelection
5 to a public office under chapter 56 and includes an individual
6 elected to public office until the person takes office.

7 5. "Candidate's committee" means the committee designated
8 by the candidate, as provided under chapter 56, to receive
9 contributions, expend funds, or incur indebtedness on behalf
10 of the candidate in the aggregate as follows:

11 a. For a state, or county office, in excess of two hundred
12 fifty dollars in any calendar year.

13 b. For a city or school office, in excess of five hundred
14 dollars in any calendar year.

15 6. "Committee" includes a political committee and a
16 candidate's committee as defined in section 56.2.

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

20 8. "Contribution" means a gift, loan, advance, deposit,
21 rebate, refund, transfer of money, an in-kind transfer, or the
22 payment of compensation for the personal services of another
23 person.

24 9. "Employee" means a paid employee of the state of Iowa
25 and does not include an independent contractor, an employee of
26 the judicial department, or an employee of a political
27 subdivision of the state. "Employee" includes but is not
28 limited to all clerical personnel.

29 10. a. "Gift" means a rendering of money, property,
30 services, discount, loan forgiveness, payment of indebtedness,
31 or anything else of value in return for which legal
32 consideration of equal or greater value is not given and
33 received, if the donor is in any of the following categories:

34 (1) is doing or seeking to do business of any kind with
35 the donee's agency.

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

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

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

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

10 (1) Contributions to a candidate or a candidate's
11 committee.

12 (2) Informational material relevant to a public servant's
13 official functions, such as books, pamphlets, reports,
14 documents, or periodicals.

15 (3) Anything received from a person related within the
16 fourth degree by kinship or marriage, unless the donor is
17 acting as an agent or intermediary for another person not so
18 related.

19 (4) An inheritance.

20 (5) Anything available or distributed to the public
21 generally without regard to the official status of the
22 recipient.

23 (6) Actual expenses of a donee for food, beverages,
24 travel, and lodging for a meeting, which is given in return
25 for participation in a panel or speaking engagement at the
26 meeting when the expenses relate directly to the day or days
27 on which the donee has participation or presentation
28 responsibilities.

29 (7) Plaques or items of negligible resale value given as
30 recognition for public services.

31 (8) Items with a retail value of less than three dollars.

32 11. a. "Honorarium" means anything of value that is
33 accepted by, or on behalf of, a holder of public office as
34 consideration for an appearance, speech, or article.

35 b. "Honorarium" does not include either of the following:

1 (1) Payment for or provision of actual travel and
2 subsistence expenses, including transportation,
3 accommodations, and meals.

4 (2) Payment of money or anything of value that is given
5 directly by a donor to an organization that is operated
6 exclusively for religious, charitable, scientific, or
7 educational purposes, or the prevention of cruelty to children
8 or animals, if no part of the net earnings inures to the
9 benefit of any private stockholder or other individual.

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

14 13. "Is doing business with the donee's agency" means
15 being a party to any one or any combination of sales,
16 purchases, leases, or contracts to, from, or with the state or
17 a political subdivision of the state, or any agency.

18 14. "Legislative employee" means a full-time official or
19 employee of the general assembly but does not include members
20 of the general assembly.

21 15. a. "Lobbyist" means a person who does any of the
22 following:

23 (1) Is paid compensation or expends money for encouraging
24 the passage, defeat, or modification of legislation or
25 regulation, or for influencing the decision of the members of
26 the general assembly, a state agency, or the office of the
27 governor.

28 (2) Represents on a regular basis an organization which
29 has as one of its purposes the encouragement of the passage,
30 defeat, or modification of legislation or regulation, or the
31 influencing of a decision of the members of the general
32 assembly, a state agency, or the office of the governor.

33 (3) Is a federal, state, or local government official or
34 employee who represents the official position of the official
35 or employee's agency and who encourages the passage, defeat,

1 or modification of legislation or regulation, or the
2 influencing of a decision of the members of the general
3 assembly, a state agency, or the office of the governor.

4 b. "Lobbyist" does not mean:

5 (1) Officials and employees of a political party organized
6 in the state of Iowa representing more than two percent of the
7 total votes cast for governor in the last preceding general
8 election, but only when representing the political party in an
9 official capacity.

10 (2) Representatives of the news media engaged only in the
11 reporting and dissemination of news and editorials.

12 (3) Federal, state, or local government officials and
13 employees who do not actively encourage the passage, defeat,
14 or modification of legislation or regulation, or influencing
15 of a decision of the members of the general assembly, a state
16 agency, or the office of the governor and in the course of
17 their official duties are requested or required to do either
18 of the following:

19 (a) To provide information to a member of the general
20 assembly or the office of the governor.

21 (b) To appear before a legislative committee or a member
22 of the office of the governor.

23 (4) The governor and lieutenant governor of the state of
24 Iowa, and all other statewide elected officials.

25 (5) Persons who exclusively represent their own interests
26 and not the interests of a group, employer, or organization,
27 provided that they are not compensated by anyone for lobbying.

28 (6) Legislative interns who are approved by either the
29 chief clerk of the house of representatives or the secretary
30 of the senate.

31 (7) Persons whose activities are limited to formal
32 appearances to give testimony at public sessions of committees
33 of the general assembly or public hearings of state agencies
34 and whose appearances as a result of testifying, are recorded
35 in the records of the committee or agency.

1 16. "Local employee" means a person employed by a
2 political subdivision of this state.

3 17. "Local official" means an officeholder of a political
4 subdivision of this state.

5 18. "Member of the general assembly" means an individual
6 duly elected to the senate or the house of representatives of
7 the state of Iowa.

8 19. "Official" means an officer of the state of Iowa
9 receiving a salary or per diem whether elected or appointed or
10 whether serving full-time or part-time but does not include
11 officers or employees of political subdivisions of the state.
12 "Official" includes but is not limited to supervisory
13 personnel, members and employees of the governor's office,
14 members of other statewide elected offices, and members of
15 state agencies and does not include members of the general
16 assembly, legislative employees, or officers or employees of
17 the judicial branch of government.

18 20. "Person" means, without limitation, any individual,
19 corporation, government or governmental subdivision or agency,
20 business trust, estate, trust, partnership or association,
21 labor union, or any other legal entity.

22 21. "Political committee" means political committee as
23 defined in section 56.2.

24 22. "Public disclosure" means a written report filed with
25 the board by a person as required by this chapter or required
26 by rules adopted by the board and issued pursuant to this
27 chapter.

28 23. "Public employee" means employees, legislative
29 employees, and local employees.

30 24. "Public office" means any state, county, city, or
31 school office or any other office of a political subdivision
32 of the state that is filled by election.

33 25. "Public official" means officials, local officials,
34 and members of the general assembly.

35 26. "Regulatory agency" means the department of

1 agriculture and land stewardship, department of employment
2 services, department of commerce, Iowa department of public
3 health, department of public safety, department of education,
4 state board of regents, department of human services,
5 department of revenue and finance, department of inspections
6 and appeals, department of personnel, public employment
7 relations board, state department of transportation, civil
8 rights commission, department of public defense, and
9 department of natural resources.

10 Sec. 3. Section 68B.3, Code 1991, is amended to read as
11 follows:

12 68B.3 WHEN PUBLIC BIDS REQUIRED.

13 No An official, employee, member of the general assembly,
14 or legislative employee shall not sell any goods or services
15 having a value in excess of five hundred dollars to any state
16 agency or any political subdivision of the state unless
17 pursuant to an award or contract let after public notice and
18 competitive bidding or unless permitted upon a showing of good
19 cause by the board. This section shall not apply to the
20 publication of resolutions, advertisements, or other legal
21 propositions or notices in newspapers designated pursuant to
22 law for such purpose and for which the rates are fixed
23 pursuant to law.

24 Sec. 4. Section 68B.5, Code 1991, is amended by striking
25 the section and inserting in lieu thereof the following:

26 68B.5 TWO-YEAR BAN ON LOBBYING ACTIVITIES AFTER SERVICE.

27 1. A person who has served as an official, employee,
28 member of the general assembly, or legislative employee shall
29 not within two years after the termination of service or
30 employment make any communication to or appearance before the
31 general assembly, any agency, any legislative committee,
32 member of the general assembly, official, or employee on
33 behalf of another person for compensation with the intent to
34 influence any matter on which the former official, employee,
35 member of the general assembly, or legislative employee seeks

1 action.

2 2. For purposes of this section, a "matter on which action
3 is sought" includes the creation, modification, defeat, or
4 influence of legislation or agency action by an executive
5 branch agency, official, or employee, but does not mean a
6 matter on which the board finds that there exists no potential
7 for use of undue influence or unfair advantage by an official
8 or an employee based upon the nature and extent of the prior
9 governmental service of the former official or employee or a
10 matter on which an appearance or communication by a former
11 official, employee, member of the general assembly, or
12 legislative employee is requested by a legislative committee,
13 member of the general assembly, agency, official, or employee
14 for purposes of rendering scientific or technical information
15 or assistance. This section does not apply to an appearance
16 or communication made on behalf of the state or a political
17 subdivision of the state or an appearance or communication
18 made by a person who is a lawyer and who is representing a
19 client in a contested case or rulemaking proceeding under
20 chapter 17A.

21 Sec. 5. Section 68B.7, unnumbered paragraph 1, Code 1991,
22 is amended to read as follows:

23 No A person who has served as an official, or employee of a
24 state agency, member of the general assembly, or legislative
25 employee shall not within a period of two years after the
26 termination of such service or employment appear before such
27 state the agency or receive compensation for any services
28 rendered on behalf of any person, firm, corporation, or
29 association in relation to any case, proceeding, or
30 application with respect to which such the person was directly
31 concerned and personally participated during the period of
32 service or employment.

33 DIVISION II

34 Sec. 6. NEW SECTION. 68B.7A LEGISLATIVE INTENT.

35 It is the goal of the general assembly that public

1 officials and public employees of the state be extremely
2 cautious and circumspect about accepting a gratuity or favor,
3 especially from persons that have a substantial interest in
4 the legislative, administrative, or political actions of the
5 official or employee. Even where there is a genuine personal
6 friendship, the acceptance of personal benefits from those who
7 could gain advantage by influencing official actions raises
8 suspicions that tend to undermine the public trust. It is
9 therefore the intent of the general assembly that the
10 provisions of this division be construed to discourage all
11 gratuities, but to prohibit only those that create
12 unacceptable conflicts of interest or appearances of
13 impropriety.

14 Sec. 7. NEW SECTION. 68B.7B GIFTS ACCEPTED OR RECEIVED.

15 1. Except as otherwise provided in this section, a public
16 official, public employee, or candidate, or that person's
17 immediate family member shall not, directly or indirectly,
18 accept or receive any gift or series of gifts.

19 2. Except as otherwise provided in this section, a person
20 shall not, directly or indirectly, offer or make a gift or a
21 series of gifts to a public official, public employee, or
22 candidate. Except as otherwise provided in this section, a
23 person shall not, directly or indirectly, join with one or
24 more other persons to offer or make a gift or a series of
25 gifts to a public official, public employee, or candidate.

26 3. A person may give, and a public official, public
27 employee, or candidate, or the person's immediate family
28 member, may accept in any one calendar year a nonmonetary gift
29 or a series of nonmonetary gifts and not be in violation of
30 this section if the nonmonetary gift or series of nonmonetary
31 gifts is donated within thirty days to a public body, a bona
32 fide educational or charitable organization, or the department
33 of general services. All such items donated to the department
34 of general services shall be disposed of by assignment to
35 state agencies for official use or by public sale.

1 4. Gifts of food and drink, with an annual cumulative
2 value of fifty dollars or less per donee, consumed in the
3 presence of the donor, may be received or accepted from any
4 one donor by a public official, public employee, candidate, or
5 member of the person's immediate family provided that the
6 person receiving or accepting the gifts of food and drink
7 reports the receipt or acceptance of any items received at any
8 one time in the manner provided by the board.

9 5. Gifts of food and drink, with an annual cumulative
10 value of fifty dollars or less, may be received or accepted by
11 a public official or public employee from any one donor
12 without being required to report the receipt or acceptance of
13 the gift, if the items of food and drink are consumed on the
14 occasion when the public official or public employee is
15 participating in the individual's capacity as a public
16 official or public employee in a charitable, civic, or
17 community event which bears a relationship to the public
18 official's or public employee's office or employment.

19 6. Gifts of food, beverages, travel, and lodging may be
20 received by a public official or public employee if the food,
21 beverages, travel, and lodging is directly related to official
22 participation in economic development opportunities and if the
23 public official or public employee reports, in the manner and
24 on forms prescribed by the board, the value of the total gifts
25 received as a result of participation in the economic
26 development opportunity when the total value is greater than
27 five hundred dollars.

28 For purposes of this paragraph, an "economic development
29 opportunity" is an activity engaged in, by or on behalf of the
30 state or a political subdivision of the state, to attract new
31 businesses, promote business expansion, or improve the
32 economic environment of the state or a political subdivision
33 of the state.

34 7. A public official, public employee, candidate, or the
35 person's immediate family member shall not solicit any gift or

1 series of gifts at any time.

2 Sec. 8. NEW SECTION. 68B.7C HONORARIA -- EXPENSES.

3 1. A public official shall not seek or accept an
4 honorarium from a person with a substantial interest in
5 legislative, administrative, or political action. However,
6 this section does not prohibit the acceptance of reimbursement
7 for actual expenses in connection with an appearance, speech,
8 or participation in a seminar, panel, or workshop sponsored by
9 the person, if the reimbursement is otherwise permitted under
10 this chapter. The reimbursed expenses are not gifts or
11 contributions to a candidate under chapter 56. This section
12 also does not prohibit a public official from accepting an
13 honorarium from a governmental entity from another state, from
14 a university from another state, or from a nonprofit
15 educational or civic institution from another state, provided
16 that the amount paid is reasonable and commensurate with the
17 services to be performed and that the circumstances under
18 which the services are to be performed do not create a
19 conflict of interest or appearance of impropriety. Honoraria
20 received under this subsection shall be disclosed in the
21 manner provided by the board under section 68B.10B, subsection
22 2.

23 2. A public official may accept an honorarium otherwise
24 prohibited under subsection 1, if, prior to the receipt of the
25 honorarium, the board grants the person a waiver of the
26 requirements of this section that is based upon a finding that
27 the offering and acceptance of the honorarium meets all of the
28 following conditions:

29 a. The amount of the honorarium is reasonable and
30 commensurate with the services to be performed.

31 b. The receipt of the honorarium will not create the
32 appearance of impropriety.

33 c. The receipt of the honorarium will not create a
34 conflict of interest for the member or employee.

35 d. The public official is not being invited primarily

1 because of the person's office but, because of some special
2 expertise or other qualification.

3 Sec. 9. Section 68B.8, Code 1991, is amended to read as
4 follows:

5 68B.8 ADDITIONAL PENALTY.

6 In addition to any penalty contained in any other provision
7 of law, a person who knowingly and intentionally violates a
8 provision of ~~section-68B.3-to-68B.6~~ sections 68B.3 through
9 68B.7C is guilty of a serious misdemeanor and may be
10 reprimanded, suspended, or dismissed from the person's
11 position or otherwise sanctioned.

12 DIVISION III

13 Sec. 10. Section 68B.10, Code 1991, is amended to read as
14 follows:

15 68B.10 LEGISLATIVE ETHICS COMMITTEE.

16 There shall be an ethics committee in the senate and an
17 ethics committee in the house, each to consist of seven
18 members; three members to be appointed by the majority leader
19 in each house, two members by the minority leader in each
20 house, and two individuals who shall not be members or
21 employees of the general assembly by the chief justice of the
22 Iowa supreme court. A member of the ethics committee may
23 disqualify himself or herself from participating in any
24 proceeding upon submission of a written statement that the
25 member cannot render an impartial and unbiased decision in a
26 case. A member is ineligible to participate in committee
27 meetings, as a member of the committee, in any proceeding
28 relating to the member's own conduct. A legislative member
29 may be disqualified by a unanimous vote of the remaining
30 eligible legislative members of the committee. A member who
31 is appointed by the chief justice of the Iowa supreme court
32 may be disqualified by a unanimous vote of the remaining
33 eligible members of the committee. If a member of the ethics
34 committee is disqualified from or is ineligible to participate
35 in any committee proceedings, the authority responsible for

1 the original appointment of the disqualified or ineligible
 2 member shall appoint a replacement member who shall serve
 3 during the period of the original member's disqualification or
 4 ineligibility.

5 The two individuals appointed by the chief justice of the
 6 supreme court shall receive a per diem as specified in section
 7 7E.6 and travel expenses at the same rate as paid members of
 8 interim committees for attending meetings of the ethics
 9 committee. Members of the general assembly shall receive a
 10 per diem as specified in section 7E.6 and travel expenses at
 11 the same rate as paid members of interim committees for
 12 attending meetings held when the general assembly is not in
 13 session. The per diem and expenses shall be paid from funds
 14 appropriated by section 2.12.

15 The president pro tempore of the senate is designated as
 16 chairperson of the senate committee. The house committee
 17 shall elect a chairperson. The chairperson of each committee
 18 shall have the following powers, duties and functions:

19 1. ~~Prepare a code of ethics within thirty days after the~~
 20 ~~commencement of the session.~~

21 2. ~~Prepare rules relating to lobbyists and lobbying~~
 22 ~~activities in the general assembly.~~

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

31 4. Receive and investigate complaints and charges against
 32 members of its house alleging a violation of the code of
 33 ethics, rules governing lobbyists, this chapter, or other
 34 matters referred to it by its house or the board. The
 35 committee shall recommend rules for the receipt and processing

1 of ~~complaints-made~~ recommendations received relating to
2 findings of ethical violations of members of the general
3 assembly or lobbyists during the legislative session and those
4 made received after the general assembly adjourns.

5 5 2. Recommend legislation relating to legislative ethics
6 and lobbying activities.

7 The ethics committees may employ independent legal counsel
8 to assist them in carrying out their duties under this chapter
9 with the approval of a committee's house when the general
10 assembly is in session and with the approval of the rules and
11 administration committee of that house when the general
12 assembly is not in session. Payment of costs for the
13 independent legal counsel shall be made from section 2.12.

14 ~~The code of ethics and rules relating to lobbyists and~~
15 ~~lobbying activities shall not become effective until approved~~
16 ~~by the members of the house to which the proposed code and~~
17 ~~rules apply. The code or rules may be amended either upon the~~
18 ~~recommendation of the ethics committee or by members of the~~
19 ~~general assembly.~~

20 Violation of the code of ethics or recommendations received
21 from the board may result in censure, reprimand, or other
22 sanctions as determined by a majority of the member's house.
23 However, a member may be suspended or expelled and the
24 member's salary forfeited only if directed by a two-thirds
25 vote of the member's house. A suspension, expulsion, or
26 forfeiture of salary shall be for the duration specified in
27 the directing resolution. However, it shall not extend beyond
28 the end of the general assembly during which the violation
29 occurred. Violation of a rule relating to lobbyists and
30 lobbying activities or recommendations received from the board
31 may result in censure, reprimand, or other sanctions as
32 determined by a majority of the members of the house in which
33 the violation occurred. However, a lobbyist may be suspended
34 from lobbying activities for the duration provided in the
35 directing resolution only if directed by a two-thirds vote of

1 the house in which the violation occurred.

2 Sec. 11. NEW SECTION. 68B.10A IOWA ETHICS AND CAMPAIGN
3 FINANCE BOARD -- ESTABLISHED.

4 1. An Iowa ethics and campaign finance board is
5 established as an independent agency to, effective January 1,
6 1993, set standards for, investigate complaints relating to,
7 and monitor the ethics and campaign finance practices of
8 officials and employees in the executive and legislative
9 branches of state government, of local officials and employees
10 in local government, and of candidates for public office, and
11 monitor and set standards for the conduct of lobbyists. The
12 board shall consist of eleven members who shall be members of
13 the general public and be appointed as follows:

14 a. Four members to be appointed by the governor, not more
15 than two of whom shall be of the same gender or political
16 party.

17 b. Four members, one of whom shall be a member of the
18 majority party appointed by the president of the senate, one
19 of whom shall be a member of the minority party appointed by
20 the minority leader of the senate, one of whom shall be a
21 member of the majority party appointed by the speaker of the
22 house of representatives, and one of whom shall be a member of
23 the minority party appointed by the minority leader of the
24 house of representatives. Not more than two of the members
25 appointed under this paragraph shall be of the same gender.

26 c. Three members to be appointed by the chief justice of
27 the supreme court, not more than two of whom shall be of the
28 same gender or political party.

29 2. Members shall serve staggered six-year terms beginning
30 and ending as provided in section 69.19. Any vacancy on the
31 board shall be filled by appointment for the unexpired portion
32 of the term, within ninety days of the vacancy and in
33 accordance with the procedures for regular appointments. A
34 member of the board may be reappointed to serve additional
35 terms on the board. However, no member shall serve more than

1 two full terms on the board. Members may be removed in the
2 manner provided in chapter 69. A member or employee of the
3 board shall also meet all of the following criteria:

4 a. The member or employee shall not hold or be a candidate
5 for any other public office while the person is a member or
6 employee of the board.

7 b. The member or employee shall not hold office in any
8 political party or political committee or candidate's
9 committee.

10 c. The member shall not be an employee of or be directly
11 responsible to the member's appointing authority. An employee
12 of the board shall not be an employee of or be directly
13 responsible to the governor, the supreme court, or the general
14 assembly.

15 3. The board shall annually elect one member to serve as
16 the chairperson of the board and one member to serve as vice
17 chairperson. The vice chairperson shall act as the
18 chairperson in the absence or disability of the chairperson or
19 in the event of a vacancy in that office. The chairperson
20 shall, in addition to other responsibilities assigned by the
21 board, be responsible for calling for and presiding at regular
22 meetings or special proceedings of the board. Seven members
23 of the board shall constitute a quorum. A quorum and an
24 affirmative vote of a majority of the members of the board is
25 required for any official action or recommendation of the full
26 board. The quorum and voting requirements shall not, however,
27 preclude the formation of subcommittees of the board for
28 purposes of developing and making recommendations to the full
29 board for official action.

30 4. Members of the board shall receive a per diem as
31 specified in section 7E.6 while conducting business of the
32 board, and payment of actual and necessary expenses incurred
33 in the performance of their duties.

34 5. The board shall employ or contract for the employment
35 of a full-time executive secretary who shall be the board's

1 chief administrative officer. The board shall employ or
2 contract for the employment of legal counsel notwithstanding
3 section 13.7, and any other personnel as may be necessary to
4 carry out the duties of the board. The board's legal counsel
5 shall be the chief legal officer of the board, shall advise
6 the board on all legal matters, and, upon the instructions of
7 the board, may commence any actions as may be appropriate.
8 Notwithstanding section 19A.3, all of the board's employees,
9 except for the executive secretary and legal counsel, shall be
10 employed subject to the merit system provisions of chapter
11 19A.

12 Sec. 12. NEW SECTION. 68B.10B DUTIES OF THE BOARD.

13 The duties of the board shall include, but are not limited
14 to, all of the following:

15 1. Adopt rules pursuant to chapter 17A and conduct
16 hearings under section 68B.10C and chapter 17A, as necessary
17 to carry out the purposes of this chapter and chapter 56.

18 2. Develop, prescribe, furnish, and distribute any forms
19 necessary for the implementation of the procedures contained
20 in this chapter and chapter 56 for the filing of reports and
21 statements by persons required to file the reports and
22 statements under this chapter and chapter 56.

23 3. Review the contents of all disclosure reports and
24 statements filed with the board and promptly advise each
25 person or committee of errors found. The board may verify
26 information contained in the reports with other parties to
27 assure accurate disclosure. The board, upon its own motion,
28 may initiate action and conduct a hearing relating to
29 requirements under this chapter or chapter 56. The board may
30 require a county commissioner of elections to periodically
31 file summary reports with the board.

32 4. Prepare and publish a manual setting forth examples of
33 approved uniform systems of accounts and approved methods of
34 disclosure for use by persons required to file statements and
35 reports under this chapter and chapter 56. The board shall

1 also prepare and publish other educational materials, and any
2 other reports or materials deemed appropriate by the board,
3 and conduct regular educational programs for public officials
4 and employees, lobbyists, and candidates for public office
5 relating to the requirements imposed upon public officials and
6 employees, lobbyists, and candidates for public office under
7 this chapter and chapter 56.

8 5. Assure that the statements and reports which have been
9 filed in accordance with this chapter and chapter 56 are
10 available for public inspection and copying during the regular
11 office hours of the office in which they are filed and not
12 later than by the end of the day during which a report or
13 statement was received. Rules adopted relating to public
14 inspection and copying of statements and reports may include a
15 charge for any copying and mailing of the reports and
16 statements, shall provide for the mailing of copies upon the
17 request of any person and upon prior receipt of payment of the
18 costs by the board, and shall prohibit the use of the
19 information copied from reports and statements for soliciting
20 contributions or for any commercial purpose by any person
21 other than statutory political committees.

22 6. Require that the candidate of a candidate's committee,
23 or the chairperson of a political committee, is responsible
24 for filing disclosure reports under chapter 56, and shall
25 receive notice from the board if the committee has failed to
26 file a disclosure report at the time required under chapter
27 56. A candidate of a candidate's committee, or the
28 chairperson of a political committee may be subject to a civil
29 penalty for failure to file a disclosure report required under
30 section 56.6, subsection 1.

31 7. Establish and impose penalties, and recommendations for
32 punishment of persons who are subject to penalties of or
33 punishment by the board or by other bodies, for the failure to
34 comply with the requirements of this chapter or chapter 56.

35 8. Determine, in case of dispute, at what time a person

1 has become a candidate.

2 9. Preserve reports and statements filed with the board
3 for a period of five years from the date of receipt.

4 10. Establish a procedure for requesting and issuing
5 formal and informal board opinions to persons subject to the
6 authority of the board under this chapter or chapter 56.
7 Advice contained in formal board opinions shall, if followed,
8 constitute a defense to a complaint alleging a violation of
9 this chapter, chapter 56, or rules of the board that is based
10 on the same facts and circumstances.

11 11. Establish rules relating to ethical conduct for
12 persons holding a public office of the state or a political
13 subdivision, including candidates, and for employees of the
14 legislative and executive branch of state government and of
15 political subdivisions of the state and regulations governing
16 the conduct of lobbyists, including but not limited to
17 conflicts of interest, abuse of office, misuse of public
18 property, use of confidential information, participation in
19 matters in which a public official or employee has a financial
20 interest, and rejection of improper offers.

21 12. Establish fees, where necessary, to cover the costs
22 associated with preparing, printing, and distributing
23 materials to persons subject to the authority of the board.

24 Sec. 13. NEW SECTION. 68B.10C COMPLAINTS -- PROCEDURE.

25 1. Any person may file a complaint alleging that a public
26 official, public employee, candidate for public office, or a
27 lobbyist has committed a violation of this chapter, chapter
28 56, or the rules adopted by the board. The board shall
29 prescribe and provide forms for this purpose. The complaint
30 shall include the name and address of the complainant and a
31 statement of the facts believed to be true that form the basis
32 of the complaint, including the sources of information and
33 approximate dates of the acts alleged and a certification by
34 the complainant under penalty of perjury that the facts stated
35 to be true are true to the best of the complainant's

1 knowledge.

2 2. Unless the chairperson of the board concludes that
3 immediate notification would prejudice a preliminary
4 investigation or subject the complainant to an unreasonable
5 risk, a copy of the complaint, upon the filing of the
6 complaint, shall be mailed to the party charged with a
7 violation. If a determination is made by the chairperson not
8 to notify the party charged within a period of ten days after
9 the filing of the complaint of the existence and the filing of
10 the complaint, the board must approve and establish the time
11 and conditions under which the party charged will be informed
12 of the filing and contents of the complaint.

13 3. a. The board staff shall review the complaint to
14 determine if the complaint meets the requirements for formal
15 sufficiency. If the complaint is deficient, the complaint
16 shall be returned to the complainant with a statement of the
17 nature of the deficiency. If the complaint is sufficient as
18 to form, the complaint shall be evaluated by legal counsel for
19 the board.

20 b. The board's legal counsel shall advise the chairperson
21 of the board whether the complaint states a valid charge which
22 may be investigated. A valid complaint must allege all of the
23 following:

24 (1) Facts, that if true, establish a violation of a
25 provision of this chapter, chapter 56, or the rules adopted by
26 the board for which civil penalties or other remedies are
27 provided.

28 (2) That the conduct providing the basis for the complaint
29 occurred within three years of the complaint.

30 (3) That the party charged with a violation is a party
31 subject to the jurisdiction of the board.

32 c. Upon receiving legal counsel's evaluation of the
33 validity of the complaint, the chairperson shall refer the
34 complaint to the board, in the manner provided under rules
35 adopted by the board, for a determination of the substantive

1 validity of the complaint.

2 d. If the board determines the complaint is not valid, the
3 complaint shall be dismissed and returned to the complainant
4 with a notice of dismissal stating the reason or reasons for
5 the dismissal. If the board determines that the complaint is
6 valid it shall be referred to the board staff for
7 investigation.

8 e. The board may also, without the filing of a complaint,
9 initiate investigations on the board's own motion into matters
10 subject to the board's jurisdiction.

11 4. The purpose of an investigation by the board and board
12 staff is to determine whether there is probable cause to
13 proceed with an adjudicatory hearing on the matter. In
14 conducting investigations and holding hearings, the board may
15 require by subpoena the attendance and testimony of witnesses
16 and may subpoena books, papers, records, and any other real
17 evidence relating to the matter before the board. The board
18 shall have the additional authority provided in section
19 17A.13. Hearings conducted by the board shall be conducted in
20 the manner prescribed in section 17A.12. The rules of
21 evidence applicable under section 17A.14 shall also apply in
22 hearings conducted by the board. A preponderance of clear and
23 convincing evidence shall be required to support a finding
24 that the person, candidate, or committee has committed a
25 violation. Parties to a complaint may, subject to the
26 approval of the board, negotiate for settlement of disputes
27 that are before the board. Terms of any negotiated
28 settlements shall be publicly recorded.

29 5. The board shall maintain the confidentiality of a
30 complaint unless either the complainant or the alleged
31 violator publicly discloses the existence of a complaint or a
32 preliminary investigation. The board, upon such a disclosure
33 by the complainant or the alleged violator, may publicly
34 confirm the existence of the preliminary inquiry and, in the
35 board's discretion, make public the complaint and any

1 documents which were issued to either party to the complaint.
2 The board's investigations and deliberations relating to
3 probable cause determinations shall be confidential. However,
4 investigative materials may be furnished to the proper
5 prosecutorial authorities by the board. If the board
6 determines, at any stage in the proceedings that take place
7 prior to hearing, that the complaint is groundless, the
8 complaint shall be dismissed and the complainant and the party
9 charged shall be notified. If, after investigation, the board
10 determines evidence exists which, if believed, would support a
11 finding of a violation of this chapter, chapter 56, or the
12 rules adopted by the board, a finding of probable cause shall
13 be made, and hearing shall be ordered. The determination of
14 probable cause, notice of hearing, and final decision of the
15 board shall be public records. After the determination of
16 probable cause, all adjudicatory proceedings of the board,
17 except for the deliberations of the board on the evidence,
18 shall be public. The board may impose a civil penalty not to
19 exceed two thousand dollars upon a person who violates the
20 confidentiality of proceedings or records provided for in this
21 section. If the board determines that a complaint is
22 frivolous or has been filed in bad faith, the board may order
23 the complainant to pay the costs of the proceeding and may
24 impose a civil penalty not to exceed two thousand dollars.

25 6. The board shall determine what role legal counsel for
26 the board shall assume in the conducting of investigations.
27 In addition, upon the request of the board, an appropriate
28 county attorney or the attorney general shall assist the board
29 in any investigation. At board hearings, the complaint shall
30 be prosecuted by legal counsel unless, upon the request of the
31 board, the complaint is prosecuted by the attorney general.

32 7. Upon a finding by the board that the party charged has
33 engaged in an act or practice that violates this chapter,
34 chapter 56, or rules adopted by the board, the board shall
35 proceed as provided under section 68B.10D. Upon a finding

1 that the party charged has not engaged in an act or practice
2 which violates this chapter, chapter 56, or the rules adopted
3 by the board, the complaint shall be dismissed and the party
4 charged and the complainant shall be notified.

5 8. The right of an appropriate county attorney or the
6 attorney general to commence and maintain a district court
7 prosecution for criminal violations of the law is unaffected
8 by any proceedings under this section.

9 9. The board shall by rule pursuant to chapter 17A
10 establish procedures to implement this section.

11 Sec. 14. NEW SECTION. 68B.10D PENALTIES -- RECOMMENDED
12 ACTIONS.

13 The board, after a hearing and upon a finding by a
14 preponderance of clear and convincing evidence that a
15 violation of a provision of this chapter, chapter 56, or rules
16 adopted by the board has occurred, may do one or more of the
17 following:

18 1. Issue an order requiring the violator to cease and
19 desist from the violation found.

20 2. Issue an order requiring the violator to file any
21 report, statement or other information as required by this
22 chapter, chapter 56, or rules adopted by the board.

23 3. Publicly reprimand the violator for violations of this
24 chapter, chapter 56, or rules adopted by the board in writing
25 and provide a copy of the reprimand to the violator's
26 appointing authority.

27 4. Make a written recommendation to the violator's
28 appointing authority that the violator be removed or suspended
29 from office, and include in the recommendation the length of
30 the suspension.

31 5. If the violator is a member of the general assembly,
32 make a written recommendation to the house of which the
33 violator is a member that the legislator be censured,
34 reprimanded, suspended, or expelled from office.

35 6. If the violator is an elected official other than an

1 official who can only be removed by impeachment, make a
2 written recommendation to the attorney general or the
3 appropriate county attorney that an action for removal from
4 office be initiated pursuant to chapter 66.

5 7. Issue an order requiring the violator to pay a civil
6 penalty of not more than two thousand dollars for each
7 violation of this chapter, chapter 56, or rules adopted by the
8 board.

9 8. Refer the complaint and supporting information to the
10 attorney general or appropriate county attorney with a
11 recommendation for prosecution or enforcement of criminal
12 penalties.

13 If a person fails to comply with an order of the board
14 under subsection 1, 2, or 7, the board may petition the
15 district court having jurisdiction for an order for
16 enforcement of the order of the board. The enforcement
17 proceeding shall be conducted as provided in section 68B.10E.

18 Sec. 15. NEW SECTION. 68B.10E JUDICIAL REVIEW --
19 ENFORCEMENT.

20 Judicial review of the actions of the board may be sought
21 in accordance with chapter 17A. Judicial enforcement of
22 orders of the board may be sought in accordance with chapter
23 17A.

24 Sec. 16. NEW SECTION. 68B.10F PERSONAL FINANCIAL
25 DISCLOSURE -- CONTENTS OF STATEMENT.

26 1. A candidate for public office shall file a statement of
27 financial interests with the board concerning the calendar
28 year preceding the year in which the election is to be held
29 for which the candidate has filed. The statement shall be
30 filed no later than thirty days after the date on which the
31 person formally becomes a candidate. Public officials and
32 certain employees shall also, if required by the board by
33 rule, file a statement of financial interests for the
34 preceding year with the board in the manner and at times
35 provided by the board.

1 2. The board shall adopt rules establishing the items that
2 shall be disclosed by each candidate, public official, and
3 employee under this section. Rules adopted shall provide for
4 the disclosure of sources of income and significant financial
5 interests, including indebtedness, of all statewide elected
6 officials, the executive or administrative heads of state
7 agencies, the head of each division, bureau, or other major
8 administrative unit within all state agencies, and members of
9 the general assembly. The rules may provide for different
10 levels of disclosure of sources of income and significant
11 financial interests including indebtedness, or may provide for
12 a waiver of personal financial disclosure for county or local
13 elected officials, or any other person who, as defined in the
14 rules of the board, occupy a position involving a substantial
15 and material exercise of administrative discretion in the
16 formulation of public policy, expenditure of public funds,
17 enforcement of laws and rules of the state, or the execution
18 of any other public trust, including appointees to boards,
19 commissions, councils, and committees.

20 Sec. 17. NEW SECTION. 68B.10G APPLICABILITY -- LOBBYIST
21 REGISTRATION REQUIRED.

22 1. All lobbyists shall, on or before the day their
23 lobbying activity begins, register by filing a lobbyist's
24 registration statement on forms approved by the board.
25 Lobbyists engaged in lobbying activities before the general
26 assembly shall register with the board by filing the statement
27 with the chief clerk of the house of representatives or the
28 secretary of the senate. Lobbyists engaged in lobbying
29 activities before the office of the governor shall file the
30 statement with that office and lobbyists engaged in lobbying
31 activities before an agency shall file the statement with the
32 agency. The board shall provide appropriate registration
33 forms to the general assembly, the office of the governor, and
34 state agencies. Persons receiving registration statement
35 filings from lobbyists shall forward the statements to the

1 board.

2 2. Registration shall be valid from the date of
3 registration until the expiration of the registration period
4 for the type of lobbying in which the person will be engaging.
5 Any change in or addition to the information shall be
6 registered with the board within ten days after the change or
7 addition is known to the lobbyist.

8 3. For persons registered to lobby before the general
9 assembly, registration expires upon the commencement of the
10 next regular session of the general assembly, except that the
11 board may adopt and implement a reasonable preregistration
12 procedure in advance of each regular session during which
13 persons may register for that session and the following
14 legislative interim. For persons registered to lobby before
15 the office of the governor or a state agency, registration
16 expires upon the commencement of a new calendar year. The
17 board may adopt and implement a reasonable preregistration
18 procedure in advance of each new calendar year during which
19 persons may register for that year.

20 4. If a lobbyist's service on behalf of a particular
21 employer, client, or cause is concluded prior to the end of
22 the calendar year, the lobbyist may cancel the registration on
23 appropriate forms supplied by the board. The cancellation
24 forms shall be filed by the lobbyist in the place where the
25 lobbyist filed the original registration. Persons receiving
26 forms canceling a lobbyist's registration shall forward the
27 forms to the board. Upon cancellation of registration, a
28 lobbyist is prohibited from engaging in any lobbying activity
29 on behalf of that particular employer, client, or cause until
30 reregistering and complying with the rules of the board.

31 5. All federal, state, and local officials or employees
32 representing the official positions of their departments,
33 commissions, boards, or agencies shall present to the board a
34 letter of authorization from their department or agency heads
35 prior to the commencement of their lobbying. The lobbyist

1 registration statement of these officials and employees shall
2 not be deemed complete until the letter of authorization is
3 attached. Federal, state, and local officials who wish to
4 lobby in opposition to the official position of their
5 departments, commissions, boards, or agencies must indicate
6 this on their lobbyist registration statements.

7 Sec. 18. NEW SECTION. 68B.10H LOBBYIST REPORTING.

8 1. A lobbyist shall file, on forms prescribed by the
9 board, a separate report with the board disclosing the
10 following: the lobbyist's clients; contributions,
11 expenditures, and gifts that were made for purposes of
12 lobbying and were initiated or paid by the lobbyist on behalf
13 of each of the lobbyist's clients during the prior calendar
14 month; all campaign contributions made by the lobbyist; and
15 the recipient of the contributions, expenditures, or campaign
16 contributions.

17 2. The report of contributions and expenditures must be
18 filed with the board on a monthly basis on dates to be
19 determined by the board.

20 Sec. 19. NEW SECTION. 68B.10I LOBBYIST'S CLIENT
21 REPORTING.

22 1. No later than January 31 and July 31 of each year, a
23 lobbyist's client shall file with the board a report that
24 contains information on all salaries, fees, and retainers paid
25 by the lobbyist's client to the lobbyist for lobbying purposes
26 during the preceding six calendar months.

27 2. The report due January 31 shall include a cumulative
28 total of all lobbying expenditures for the preceding calendar
29 year.

30 Sec. 20. Section 68B.11, Code 1991, is amended by striking
31 the section and inserting in lieu thereof the following:

32 68B.11 SUPREME COURT RULES.

33 The supreme court of this state shall adopt rules
34 establishing a code of ethics for officials and employees of
35 the judicial department of this state, and the immediate

1 family members of the officials and employees. Rules adopted
2 shall include provisions relating to the receipt or acceptance
3 of gifts and honoraria, interests in public contracts,
4 services against the state, and financial disclosure which are
5 substantially similar to the requirements of this chapter and
6 chapter 56.

7 Sec. 21. Section 56.2, Code Supplement 1991, is amended by
8 adding the following new subsection:

9 NEW SUBSECTION. 1A. "Board" means the Iowa ethics and
10 campaign finance board under section 68B.10A.

11 Sec. 22. Section 56.2, subsection 3, Code Supplement 1991,
12 is amended to read as follows:

13 3. "Candidate" means any individual who has taken
14 affirmative action to seek nomination or election to a public
15 office ~~but~~ and shall exclude also include any judge standing
16 for retention in a judicial election.

17 Sec. 23. Section 56.2, subsection 5, Code Supplement 1991,
18 is amended by striking the subsection.

19 Sec. 24. Section 56.2, subsection 11, Code Supplement
20 1991, is amended to read as follows:

21 11. "Disclosure report" means a statement of contributions
22 received, expenditures made, and indebtedness incurred on
23 forms prescribed by rules ~~promulgated~~ adopted by the
24 commission board in accordance with chapter 17A.

25 Sec. 25. Section 56.2, subsection 16, Code Supplement
26 1991, is amended to read as follows:

27 16. "Public office" means any ~~federal,~~ state, county,
28 city, or school office filled by election.

29 Sec. 26. Section 56.4, Code 1991, is amended to read as
30 follows:

31 56.4 REPORTS FILED WITH COMMISSION BOARD.

32 All statements and reports required to be filed under this
33 chapter for a state office shall be filed with the commission
34 board. If the statement or report is filed for or by a
35 candidate for a seat in the general assembly, the report or

1 statement shall also be filed with the commissioner of
2 elections of each county within the district. All statements
3 and reports required to be filed under this chapter for a
4 county, city, or school office shall be filed with the
5 commissioner. Statements and reports on a ballot issue shall
6 be filed with the commissioner responsible under section 47.2
7 for conducting the election at which the issue is voted upon,
8 except that statements and reports on a statewide ballot issue
9 shall be filed with the commission board. Copies of any
10 reports filed with a commissioner shall be provided by the
11 commissioner to the commission board on its request. State
12 statutory political committees shall file all statements and
13 reports with the commission board. All other statutory
14 political committees shall file the statements and reports
15 with the commissioner with a copy sent to the commission
16 board.

17 Political committees supporting or opposing candidates for
18 both federal office and any elected office created by law or
19 the Constitution of the state of Iowa shall file statements
20 and reports with the commission board in addition to any
21 federal reports required to be filed with the secretary of
22 state.

23 Political committees supporting or opposing candidates or
24 ballot issues for statewide elections and for county,
25 municipal or school elections may file all activity on one
26 report with the commission board and shall send a copy to the
27 commissioner responsible under section 47.2 for conducting the
28 election.

29 Sec. 27. Section 56.5, subsections 3 and 5, Code
30 Supplement 1991, are amended to read as follows:

31 3. Any change in information previously submitted in a
32 statement of organization or notice in case of dissolution of
33 the committee shall be reported to the commission board or
34 commissioner not more than thirty days from the date of the
35 change or dissolution.

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 board. A committee not domiciled in Iowa which is
5 not registered and filing full disclosure reports of all
6 financial activities with the federal election commission or
7 another state's disclosure commission shall register and file
8 full disclosure reports with the commission board 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 board and a
15 second 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 board. The form
19 shall include the complete name, address, and telephone number
20 of the contributing committee, the state or federal
21 jurisdiction under which it is registered or operates, the
22 identification of any parent entity or other affiliates or
23 sponsors, its purpose, the name and address of an Iowa
24 resident authorized to receive service of original notice and
25 the name and address of the receiving committee, the amount of
26 the cash or in-kind contribution, and the date the
27 contribution was made.

28 Sec. 28. Section 56.6, subsection 1, paragraphs a and c;
29 subsection 2; subsection 3, paragraph k; and subsection 5,
30 Code Supplement 1991, are amended to read as follows:

31 a. Each treasurer of a committee shall file with the
32 commission board or commissioner, or both if required under
33 section 56.4 disclosure reports of contributions received and
34 disbursed on forms prescribed by rules as provided by chapter
35 17A. The reports from all committees, except those committees

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

17 c. A candidate's committee of a state officeholder shall
18 file a letter report to be received within fourteen days of
19 the receipt of any contribution from a political committee or
20 ~~from a lobbyist registered under the rules adopted by either~~
21 ~~house of the general assembly~~ while the general assembly is in
22 session. The committee may request, in writing, a fourteen-
23 day extension on a letter report which shall be granted if
24 received on or before the date the report is due. The letter
25 report shall notify the commission board of the following:

- 26 (1) The name of the candidate's committee.
27 (2) The name and complete address of the political
28 ~~committee or registered lobbyist making the contribution.~~
29 (3) The amount of the contribution.
30 (4) The date the contribution was received.
31 (5) In the event the contribution was caused by a fund-
32 raiser, an explanation of the sponsor and type of event held.

33 PARAGRAPH DIVIDED. The provisions of this lettered
34 paragraph are in addition to any other reporting requirements
35 of this chapter and any reporting rules adopted by either

1 ~~house-of-the-general-assembly~~ the board.

2 2. If any committee, after having filed a statement of
3 organization or one or more disclosure reports, dissolves or
4 determines that it shall no longer receive contributions or
5 make disbursements, the treasurer of the committee shall
6 notify the commission board or the commissioner within thirty
7 days following such dissolution by filing a dissolution report
8 on forms prescribed by the commission board. Moneys refunded
9 in accordance with a dissolution statement shall be considered
10 a disbursement or expense but the names of persons receiving
11 refunds need not be released or reported unless the
12 contributors' names were required to be reported when the
13 contribution was received.

14 k. Other pertinent information required by this chapter,
15 by rules adopted pursuant to this chapter, or forms approved
16 by the commission board.

17 5. A committee shall not dissolve until all loans, debts
18 and obligations are paid, forgiven or transferred and the
19 remaining money in the account is distributed according to the
20 organization statement. If a loan is transferred or forgiven,
21 the amount of the transferred or forgiven loan must be
22 reported as an in-kind contribution and deducted from the
23 loans payable balance on the disclosure form. A statutory
24 political committee is prohibited from dissolving, but may be
25 placed in an inactive status upon the approval of the
26 commission board. Inactive status may be requested for a
27 statutory political committee when no officers exist and the
28 statutory political committee has ceased to function. The
29 request shall be made by the previous treasurer or chairperson
30 of the committee and by the appropriate state statutory
31 political committee. A statutory political committee granted
32 inactive status shall not solicit or expend funds in its name
33 until the committee reorganizes and fulfills the requirements
34 of a political committee under this chapter.

35 Sec. 29. Section 56.13, unnumbered paragraph 1, Code 1991,

1 is amended to read as follows:

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

18 Sec. 30. NEW SECTION. 56.15A PROHIBITING CONTRIBUTIONS
19 DURING THE LEGISLATIVE SESSION.

20 A lobbyist or political committee, other than a state
21 statutory political committee, shall not contribute to, act as
22 an agent or intermediary for contributions to, or arrange for
23 the making of contributions to the campaign funds of an
24 elected state official, member of the general assembly, or
25 candidate for public office on the state level on any day
26 during the regular legislative session and, in the case of the
27 governor or a gubernatorial candidate, during the thirty days
28 following the adjournment of a regular legislative session
29 allowed for the signing of bills. This section shall not
30 apply to the receipt of contributions by an elected state
31 official, member of the general assembly, or other state
32 official who has taken affirmative action to seek nomination
33 or election to a federal elective office.

34 Sec. 31. Section 56.20, Code 1991, is amended to read as
35 follows:

1 56.20 RULES PROMULGATED ADOPTED.

2 The director of revenue and finance, in co-operation with
3 the director of the department of management and the Iowa
4 ethics and campaign finance disclosure-commission board, shall
5 administer the provisions of sections 56.18 to 56.26 and they
6 shall promulgate adopt all necessary rules in accordance with
7 chapter 17A.

8 Sec. 32. Section 56.23, Code 1991, is amended to read as
9 follows:

10 56.23 FUNDS -- CAMPAIGN EXPENSES ONLY.

11 The chairperson of the state statutory political committee
12 shall produce evidence to the director of revenue and finance
13 and the Iowa ethics and campaign finance disclosure-commission
14 board not later than the twenty-fifth day of January each
15 year, that all income tax checkoff funds expended for campaign
16 expenses have been utilized exclusively for campaign expenses.

17 The Iowa ethics and campaign finance disclosure-commission
18 board shall issue, prior to the payment of any money,
19 guidelines which explain which expenses and evidence thereof
20 qualify as acceptable campaign expenses.

21 Should the Iowa ethics and campaign finance disclosure
22 commission board and the director of revenue and finance
23 determine that any part of the funds have been used for
24 noncampaign or improper expenses, they may order the political
25 party or the candidate to return all or any part of the total
26 funds paid to that political party for that election. When
27 such the funds are returned, they shall be deposited in the
28 general fund of the state.

29 Sec. 33. Section 56.41, Code Supplement 1991, is amended
30 by adding the following new subsection:

31 NEW SUBSECTION. 3. The board shall adopt rules which list
32 items that represent proper campaign expenses.

33 Sec. 34. Section 56.42, subsections 1, 2, and 5, Code
34 Supplement 1991, are amended to read as follows:

35 1. In addition to the uses permitted under section 56.41,

1 a candidate's committee may only transfer campaign funds in
2 one or more of the following ways:

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

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

15 5. A candidate, or candidate's committee, or any other
16 person shall not directly or indirectly receive or transfer
17 campaign funds with the intent of circumventing the
18 requirements of this section.

19 Sec. 35. Section 331.756, subsection 15, Code 1991, is
20 amended to read as follows:

21 15. Review the any report and recommendations of the
22 ~~campaign-finance-disclosure-commission~~ Iowa ethics and
23 campaign finance board and proceed to institute the any
24 recommended actions or advise the commission board that
25 prosecution is not merited ~~as provided in section 56-ii,~~
26 ~~subsection-4~~ under chapter 56 or 68B.

27 Sec. 36. Section 602.1609, Code 1991, is amended to read
28 as follows:

29 602.1609 COMPLIANCE WITH GIFT ETHICS LAW.
30 Judicial officers and court employees shall comply with
31 rules adopted prescribed by the supreme court ~~under section~~
32 ~~68B-ii~~ with respect to ethical conduct including the reporting
33 acceptance and receipt of gifts received and honoraria,
34 interests in public contracts, services against the state, and
35 financial disclosure. In prescribing rules, the supreme court

1 shall include any appropriate provisions and limitations
2 contained in chapter 52B. Violations are subject to the
3 criminal imposition of criminal and civil penalties in the
4 manner provided in that section by law.

5 Sec. 37. Section 602.2101, Code 1991, is amended to read
6 as follows:

7 602.2101 AUTHORITY.

8 The supreme court may retire, discipline, or remove a
9 judicial officer from office or may discipline or remove an
10 employee of the judicial department for cause as provided in
11 this part.

12 Sec. 38. Section 602.2103, Code 1991, is amended to read
13 as follows:

14 602.2103 OPERATION OF COMMISSION.

15 A quorum of the commission is four members. Only those
16 commission members that are present at commission meetings or
17 hearings may vote. An application by the commission to the
18 supreme court to retire, discipline, or remove a judicial
19 officer, or discipline or remove an employee of the judicial
20 department, or an action by the commission which affects the
21 final disposition of a complaint, requires the affirmative
22 vote of at least four commission members. Notwithstanding
23 chapter 21 and chapter 22, all records, papers, proceedings,
24 meetings, and hearings of the commission are confidential, but
25 if the commission applies to the supreme court to retire,
26 discipline, or remove a judicial officer, or to discipline or
27 remove an employee of the judicial department, the application
28 and all of the records and papers in that proceeding are
29 public documents.

30 Sec. 39. Section 602.2104, Code 1991, is amended to read
31 as follows:

32 602.2104 PROCEDURE BEFORE COMMISSION.

33 1. Charges before the commission shall be in writing but
34 may be simple and informal. The commission shall investigate
35 each charge as indicated by its gravity. If the charge is

1 groundless, it shall be dismissed by the commission. If the
2 charge appears to be substantiated but does not warrant
3 application to the supreme court, the commission may dispose
4 of it informally by conference with or communication to the
5 judicial officer or employee of the judicial department
6 involved. If the charge appears to be substantiated and if
7 proved would warrant application to the supreme court, notice
8 shall be given to the judicial officer and a hearing shall be
9 held before the commission. The commission may employ
10 investigative personnel, in addition to the executive
11 secretary, as it deems necessary. The commission may also
12 employ or contract for the employment of legal counsel.

13 2. In case of a hearing before the commission, written
14 notice of the charge and of the time and place of hearing
15 shall be mailed to the a judicial officer or an employee of
16 the judicial department at the officer's person's residence at
17 least twenty days prior to the time set for hearing. Hearing
18 shall be held in the county where the judicial officer or
19 employee of the judicial department resides unless the
20 commission and the judicial officer or employee of the
21 judicial department agree to a different location. The
22 judicial officer shall continue to perform judicial duties
23 during the pendency of the charge and the employee shall
24 continue to perform the employee's assigned duties, unless
25 otherwise ordered by the commission. The commission has
26 subpoena power on behalf of the state and the judicial officer
27 or employee of the judicial department, and disobedience of
28 the commission's subpoena is punishable as contempt in the
29 district court for the county in which the hearing is held.
30 The attorney general shall prosecute the charge before the
31 commission on behalf of the state. The A judicial officer or
32 employee of the judicial department may defend and has the
33 right to participate in person and by counsel, to cross-
34 examine, to be confronted by the witnesses, and to present
35 evidence in accordance with the rules of civil procedure. A

1 complete record shall be made of the evidence by a court
2 reporter. In accordance with its findings on the evidence,
3 the commission shall dismiss the charge or make application to
4 the supreme court to retire, discipline, or remove the
5 judicial officer or to discipline or remove an employee of the
6 judicial department.

7 Sec. 40. Section 602.2106, Code 1991, is amended to read
8 as follows:

9 602.2106 PROCEDURE BEFORE SUPREME COURT.

10 1. If the commission submits an application to the supreme
11 court to retire, discipline, or remove a judicial officer or
12 to discipline or remove an employee of the judicial
13 department, the commission shall promptly file in the supreme
14 court a transcript of the hearing before the commission. The
15 statutes and rules relative to proceedings in appeals of
16 equity suits apply.

17 2. The attorney general shall prosecute the proceedings in
18 the supreme court on behalf of the state, and the judicial
19 officer or employee of the judicial department may defend in
20 person and by counsel.

21 3. Upon application by the commission, the supreme court
22 may do either any of the following:

23 a. Retire the judicial officer for permanent physical or
24 mental disability which substantially interferes with the
25 performance of judicial duties.

26 b. Discipline or remove the judicial officer for
27 persistent failure to perform duties, habitual intemperance,
28 willful misconduct in office, conduct which brings judicial
29 office into disrepute, or substantial violation of the canons
30 of judicial ethics. Discipline may include suspension without
31 pay for a definite period of time not to exceed twelve months.

32 c. Discipline or remove an employee of the judicial
33 department for conduct which violates the code of ethics
34 prescribed by the supreme court for court employees.

35 4. If the supreme court finds that the application should

1 be granted in whole or in part, it shall render the decree
2 that it deems appropriate.

3 Sec. 41. Section 602.2107, Code 1991, is amended to read
4 as follows:

5 602.2107 CIVIL IMMUNITY.

6 The making of charges before the commission, the giving of
7 evidence or information before the commission or to an
8 investigator or legal counsel employed by the commission, and
9 the presentation of transcripts, extensions of evidence,
10 briefs, and arguments in the supreme court are privileged in
11 actions for defamation.

12 Sec. 42. INITIAL APPOINTMENTS TO STATE ETHICS AND CAMPAIGN
13 FINANCE BOARD. Notwithstanding any contrary requirements
14 contained in section 68B.10A the initial appointments to the
15 Iowa ethics and campaign finance board shall be made by July
16 1, 1992, and staggered as follows:

17 1. One of the appointees of the governor, the two
18 appointees of the house of representatives, and one of the
19 appointees of the supreme court shall serve an initial term of
20 two years.

21 2. One of the appointees of the governor, the two
22 appointees of the senate, and one of the appointees of the
23 supreme court shall serve an initial term of four years.

24 3. Two of the appointees of the governor and one of the
25 appointees of the supreme court shall serve an initial term of
26 six years.

27 The board shall adopt any emergency or transition rules
28 necessary for the assumption of its duties by January 1, 1993,
29 and for the transition and transfer of any matters currently
30 pending before the ethics committees of either house of the
31 general assembly or before the campaign finance disclosure
32 commission.

33 Sec. 43. Section 4 of this Act shall apply to officials,
34 employees, members of the general assembly, or legislative
35 employees who are employed, hold office, or terminate service

1 or employment on or after the date of enactment of this Act.
2 Sec. 44. Section 56.9, 56.10A, and 56.11, Code 1991, are
3 repealed.

4 Sec. 45. Section 56.10, Code Supplement 1991, is repealed.

5 Sec. 46. Sections 1, 2, 6, 7, 8, 9, 10, sections 16
6 through 29, and sections 31, 32, 44, and 45 of this Act take
7 effect January 1, 1993.

8 Sec. 47. Sections 4, 5, 11, 12, 42, and 43 of this Act,
9 being deemed of immediate importance, take effect upon
10 enactment.

11 Sec. 48. CODIFICATION. The Code editor shall renumber the
12 sections in chapter 68B, reserving section numbers if
13 appropriate, as the Code editor sees fit.

14 EXPLANATION

15 This bill makes changes in chapter 68B, which contains the
16 current conflict of interest provisions for public officials
17 and employees, makes changes in chapter 56, which contains the
18 provisions relating to campaign finance for public office
19 within the state, and makes changes in those provisions which
20 deal with the ethics and discipline for judicial officers and
21 employees of the judicial department.

22 Sections 1 through 19 deal with the ethics requirements for
23 public officials and employees of the executive and
24 legislative branches of state and local government.

25 Section 1 contains intent language relating to the changes
26 made in chapter 68B. Section 2 establishes a variety of
27 definitions, many of which differ from those previously under
28 the chapter, which relate to the changes in the chapter.

29 Section 3 changes the requirement relating to when state
30 level officials and employees may sell goods to the state to
31 add services to the items for which there may be a public bid
32 requirement. The section is also broadened to require that
33 the public bid requirement is also extended to sales to
34 political subdivisions of the state. Exemptions from the
35 requirements of the section may be granted on a case-by-case

1 basis by the state ethics and campaign finance board.

2 Section 4 adds to the current two-year ban on lobbying
3 activities of state officials and employees. The new
4 provisions contain a broad ban on all appearances made in the
5 capacity as a paid lobbyist before any agency, office, or the
6 general assembly, unless there exists no potential for use of
7 undue influence or unfair advantage by the official, employee,
8 or the person involved has been requested to provide technical
9 assistance to an agency, office, or the general assembly. The
10 section does not apply to someone who is acting as someone
11 else's attorney in a rulemaking or contested case proceeding.

12 Section 5 expands the current ban on appearances by state
13 officials and employees on matters in which they have direct,
14 personal experience or information to include legislators and
15 legislative employees.

16 Sections 6 and 7 deal with the acceptance of gifts. Gifts
17 are banned unless they consist of certain nonmonetary gifts
18 that are either under a certain value, are reported, or are
19 donated to a charity. The definition of gift, contained in
20 section 2 of the bill, does qualify the ban on gifts to items
21 in value of over three dollars that are given by certain
22 persons to public officials or employees.

23 Section 8 relates to the receipt of honoraria by public
24 officials. The receipt of honoraria, from persons from within
25 the state who have an interest in legislative, administrative,
26 or political action, is banned unless the public official
27 obtains an exemption from the state ethics and campaign
28 finance board.

29 Section 9 provides that violations of the previously
30 enumerated provisions are serious misdemeanors.

31 Sections 10 through 15, and section 42, relate to the
32 establishment, duties, and procedures for the filing of
33 complaints with the state ethics and campaign finance board.
34 The board consists of eleven members, appointed by the three
35 branches of government, who will serve staggered six-year

1 terms. The duties of the board will include the establishment
2 of a code of ethics for public officials and employees,
3 regulations governing lobbyists, monitoring of financial
4 disclosure by persons under the board's control, the duties
5 currently performed by the campaign finance disclosure
6 commission, and the hearing of complaints for violations of
7 chapter 68B, chapter 56, or board rules.

8 Section 16 relates to financial disclosure by candidates
9 for and holders of public office and certain employees.

10 Sections 17 and 18 contain provisions relating to lobbyist
11 registration and financial disclosure. Section 19 relates to
12 financial disclosure relating to lobbying activities of
13 clients of lobbyists.

14 Section 20 and sections 36 through 40 relate to the ethical
15 standards for judicial officers and employees of the judicial
16 department, which are to be set by the supreme court and
17 violations of which are to be dealt with through the judicial
18 qualifications commission.

19 Sections 21 through 35 make technical changes to the
20 campaign finance chapter, require duplicate filings of reports
21 and statements with the local commissioners of elections by
22 legislative candidates, cause the campaign finance chapter to
23 be applicable to judges who are standing for retention of
24 office, prohibit the transfer of funds from one candidate to
25 another, and require the new board to list permissible uses of
26 campaign funds.

27 This bill may create a state mandate as defined in section
28 25B.3.

29
30
31
32
33
34
35

SENATE FILE 2359
FISCAL NOTE

REQ. BY SENATOR LLOYD-JONES

A fiscal note for Senate File 2359 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2359 makes changes to Chapters 56 and 68B of the Code of Iowa. Chapter 56 relates to campaign finance for public offices. Chapter 68B relates to conflict of interest provisions for public officials and employees. Changes made by this bill include:

1. Establishes an Iowa Ethics and Campaign Finance Board as an independent agency to set standards, investigate complaints, and monitor the ethics and campaign finance practices of public officials and all State and local public employees. The current Campaign Finance Disclosure Commission would be expanded and converted to the Iowa Ethics and Campaign Finance Board.
2. Adds services to the list of items constituting a sale of goods to the State and expands the conflict of interest restriction on sales to political subdivisions of the State.
3. Places a 2-year ban on lobbying activities after service in State government.
4. Prohibits receipt or offering of gifts, except under certain circumstances.
5. Prohibits acceptance of honoraria from a person with a substantial interest in legislative, administrative, or political action.
6. Requires personal financial disclosure by public officials and candidates for public office.
7. Codifies lobbyists' registration and disclosure requirements.
8. Requires reporting by a lobbyist's clients of contributions and expenditures made for lobbying purposes.
9. Requires the Supreme Court to prescribe rules which establish a code of ethics for officials and employees of the Judicial Department and their immediate family members.
10. Amends the definition of candidate to include judicial officers standing for retention in office as candidates.
11. Prohibits the transfer of funds from one candidate's committee to another candidate's committee.

Assumptions:

1. The current Campaign Finance Disclosure Commission would be expanded and converted to the Iowa Ethics and Campaign Finance Board requiring the addition of 9.0 FTEs.
2. Expansion of the Commission would require additional office space that would require moving from the current location (Colony Building).
3. The House and Senate Ethics Committees would incur minimal annual expenditures (less than \$500 annually).
4. The Judicial Qualifications Commission will double in size and will

require 1.0 FTE attorney/investigator position.

5. First year start-up costs required by the Campaign Finance Disclosure Commission will be offset by savings in personnel costs because not all new staff will be hired for a full 12 months in FY 1993.

Additional Information:

Comparison of the Campaign Finance Disclosure Commission current staff to projected staff of the Ethics and Campaign Finance Board is as follows:

	Current		Additional		Total	
	Budget	FTE	Budget	FTE	Budget	FTE
Clerk Typist 2	\$ 22,083	1.00	\$ 22,083	1.00	\$ 44,166	2.00
Admin. Intern	8,100	0.75	0	0.00	8,100	0.75
Secretary 2	30,535	1.00	0	0.00	30,535	1.00
Admin. Assist. 1	30,535	1.00	30,535	1.00	61,070	2.00
Admin. Assist. 2	35,526	1.00	35,526	1.00	71,052	2.00
Investigator 1	0	0.00	33,835	1.00	33,835	1.00
Investigator 2	0	0.00	38,799	1.00	38,799	1.00
Field Auditor 2	41,992	1.00	38,799	1.00	80,791	2.00
Conf. Admin. Assist.	0	0.00	36,089	1.00	36,089	1.00
Legal Counsel	0	0.00	53,664	1.00	53,664	1.00
Deputy	0	0.00	51,678	1.00	51,678	1.00
Exec. Director	57,874	1.00	0	0.00	57,874	1.00
Total	\$226,645	6.75	\$341,008	9.00	\$567,653	15.75

This comparison assumes 12 month staffing which will not occur in the first year (FY 1993). For purposes of the fiscal impact, first year costs for additional staff have been reduced by 30.0% (\$102,302).

One time start-up costs for the Board for FY 1993 are estimated at \$152,000. This includes the cost of moving the office location and purchasing equipment and furniture for the additional staff.

Additional staff for the Judicial Department includes an attorney/investigator at an estimated annual cost of \$76,800.

Also included in the fiscal impact is \$35,000 additional rent which is paid through the Department of General Services.

Fiscal Impact:

This bill will increase General Fund expenditures by \$672,000 for FY 1993 and \$623,000 for FY 1994 and later years.

Counties may incur additional costs, including staff time for disclosure filings and printing expense. However, these costs are not expected to be significant.

Sources: Campaign Finance Disclosure Commission
 Judicial Department
 House of Representatives' Finance Officer
 Senate Finance Officer

SENATE FILE 2359

S-5716

- 1 Amend Senate File 2359 as follows:
- 2 1. Page 1, line 10, by striking the words "and
3 local level".
- 4 2. Page 1, lines 11 and 12, by striking the words
5 "and local".
- 6 3. Page 1, by striking lines 17 through 19 and
7 inserting the following: "executive and legislative
8 branches of state government. The supreme court is
9 required to prescribe rules".
- 10 4. Page 4, line 28, by inserting after the word
11 "responsibilities" the following: ", provided that
12 the amount of the expenses received is reported to the
13 board".
- 14 5. Page 4, line 33, by striking the words "holder
15 of public office" and inserting the following:
16 "public official".
- 17 6. By striking page 4, line 35, through page 5,
18 line 9, and inserting the following:
19 "b. "Honorarium" does not include payment for or
20 provision of actual travel and subsistence expenses,
21 including transportation, accommodations, and meals
22 provided that the amount of the payment received is
23 reported to the board."
- 24 7. Page 7, by striking lines 1 through 4.
- 25 8. Page 7, by striking lines 28 and 29, and
26 inserting the following:
27 " . "Public employee" means employees and
28 legislative employees."
- 29 9. Page 7, line 33, by striking the words "
30 local officials,".
- 31 10. Page 8, line 14, by inserting after the word
32 "sell" the following: ", in any one occurrence,".
- 33 11. Page 10, line 16, by inserting after the word
34 "candidate" the following: "for state office".
- 35 12. Page 10, line 22, by inserting after the word
36 "candidate" the following: "for state office".
- 37 13. Page 10, line 25, by inserting after the word
38 "candidate" the following: "for state office".
- 39 14. Page 10, line 27, by inserting after the word
40 "candidate" the following: "for state office".
- 41 15. Page 11, line 4, by inserting after the word
42 "candidate" the following: "for state office".
- 43 16. Page 11, line 6, by striking the words
44 "receiving or accepting" and inserting the following:
45 "giving".
- 46 17. Page 11, by striking line 7 and inserting the
47 following: "reports the donation of any items given
48 at any".
- 49 18. Page 11, by inserting after line 18 the fol-
50 lowing:

S-5716

-1-

S-5716

Page 2

1 "_____. Gifts of food and drink may be received or
2 accepted by members of the general assembly at social
3 events to which all members of both houses or of a
4 standing committee of either house of the general
5 assembly are invited, if the donor reports the total
6 cost of the social event to the board."

7 19. Page 11, by striking line 23 and inserting
8 the following: "donor reports, in the manner and".

9 20. Page 11, line 25, by striking the word
10 "received" and inserting the following: "given".

11 21. Page 11, line 27, by inserting after the word
12 "dollars." the following: "Reports of gifts filed
13 with the board under this subsection are confidential
14 records under chapter 22."

15 22. Page 11, line 34, by inserting after the word
16 "candidate" the following: "for state office".

17 23. Page 12, line 34, by striking the words
18 "member or employee" and inserting the following:
19 "public official".

20 24. Page 13, line 17, by striking the word
21 "seven" and inserting the following: "seven six".

22 25. Page 13, line 19, by striking the word "two"
23 and inserting the following: "two and three".

24 26. Page 13, by striking lines 20 through 22 and
25 inserting the following: "house and-two-individuals
26 who-shall-not-be-employees-of-the-general-assembly-by
27 the-chief-justice-of-the-iowa-supreme-court. A member
28 of the ethics committee may".

29 27. Page 13, line 28, by striking the word
30 "legislative".

31 28. Page 13, by striking lines 30 through 33, and
32 inserting the following: "eligible members of the
33 committee. If a member of the ethics".

34 29. Page 14, by striking lines 5 through 9 and
35 inserting the following:

36 "~~The-two-individuals-appointed-by-the-chief-justice~~
37 ~~of-the-supreme-court-shall-receive-a-per-diem-as~~
38 ~~specified-in-section-7E-6-and-travel-expenses-at-the~~
39 ~~same-rate-as-paid-members-of-interim-committees-for~~
40 ~~attending-meetings-of-the-ethics-committee. Members~~
41 ~~of-the-general-assembly shall receive a".~~

42 30. Page 15, line 3, by striking the words "or
43 lobbyists".

44 31. By striking page 15, line 29, through page
45 16, line 1, and inserting the following: "occurred.
46 ~~Violation-of-a-rule-relating-to-lobbyists-and-lobbying~~
47 ~~activities-may-result-in-censure,-reprimand,-or-other~~
48 ~~sanctions-as-determined-by-a-majority-of-the-members~~
49 ~~of-the-house-in-which-the-violation-occurred.~~
50 ~~However,-a-lobbyist-may-be-suspended-from-lobbying~~

S-5716

-2-

S-5716

Page 3

- 1 ~~activities-for-the-duration-provided-in-the-directing~~
2 ~~resolution-only-if-directed-by-a-two-thirds-vote-of~~
3 ~~the-house-in-which-the-violation-occurred."~~
4 32. Page 16, line 7, by striking the words "and
5 campaign finance practices".
6 33. Page 16, by striking lines 9 and 10, and
7 inserting the following: "branches of state
8 government, and the campaign finance practices of
9 candidates for public office, and".
10 34. Page 16, line 16, by inserting after the word
11 "party" the following: ", and who shall be subject to
12 confirmation by the senate".
13 35. Page 19, line 10, by inserting after the word
14 "copying" the following: "in a manner consistent with
15 the requirements of chapter 22,".
16 36. Page 19, line 31, by striking the words
17 "Establish and impose" and inserting the following:
18 "Submit proposed legislation establishing a schedule
19 of".
20 37. Page 20, by striking line 12, and inserting
21 the following: "persons holding a statewide public
22 office".
23 38. Page 20, line 13, by striking the words
24 "subdivision, including candidates" and inserting the
25 following: "and candidates for any state office".
26 39. Page 20, by striking lines 14 and 15, and
27 inserting the following: "legislative and executive
28 branch of state government and regulations governing".
29 40. Page 20, line 16, by striking the words "
30 including but" and inserting the following: "; and
31 biennially propose resolutions establishing a code of
32 ethical conduct for members of the general assembly.
33 Rules, regulations, and proposed resolutions shall
34 include but are".
35 41. Page 20, line 26, by striking the words
36 "candidate for public office,".
37 42. Page 20, by striking lines 27 and 28, and
38 inserting the following: "lobbyist has committed a
39 violation of this chapter or the rules adopted by the
40 board or that a candidate for public office or elected
41 public official has committed a violation of chapter
42 56 or the rules adopted by the board. The board
43 shall".
44 43. Page 22, line 22, by striking the words "A
45 preponderance of clear" and inserting the following:
46 "Clear".
47 44. Page 24, by inserting after line 8, the
48 following:
49 "_____. Proceedings on complaints and investigations
50 initiated by the board, including the imposition of,
S-5716 -3-

S-5716

Page 4

1 or recommendations for the imposition of, any
2 penalties by the board shall be concluded within six
3 months of the filing of the complaint or initiation of
4 the investigation. The board may, however, seek an
5 extension of up to an additional three months of time
6 for conducting proceedings on complaints or
7 investigations of public officials or public employees
8 who are not members of the general assembly by
9 submitting a request for extension of time to the
10 entity that would be responsible for removing or
11 suspending the person. If the complaint or
12 investigation relates to a member of the general
13 assembly, the board may seek up to an additional three
14 months of time to conduct proceedings by submitting a
15 request to the committee responsible for the
16 administration of the house in which the member holds
17 a seat."

18 45. Page 24, lines 13 and 14, by striking the
19 words "a preponderance of".

20 46. Page 25, by inserting after line 4 the
21 following:

22 " . Censure, reprimand, or impose any other
23 sanctions deemed appropriate by the board, if the
24 violator is a lobbyist. The board may suspend a
25 lobbyist from lobbying activities if the board finds
26 that suspension is an appropriate sanction for the
27 violation."

28 47. Page 25, by inserting after line 17, the
29 following:

30 "When the board submits a recommendation for
31 discipline in any form to another entity that is
32 responsible for imposing punishment upon a person for
33 a violation of this chapter, the board shall include
34 with the recommendation a report detailing the factual
35 basis for the board's finding of a violation, a record
36 of the board's vote relating to the violation, and a
37 copy of any dissenting opinions of board members that
38 may be available with respect to the violation. The
39 board shall also, upon the request of the entity
40 responsible for imposing punishment, furnish items of
41 evidence and the record of the hearings before the
42 board."

43 48. Page 25, line 26, by striking the word
44 "public" and inserting the following: "state".

45 49. Page 25, line 32, by inserting after the word
46 "certain" the following: "public".

47 50. Page 26, line 5, by striking the words "
48 including indebtedness,".

49 51. Page 26, line 11, by striking the words
50 "including indebtedness".

S-5716

-4-

S-5716

Page 5

1 52. Page 26, by striking lines 12 through 14 and
2 inserting the following: "a waiver of personal
3 financial disclosure for any person who, as defined in
4 the rules of the board, does not occupy a position
5 involving a substantial".

6 53. Page 26, line 18, by inserting after the
7 words "appointees to" the following: "state".

8 54. Page 28, by inserting after line 29 the fol-
9 lowing:

10 "3. A lobbyist's client who fails to file a report
11 required under this section may be subject to the
12 imposition of penalties by the board as provided under
13 section 68B.10D, subsections 1 through 3, 7, and 8."

14 55. Page 28, line 33, by striking the words
15 "adopt rules" and inserting the following: "prescribe
16 rules by January 1, 1993,".

17 56. Page 29, by inserting after line 6 the
18 following:

19 "Sec. ____ . NEW SECTION. 68C.1 TITLE OF ACT.
20 This chapter shall be known as the "Local Public
21 Officials Act".

22 Sec. ____ . NEW SECTION. 68C.2 DEFINITIONS.
23 When used in this chapter, unless the context
24 otherwise requires:

25 1. "Agency" means any political subdivision of the
26 state.

27 2. "Candidate" means a candidate or a person
28 elected to an office of a political subdivision until
29 the person takes office.

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

33 4. "Employee" means a full-time, salaried employee
34 of a political subdivision of the state of Iowa and
35 does not include part-time employees or independent
36 contractors. Employee includes but is not limited to
37 all clerical personnel.

38 5. a. "Gift" means a rendering of money,
39 property, services, discount, loan forgiveness,
40 payment of indebtedness, or anything else of value in
41 return for which legal consideration of equal or
42 greater value is not given and received, if the donor
43 is in any of the following categories:

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

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

48 (3) Has interests which may be substantially and
49 materially affected, in a manner distinguishable from
50 the public generally, by the performance or

S-5716

-5-

S-5716

Page 6

- 1 nonperformance of the donee's official duty.
2 b. However, "gift" does not mean any of the
3 following:
- 4 (1) Campaign contributions.
 - 5 (2) Informational material relevant to a public
6 servant's official functions, such as books,
7 pamphlets, reports, documents, or periodicals, and
8 registration fees or tuition not including travel or
9 lodging, for not more than three days, at seminars or
10 other public meetings conducted in this state, at
11 which the public servant receives information relevant
12 to the public servant's official functions.
13 Information or participation received under the
14 exclusion of this paragraph may be applied to satisfy
15 a continuing education requirement of the donee's
16 regulated occupation or profession if the donee pays
17 any registration costs exceeding thirty-five dollars.
 - 18 (3) Anything received from a person related within
19 the fourth degree by kinship or marriage, unless the
20 donor is acting as an agent or intermediary for
21 another person not so related.
 - 22 (4) An inheritance.
 - 23 (5) Anything available to or distributed to the
24 public generally without regard to official status of
25 the recipient.
 - 26 (6) Actual expenses for food, beverages, travel,
27 lodging, registration, and scheduled entertainment of
28 the donee for a meeting, which is given in return for
29 participation in a panel or speaking engagement at the
30 meeting.
 - 31 (7) Plaques or items of negligible resale value
32 given as recognition for public services.
- 33 6. "Immediate family members" means the spouse and
34 minor children of a person required to file reports
35 pursuant to this chapter or the rules adopted pursuant
36 to this chapter.
- 37 7. "Is doing business with the donee's agency"
38 means being a party to any one or any combination of
39 sales, purchases, leases, or contracts to, from, or
40 with a political subdivision, or any agency of a
41 political subdivision.
- 42 8. "Official" means an officer of a political
43 subdivision of the state of Iowa receiving a salary or
44 per diem whether elected or appointed or whether
45 serving full-time or part-time. "Official" includes
46 but is not limited to supervisory personnel and
47 members of agencies of political subdivisions of the
48 state.
- 49 9. "Public disclosure" means a written report
50 filed by the fifteenth day of the month following the

S-5716

-6-

S-5716

Page 7

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

Where the term "candidate", "employee", or "official" is used in this chapter, it includes a firm of which any of those persons is a partner and a corporation of which any of those persons holds ten percent or more of the stock either directly or indirectly, and the spouse and minor children of any of those persons.

Sec. ____ . NEW SECTION. 68C.3 GIFTS SOLICITED OR ACCEPTED.

1. An official, employee, candidate, or that person's immediate family member shall not, directly or indirectly, solicit, accept, or receive from any one donor in any one calendar day a gift or a series of gifts having a value of thirty-five dollars or more.

2. A person shall not, directly or indirectly, offer or make a gift or a series of gifts to an official, employee, or candidate in any one calendar day, if the gift or series of gifts has a value of thirty-five dollars or more. A person shall not, directly or indirectly, join with one or more other persons to offer or make a gift or a series of gifts to an official, employee, or candidate in any one calendar day, if the gift or series of gifts has a total value of thirty-five dollars or more. The thirty-five dollar limitation of this section applies separately to a person and the person's immediate family member.

3. A person may give and an official, employee, candidate, or the person's immediate family member may accept in any one calendar day a gift or a series of gifts which has a value of thirty-five dollars or more and not be in violation of this section if the gift or series of gifts is donated within thirty days to a public body, a bona fide educational or charitable organization, or the department of general services. All such items donated to the department of general services shall be disposed of by assignment to state agencies for official use or by public sale.

Sec. ____ . NEW SECTION. 68C.4 REPORTING OF GIFTS AND FINANCIAL DISCLOSURE.

1. The governing body of a political subdivision of this state shall adopt rules requiring the reporting of gifts made to its respective members and their immediate family members and its officials and employees and their immediate family members. The rules as adopted shall require public disclosure of

S-5716

-7-

S-5716

Page 8

1 the nature, amount, date, and donor of a gift or gifts
2 from any one donor made to one of those individuals
3 which exceeds fifteen dollars in cumulative value in
4 any one calendar day. The rules shall require such
5 disclosure by both the donor and donee. The rules may
6 waive the reporting of food and beverage provided for
7 immediate consumption in the presence of the donor.
8 Copies of the rules and reports shall be filed with
9 the county auditor of the county in which the
10 political subdivision is located.

11 The secretary of state shall develop a standard
12 form for public disclosure of gifts in compliance with
13 this subsection which shall be available at every
14 county auditor's office without cost.

15 2. a. In determining the value of a gift, an
16 individual making a gift on behalf of more than one
17 person shall not divide the value of the gift by the
18 number of persons on whose behalf the gift is made.

19 b. The value of a gift to the donee is the value
20 actually received.

21 c. For the purposes of the reporting requirements
22 of this section, a donor of a gift made by more than
23 one individual to one or more donees shall report the
24 gift if the total value of the gift to the donee
25 exceeds fifteen dollars.

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

29 4. A person who does not make public disclosure of
30 gifts as required by this chapter or the rules adopted
31 pursuant to this chapter is guilty of a serious
32 misdemeanor.

33 Sec. ____ . NEW SECTION. 68C.5 ADDITIONAL PENALTY.

34 In addition to any penalty contained in any other
35 provision of law, a person who knowingly and
36 intentionally violates section 68C.3 or 68C.4 is
37 guilty of a serious misdemeanor and may be
38 reprimanded, suspended, or dismissed from the person's
39 position or otherwise sanctioned.

40 Sec. ____ . NEW SECTION. 68C.6 ACTIONS COMMENCED.

41 Actions to enforce the provisions of this chapter
42 may be commenced by any legal resident of the state of
43 Iowa who is eighteen years of age or more at the time
44 of commencing the action or by the attorney general.

45 Sec. ____ . Section 22.7, Code 1991, is amended by
46 adding the following new subsection:

47 NEW SUBSECTION. 29. Reports filed with the Iowa
48 ethics and campaign finance board of gifts of food,
49 beverages, travel, and lodging received by a public
50 official or public employee as a result of official

S-5716

-8-

S-5716

Page 9

1 participation in economic development opportunities
2 under section 68B.7B."

3 57. Page 31, line 33, by striking the figure
4 "56.4" and inserting the following: "56.4,".

5 58. Page 33, by inserting after line 34, the
6 following:

7 "Sec. ____ . Section 56.10A, Code 1991, is amended
8 to read as follows:

9 56.10A REPORTING OF HONORARIA.

10 1. The commission board shall adopt rules
11 requiring the filing of periodic reports by
12 officeholders showing all honoraria received during
13 the reporting period.

14 2. The rules shall require that:

15 ~~a.---Holders-of-statewide-office-must-file-reports~~
16 ~~with-the-state-commissioner-of-elections-~~

17 ~~b.---Holders-of-the-office-of-state-senator-must~~
18 ~~file-reports-with-the-secretary-of-the-senate-~~

19 ~~c.---Holders-of-the-office-of-state-representative~~
20 ~~must-file-reports-with-the-chief-clerk-of-the-house-of~~
21 ~~representatives-~~

22 ~~d.---Holders~~ holders of county and other offices
23 must file reports with the county commissioner of
24 elections.

25 3. The reports shall be available for public
26 inspection."

27 59. Page 36, by striking line 3 and inserting the
28 following:

29 ~~"a.---Contributions-to-charitable-organizations-~~

30 60. Page 36, line 21, by striking the word
31 "recommendations" and inserting the following:

32 "recommendations recommendation".

33 61. Page 40, line 32, by inserting after the word
34 "commission." the following: "Rules, forms, and
35 precedents established by the campaign finance
36 disclosure commission regarding the administration of
37 chapter 56 shall remain effective until ratified,
38 rescinded, or modified by action by the board."

39 62. Page 40, by inserting after line 32 the
40 following:

41 "Sec. ____ . Notwithstanding chapter 68B, until
42 legislation is adopted that establishes a code of
43 ethics for members of the general assembly and
44 regulations governing the conduct of lobbyists, the
45 rules of the Seventy-fourth General Assembly that
46 establish a code of ethics and rules governing
47 lobbyists shall remain in effect."

48 63. Page 41, line 2, by striking the word and
49 figures "Section 56.9, 56.10A," and inserting the

50 following: "Sections 56.9".

Page 10
1 64. By numbering, renumbering, relettering, and
2 changing internal references as necessary.

By COMMITTEE ON STATE GOVERNMENT
JOHN KIBBIE, Chairperson

SENATE FILE 2359

S-5682

1 Amend Senate File 2359 as follows:

2 1. Page 23, line 13, by inserting after the word
3 "ordered." the following: "If the existence of the
4 complaint is disclosed by the complainant, the board
5 shall, within seven days of the disclosure, make a
6 determination as to whether there is probable cause to
7 believe that a violation of this chapter, chapter 56,
8 or the rules of the board has occurred."

By MAGGIE TINSMAN
JIM KERSTEN

H. KAY HEDGE
RICHARD F. DRAKE

S-5682 FILED APRIL 14, 1992

SENATE FILE 2359

S-5731

1 Amend the amendment, S-5716, to Senate File 2359 as
2 follows:
3 1. Page 1, by striking lines 2 through 9 and
4 inserting the following:
5 "____. Page 1, line 32, by striking the word
6 "subdivisions" and inserting the following:
7 "subdivision".
8 2. Page 1, by inserting after line 13 the follow-
9 ing:
10 "____. Page 4, by striking line 31."
11 3. Page 1, by striking lines 24 through 30.
12 4. By striking page 1, line 33, through page 2,
13 line 10, and inserting the following:
14 "____. Page 11, by striking lines 1 through 18."
15 5. Page 2, by striking lines 17 through 19 and
16 inserting the following:
17 "____. Page 12, line 3, by striking the figure
18 "1."
19 "____. By striking page 12, line 11, through page
20 13, line 11, and inserting the following:
21 "contributions to a candidate under chapter 56."
22 6. Page 2, by inserting after line 43 the
23 following:
24 "____. Page 15, line 13, by inserting after the
25 word "from" the following: "funds appropriated by."
26 7. Page 3, by striking lines 4 through 9 and
27 inserting the following:
28 "____. Page 16, line 5, by striking the word "to".
29 "____. Page 16, line 6, by inserting after the
30 figure "1993," the following: "to"."
31 8. Page 3, by inserting after line 12 the
32 following:
33 "____. Page 17, line 14, by inserting after the
34 word "assembly." the following: "This section shall
35 not apply, however, to exclude a lawyer if the lawyer
36 is not employed by the governor, the supreme court, or
37 the general assembly."
38 9. Page 3, by striking lines 20 through 25.
39 10. Page 3, by striking lines 35 and 36.
40 11. Page 4, by striking lines 45 and 46 and
41 inserting the following:
42 "____. Page 25, line 31, by striking the word
43 "Public" and inserting the following: "State".
44 "____. Page 26, line 2, by striking the words
45 "candidate, public official, and" and inserting the
46 following: "candidate for state office, state
47 official, and state".
48 12. Page 5, line 3, by striking the word "person"
49 and inserting the following: "other state officials
50 or state employees".

S-5731

-1-

S-5731

Page 2

- 1 13. Page 5, line 4, by striking the word "does"
2 and inserting the following: "do".
3 14. By striking page 5, line 19, through page 8,
4 line 44, and inserting the following:
5 "Sec. ____ . NEW SECTION. 68B.11A ACTIONS
6 ENFORCED.
7 Actions to enforce the provisions of this chapter
8 shall be initiated by following the procedures for the
9 filing of complaints with the board."
10 15. Page 9, by striking lines 5 through 29 and
11 inserting the following:
12 " ____ . Page 34, line 33, by inserting after the
13 word "office" the following: "or who is seeking
14 nomination to a state office as a result of a special
15 election".
16 ____ . Page 36, line 1, by striking the words "only
17 transfer campaign funds in" and inserting the
18 following: "transfer campaign funds in only."
19 16. Page 9, by striking lines 48 through 50 and
20 inserting the following:
21 " ____ . Page 41, line 2, by striking the words and
22 figures "Section 56.9, 56.10A, and 56.11" and
23 inserting the following: "Sections 56.9, 56.10A,
24 56.11, 68B.8, and 68B.9".
25 17. By renumbering as necessary.

By COMMITTEE ON ETHICS

JEAN LLOYD-JONES, Chairperson

S-5731 FILED APRIL 16, 1992

SENATE FILE 2359

S-5736

1 Amend Senate File 2359 as follows:

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

4 "DIVISION I

5 Section 1. Section 68B.1, Code 1991, is amended by
6 striking the section and inserting in lieu thereof the
7 following:

8 68B.1 LEGISLATIVE INTENT.

9 It is the intent of the general assembly to create
10 a system through which ethical issues, including
11 matters of conduct of public officials and public
12 employees and issues related to the financing of
13 campaigns of elected public officials on the state and
14 local level, may be addressed in a fair, nonpolitical,
15 and open manner and which will allow state and local
16 officials and employees to seek advice when in doubt
17 as to the ethical propriety of specific action. The
18 Iowa ethics and campaign finance board is therefore
19 established to serve as an instrument for discipline,
20 redress, and guidance for persons elected to or
21 employed in positions within the executive and
22 legislative branches of state government and for
23 persons elected to or employed in positions in local
24 government. The supreme court is required to
25 prescribe rules establishing a code of ethics which is
26 substantially similar to the provisions of this
27 chapter which shall apply to those persons who are
28 subject to the administrative or disciplinary
29 authority of the supreme court.

30 Sec. 2. Section 68B.2, Code 1991, is amended by
31 striking the section and inserting in lieu thereof the
32 following:

33 68B.2 DEFINITIONS.

34 As used in this chapter, unless the context
35 otherwise requires:

36 1. "Agency" means a department, division, board,
37 commission, bureau, or office of the executive or
38 legislative branch of state government, the office of
39 attorney general, the state board of regents,
40 community colleges, and the office of the governor,
41 including a regulatory agency, or any political
42 subdivision of the state.

43 2. "Anything of value" includes all of the
44 following:

45 a. A pecuniary item, including money, or a bank
46 bill or note.

47 b. A promissory note, bill of exchange, order,
48 draft, warrant, check, or bond given for the payment
49 of money.

50 c. A contract, agreement, promise, or other

S-5736

-1-

S-5736

Page 2

- 1 obligation for an advance conveyance, forgiveness of
2 indebtedness, deposit, distribution, loan payment,
3 gift, pledge, or transfer of money.
4 d. A stock, bond, note, or other investment
5 interest in an entity.
6 e. A receipt given for the payment of money or
7 other property.
8 f. A right in action.
9 g. A gift, tangible good, chattel, or an interest
10 in a gift, tangible good, or chattel.
11 h. A loan or forgiveness of indebtedness.
12 i. A work of art, antique, or collectible.
13 j. An automobile or other means of personal
14 transportation.
15 k. Real property or an interest in real property,
16 including title to realty, a fee simple or partial
17 interest, present or future, contingent or vested in
18 real property, a leasehold interest, or other
19 beneficial interest in real property.
20 l. An honorarium or compensation for services.
21 m. A rebate or discount unless the rebate or
22 discount is made in the ordinary course of business to
23 a member of the public without regard to that person's
24 status as a public official or public employee.
25 n. The sale or trade of something for reasonable
26 compensation that would ordinarily not be available to
27 a member of the public.
28 o. A promise or offer of employment.
29 p. Any other thing of value that is pecuniary or
30 compensatory in value to a person.
31 q. Any other thing determined to be of value in
32 rules adopted by the board.
33 3. "Board" means the Iowa ethics and campaign
34 finance board established in section 68B.10A.
35 4. "Candidate" means a candidate under chapter 56.
36 5. "Candidate's committee" means the committee
37 designated by the candidate, as provided under chapter
38 56, to receive contributions, expend funds, or incur
39 indebtedness on behalf of the candidate in the
40 aggregate as follows:
41 a. For a state, or county office, in excess of two
42 hundred fifty dollars in any calendar year.
43 b. For a city or school office, in excess of five
44 hundred dollars in any calendar year.
45 6. "Committee" includes a political committee and
46 a candidate's committee as defined in section 56.2.
47 7. "Compensation" means any money, thing of value,
48 or financial benefit conferred in return for services
49 rendered or to be rendered.
50 8. "Contribution" means a gift, loan, advance,

S-5736

-2-

S-5736

Page 3

1 deposit, rebate, refund, transfer of money, an in-kind
2 transfer, or the payment of compensation for the
3 personal services of another person.

4 9. a. "Gift" means a rendering of anything of
5 value in return for which legal consideration of equal
6 or greater value is not given and received, if the
7 donor is in any of the following categories:

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

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

12 (3) Has financial interests which may be
13 substantially and materially affected, in a manner
14 distinguishable from the public generally, by the
15 performance or nonperformance of the donee's official
16 duty.

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

19 b. However, "gift" does not mean any of the
20 following:

21 (1) Contributions to a candidate or a candidate's
22 committee.

23 (2) Informational material relevant to a public
24 servant's official functions, such as books,
25 pamphlets, reports, documents, or periodicals.

26 (3) Anything received from a person related within
27 the fourth degree by kinship or marriage, unless the
28 donor is acting as an agent or intermediary for
29 another person not so related.

30 (4) An inheritance.

31 (5) Anything available or distributed to the
32 public generally without regard to the official status
33 of the recipient.

34 (6) Actual expenses of a donee for food,
35 beverages, travel, and lodging for a meeting, which is
36 given in return for participation in a panel or
37 speaking engagement at the meeting when the expenses
38 relate directly to the day or days on which the donee
39 has participation or presentation responsibilities.

40 (7) Plaques or items of negligible resale value
41 given as recognition for public services.

42 (8) Items with a cumulative retail value of less
43 than three dollars that are received from any one
44 donor during one calendar day.

45 (9) Items solicited or given to any national or
46 regional organization in which states or political
47 subdivisions are members.

48 (10) Items received as part of a regularly
49 scheduled event that is part of a conference, seminar,
50 or other meeting that is sponsored and directed by any

S-5736

-3-

S-5736

Page 4

1 national or regional organization in which states or
2 political subdivisions are members.

3 10. a. "Honorarium" means anything of value that
4 is accepted by, or on behalf of, a public official or
5 public employee as consideration for an appearance,
6 speech, or article if the person giving the thing of
7 value is in any of the following categories:

8 (1) Is doing or seeking to do business of any kind
9 with the agency in which the public official or public
10 employee serves or is employed.

11 (2) Is engaged in activities which are regulated
12 or controlled by the public official's or public
13 employee's agency.

14 (3) Has financial interests which may be
15 substantially and materially affected, in a manner
16 distinguishable from the public generally, by the
17 performance or nonperformance of the public official's
18 or public employee's official duties.

19 (4) Is a lobbyist with respect to matters within
20 the public official's or public employee's
21 jurisdiction.

22 b. "Honorarium" does not include either of the
23 following:

24 (1) Actual expenses of a donee for food,
25 beverages, travel, and lodging paid as provided under
26 subsection 9, paragraph "b", subparagraph (6).

27 (2) A nonmonetary gift or series of nonmonetary
28 gifts donated within thirty days to a public body, a
29 bona fide educational or charitable organization, or
30 the department of general services as provided in
31 section 68B.7B, subsection 3.

32 11. "Immediate family members" means the spouse
33 and minor children of a public official or public
34 employee.

35 12. "Legislative employee" means a full-time
36 official or employee of the general assembly but does
37 not include members of the general assembly.

38 13. "Lobby" means to advocate the passage or
39 defeat of a measure.

40 14. a. "Lobbyist" means a person who does any of
41 the following:

42 (1) Is paid compensation for encouraging the
43 passage, defeat, or modification of legislation or
44 regulation, or for influencing the decision of the
45 members of the general assembly, a state agency, or
46 any statewide elected official.

47 (2) Represents on a regular basis an organization
48 which has as one of its purposes the encouragement of
49 the passage, defeat, or modification of legislation or
50 regulation, or the influencing of a decision of the

S-5736

S-5736

Page 5

- 1 members of the general assembly, a state agency, or
2 any statewide elected official.
- 3 b. "Lobbyist" does not mean:
- 4 (1) Officials and employees of a political party
5 organized in the state of Iowa representing more than
6 two percent of the total votes cast for governor in
7 the last preceding general election, but only when
8 representing the political party in an official
9 capacity.
- 10 (2) Representatives of the news media only when
11 engaged in the reporting and dissemination of news and
12 editorials.
- 13 (3) The governor and lieutenant governor of the
14 state of Iowa, all other statewide elected officials,
15 and elected federal officials.
- 16 (4) Persons whose activities are limited to formal
17 appearances to give testimony at public sessions of
18 committees of the general assembly or public hearings
19 of state agencies and whose appearances as a result of
20 testifying, are recorded in the records of the
21 committee or agency.
- 22 (5) A person who appears or communicates as a
23 lawyer licensed to practice law in this state
24 representing a client before any agency or in a
25 contested case proceeding under chapter 17A.
- 26 15. "Local employee" means a person employed by a
27 political subdivision of this state.
- 28 16. "Local official" means an officeholder of a
29 political subdivision of this state.
- 30 17. "Measure" means a bill, joint resolution,
31 concurrent resolution, amendment, nomination, or other
32 matter which has been proposed to or which is pending
33 before the general assembly or any of its committees
34 or subcommittees.
- 35 18. "Member of the general assembly" means an
36 individual duly elected to the senate or the house of
37 representatives of the state of Iowa.
- 38 19. "Official" means an officer of the state of
39 Iowa receiving a salary or per diem whether elected or
40 appointed or whether serving full-time or part-time
41 but does not include officers or employees of
42 political subdivisions of the state. "Official"
43 includes but is not limited to supervisory personnel,
44 members and employees of the governor's office,
45 members of other statewide elected offices, and
46 members of state agencies and does not include members
47 of the general assembly, legislative employees, or
48 officers or employees of the judicial branch of
49 government who are not members or employees of the
50 office of attorney general.

S-5736

-5-

S-5736

Page 6

1 20. "Person" means, without limitation, any
2 individual, corporation, business trust, estate,
3 trust, partnership or association, labor union, or any
4 other legal entity.

5 21. "Political committee" means political
6 committee as defined in section 56.2.

7 22. "Public disclosure" means a written report
8 filed with the board by a person as required by this
9 chapter or required by rules adopted by the board and
10 issued pursuant to this chapter.

11 23. "Public employee" means state employees,
12 legislative employees, and local employees.

13 24. "Public funds" means funds appropriated by the
14 general assembly or funds obtained from other tax
15 revenues of this state.

16 25. "Public office" means any state, county, city,
17 or school office or any other office of a political
18 subdivision of the state that is filled by election.

19 26. "Public official" means officials, local
20 officials, and members of the general assembly.

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

32 28. "State employee" means a paid employee of the
33 state of Iowa and does not include an independent
34 contractor, an employee of the judicial department, a
35 legislative employee, or an employee of a political
36 subdivision of the state. "State employee" includes
37 but is not limited to all clerical personnel.

38 Sec. 3. Section 68B.3, Code 1991, is amended by
39 striking the section and inserting in lieu thereof the
40 following:

41 68B.3 WHEN PUBLIC BIDS REQUIRED -- DISCLOSURE OF
42 INCOME FROM OTHER SALES.

43 1. An official, state employee, member of the
44 general assembly, or legislative employee shall not
45 sell, in any one occurrence, any goods or services
46 having a value in excess of five hundred dollars to
47 any state agency unless the sale is made pursuant to
48 an award or contract let after public notice and
49 competitive bidding. The board may, however, grant a
50 waiver of the requirements of this subsection upon a

S-5736

S-5736

Page 7

1 showing of good cause by the official, state employee,
2 member of the general assembly, or legislative
3 employee. This subsection shall not apply to the
4 publication of resolutions, advertisements, or other
5 legal propositions or notices in newspapers designated
6 pursuant to law for the publication of legal
7 propositions or notices and for which rates are fixed
8 pursuant to law.

9 For purposes of this section, "services" does not
10 include instruction at an accredited education
11 institution if the person providing the instruction
12 meets the minimum education and licensing requirements
13 established for teachers at the education institution.

14 2. An official, state employee, member of the
15 general assembly, or legislative employee who sells
16 goods or services to a political subdivision of the
17 state shall disclose whether income has been received
18 from commissions from the sales in the manner and on
19 forms provided by the board under section 68B.10F.

20 Sec. 4. NEW SECTION. 68B.4A SALES BY LEGISLATIVE
21 EMPLOYEES.

22 A full-time legislative employee shall not sell,
23 either directly or indirectly, any goods or services
24 to individuals, associations, or corporations which
25 employ persons who are registered lobbyists before the
26 general assembly, except when the legislative employee
27 has met all of the following conditions:

28 1. The consent of the person or persons
29 responsible for hiring or approving the hiring of the
30 legislative employee is obtained.

31 2. The duties and functions performed by the
32 legislative employee for the general assembly are not
33 related to the legislative authority of the general
34 assembly over the individual, association, or
35 corporation, or the selling of goods or services by
36 the legislative employee to the individuals,
37 associations, or corporations does not affect the
38 employee's duties or functions at the general
39 assembly.

40 3. The selling of any goods or services by the
41 legislative employee to an individual, association, or
42 corporation does not include lobbying of the general
43 assembly.

44 4. The selling of any goods or services by the
45 legislative employee does not cause the official or
46 employee to sell goods or services to the general
47 assembly on behalf of the individual, association, or
48 corporation.

49 Sec. 5. NEW SECTION. 68B.4B SALES BY MEMBERS OF
50 THE OFFICE OF THE GOVERNOR.

S-5736

-7-

S-5736

Page 8

1 A full-time member of the office of the governor
2 shall not sell, either directly or indirectly, any
3 goods or services to individuals, associations, or
4 corporations which employ persons who are registered
5 lobbyists before the general assembly, except when the
6 member of the office of the governor has met all of
7 the following conditions:

8 1. The consent of the person or persons
9 responsible for hiring or approving the hiring of the
10 member of the office of the governor is obtained.

11 2. The duties and functions performed by the
12 member for the office of the governor are not related
13 to the authority of the office of the governor over
14 the individual, association, or corporation, or the
15 selling of goods or services by the member of the
16 office of the governor to the individuals,
17 associations, or corporations does not affect the
18 member's duties or functions at the office of the
19 governor.

20 3. The selling of any goods or services by the
21 member of the office of the governor to an individual,
22 association, or corporation does not include lobbying
23 of the office of the governor.

24 4. The selling of any goods or services by the
25 member of the office of the governor does not cause
26 the member to sell goods or services to the office of
27 the governor on behalf of the individual, association,
28 or corporation.

29 Sec. 6. Section 68B.5, Code 1991, is amended by
30 striking the section and inserting in lieu thereof the
31 following:

32 68B.5 TWO-YEAR BAN ON LOBBYING ACTIVITIES AFTER
33 SERVICE.

34 1. A person who has served as an official, state
35 employee, member of the general assembly, or
36 legislative employee shall not within two years after
37 the termination of service or employment become a
38 lobbyist.

39 2. Upon application, the board may grant a waiver
40 to permit a state employee or legislative employee to
41 become a lobbyist if the board finds that there exists
42 no potential for use of undue influence or unfair
43 advantage by the former employee based upon the nature
44 and extent of the prior governmental service of the
45 former employee.

46 3. This section shall not apply to a person who is
47 a former official, state employee, member of the
48 general assembly, or legislative employee who, within
49 two years of leaving service or employment with the
50 state, is elected to another office of the state or to

S-5736

-8-

S-5736

Page 9

1 an office of a political subdivision of the state and
2 appears or communicates on behalf of that office.

3 Sec. 7. Section 68B.6, Code 1991, is amended to
4 read as follows:

5 68B.6 SERVICES AGAINST STATE PROHIBITED.

6 No official, state employee, or legislative
7 employee shall receive, directly or indirectly, or
8 enter into any agreement, express or implied, for any
9 compensation, in whatever form, for the appearance or
10 rendition of services by that person or another
11 against the interest of the state in relation to any
12 case, proceeding, application, or other matter before
13 any state agency, any court of the state of Iowa, any
14 federal court, or any federal bureau, agency,
15 commission or department.

16 Sec. 8. NEW SECTION. 68B.6A USE OF PUBLIC FUNDS
17 --GOVERNMENT LOBBYING PROHIBITED.

18 Public funds shall not be used to lobby. This
19 provision does not prohibit the use of public funds
20 for dissemination of factual information relative to a
21 measure upon the request of the chairperson of the
22 appropriate standing committee or subcommittee of the
23 general assembly, or upon the request of an elected
24 member of the general assembly.

25 Lobbying by a government employee, other than an
26 elected official or the elected official's designee,
27 at a time when the employee is on official business or
28 is performing duties for which the employee receives a
29 salary paid with public funds, constitutes a use of
30 public funds prohibited by this section.

31 A person who violates this section is guilty of a
32 serious misdemeanor.

33 Sec. 9. Section 68B.7, unnumbered paragraph 1,
34 Code 1991, is amended to read as follows:

35 No A person who has served as an official, or state
36 employee of a state agency, member of the general
37 assembly, or legislative employee shall not within a
38 period of two years after the termination of such
39 service or employment appear before such-state the
40 agency or receive compensation for any services
41 rendered on behalf of any person, firm, corporation,
42 or association in relation to any case, proceeding, or
43 application with respect to which such the person was
44 directly concerned and personally participated during
45 the period of service or employment.

46 DIVISION II

47 Sec. 10. NEW SECTION. 68B.7A LEGISLATIVE INTENT.

48 It is the goal of the general assembly that public
49 officials and public employees of the state be
50 extremely cautious and circumspect about accepting a

S-5736

-9-

S-5736

Page 10

1 gratuity or favor, especially from persons that have a
2 substantial interest in the legislative,
3 administrative, or political actions of the official
4 or employee. Even where there is a genuine personal
5 friendship, the acceptance of personal benefits from
6 those who could gain advantage by influencing official
7 actions raises suspicions that tend to undermine the
8 public trust. It is therefore the intent of the
9 general assembly that the provisions of this division
10 be construed to discourage all gratuities, but to
11 prohibit only those that create unacceptable conflicts
12 of interest or appearances of impropriety.

13 Sec. 11. NEW SECTION. 68B.7B GIFTS ACCEPTED OR
14 RECEIVED.

15 1. Except as otherwise provided in this section, a
16 public official, public employee, or candidate, or
17 that person's immediate family member shall not,
18 directly or indirectly, accept or receive any gift or
19 series of gifts.

20 2. Except as otherwise provided in this section, a
21 person shall not, directly or indirectly, offer or
22 make a gift or a series of gifts to a public official,
23 public employee, or candidate. Except as otherwise
24 provided in this section, a person shall not, directly
25 or indirectly, join with one or more other persons to
26 offer or make a gift or a series of gifts to a public
27 official, public employee, or candidate.

28 3. A person may give, and a public official,
29 public employee, or candidate, or the person's
30 immediate family member, may accept a nonmonetary gift
31 or a series of nonmonetary gifts and not be in
32 violation of this section if the nonmonetary gift or
33 series of nonmonetary gifts is donated within thirty
34 days to a public body, the department of general
35 services, or a bona fide educational or charitable
36 organization, if no part of the net earnings of the
37 educational or charitable organization inures to the
38 benefit of any private stockholder or other
39 individual. All such items donated to the department
40 of general services shall be disposed of by assignment
41 to state agencies for official use or by public sale.

42 4. Gifts of food and drink, with an annual
43 cumulative value of thirty-five dollars or less per
44 donee, consumed in the presence of the donor, may be
45 received or accepted from any one donor by a public
46 official, public employee, candidate, or member of the
47 person's immediate family provided that the person
48 receiving or accepting the gifts of food and drink
49 reports the receipt or acceptance of any items
50 received at any one time in the manner provided by the

S-5736

-10-

S-5736

Page 11

1 board. Gifts given to or received by a member of a
2 public official's, public employee's, or candidate's
3 immediate family shall be deemed to have been given to
4 the public official, public employee, or candidate,
5 for purposes of calculating the amount of gifts
6 received. All gifts made by a lobbyist or other
7 representative of an organization shall be deemed to
8 have been made by the lobbyist or the representative
9 and the client, organization, and any affiliate of the
10 client or organization that the lobbyist or the
11 representative represents.

12 5. Gifts of food, beverages, travel, and lodging
13 which would otherwise be prohibited may be received by
14 a public official or public employee if:

15 a. The public official or public employee is
16 officially representing an agency in a delegation
17 whose sole purpose is to attract a specific new
18 business to locate in the state or encourage expansion
19 or retention of an existing business already
20 established in the state.

21 b. The donor of the gifts is not the business
22 being contacted.

23 c. The public official or public employee makes a
24 planned presentation to the business on behalf of the
25 public official's or public employee's agency.

26 d. A report of the gifts received by the public
27 official or public employee is filed with the board.
28 The board shall adopt rules regarding the
29 confidentiality of the report.

30 6. A public official, public employee, candidate,
31 or the person's immediate family member shall not
32 solicit any gift or series of gifts at any time.

33 7. A person shall not request, and a member of the
34 general assembly shall not agree, that a member of the
35 general assembly sell tickets for a community related
36 social event that is to be held for members of the
37 general assembly in Polk county during the legislative
38 session. This section shall not apply to Polk county
39 or city of Des Moines events that are open to the
40 public generally or are held only for Polk county or
41 city of Des Moines legislators.

42 Sec. 12. NEW SECTION. 68B.7C HONORARIA --
43 EXPENSES.

44 1. A public official or public employee shall not
45 seek or accept an honorarium as defined in section
46 68B.2. This section does not prohibit a public
47 official or public employee from accepting an
48 honorarium from a governmental entity from another
49 state, from a university from another state, or from a
50 nonprofit educational or civic institution from

S-5736

-11-

S-5736

Page 12

1 another state, provided that the amount paid is
2 reasonable and commensurate with the services to be
3 performed and that the circumstances under which the
4 services are to be performed do not create a conflict
5 of interest or appearance of impropriety.

6 2. A public official or public employee may accept
7 an honorarium otherwise prohibited under subsection 1,
8 if, prior to the receipt of the honorarium, the board
9 grants the person a waiver of the requirements of this
10 section that is based upon a finding that the offering
11 and acceptance of the honorarium meets all of the
12 following conditions:

13 a. The amount of the honorarium is reasonable and
14 commensurate with the services to be performed.

15 b. The receipt of the honorarium will not create
16 the appearance of impropriety.

17 c. The receipt of the honorarium will not create a
18 conflict of interest for the official or employee.

19 d. The public official or public employee is not
20 being invited primarily because of the person's office
21 or particular position of employment but, because of
22 some special expertise or other qualification.

23 3. Honoraria received under subsection 2 shall be
24 disclosed in the manner provided by the board under
25 section 68B.10B, subsection 2.

26 Sec. 13. NEW SECTION. 68B.7D LOANS -- RECEIPT
27 FROM LOBBYISTS PROHIBITED.

28 A public official, public employee, or candidate
29 shall not, directly or indirectly, seek or accept a
30 loan or series of loans from a person who is a
31 lobbyist.

32 A lobbyist shall not, directly or indirectly, offer
33 or make a loan or series of loans to a public
34 official, public employee, or candidate. A lobbyist
35 shall also not, directly or indirectly, join with one
36 or more persons to offer or make a loan or series of
37 loans to a public official, public employee, or
38 candidate.

39 Sec. 14. Section 68B.8, Code 1991, is amended to
40 read as follows:

41 68B.8 ADDITIONAL PENALTY.

42 In addition to any penalty contained in any other
43 provision of law, a person who knowingly and
44 intentionally violates a provision of ~~section 68B.3 to~~
45 ~~68B.6~~ sections 68B.3 through 68B.7C is guilty of a
46 serious misdemeanor and may be reprimanded, suspended,
47 or dismissed from the person's position or otherwise
48 sanctioned.

49 DIVISION III

50 Sec. 15. Section 68B.10, Code 1991, is amended to

S-5736

-12-

S-5736

Page 13

1 read as follows:

2 68B.10 LEGISLATIVE ETHICS COMMITTEE.

3 1. There shall be an ethics committee in the
4 senate and an ethics committee in the house, each to
5 consist of ~~seven~~ six members; three members to be
6 appointed by the majority leader in each house, two
7 and three members by the minority leader in each house
8 ~~and two individuals who shall not be employees of the~~
9 ~~general assembly by the chief justice of the Iowa~~
10 ~~supreme court.~~ A member of the ethics committee may
11 disqualify himself or herself from participating in
12 any proceeding upon submission of a written statement
13 that the member cannot render an impartial and
14 unbiased decision in a case. A member is ineligible
15 to participate in committee meetings, as a member of
16 the committee, in any proceeding relating to the
17 member's own conduct. A member may be disqualified by
18 a unanimous vote of the remaining eligible members of
19 the committee. If a member of the ethics committee is
20 disqualified from or is ineligible to participate in
21 any committee proceedings, the authority responsible
22 for the original appointment of the disqualified or
23 ineligible member shall appoint a replacement member
24 who shall serve during the period of the original
25 member's disqualification or ineligibility.

26 ~~The two individuals appointed by the chief justice~~
27 ~~of the supreme court shall receive a per diem as~~
28 ~~specified in section 7E.6 and travel expenses at the~~
29 ~~same rate as paid members of interim committees for~~
30 ~~attending meetings of the ethics committee.~~

31 2. ~~Members of the general assembly shall receive a~~
32 ~~per diem as specified in section 7E.6 and travel~~
33 ~~expenses at the same rate as paid members of interim~~
34 ~~committees for attending meetings held when the~~
35 ~~general assembly is not in session. The per diem and~~
36 ~~expenses shall be paid from funds appropriated by~~
37 ~~section 2.12.~~

38 ~~The president pro tempore of the senate is~~
39 ~~designated as chairperson of the senate committee.~~

40 3. The house committee of each house shall elect a
41 chairperson. The chairperson of each committee shall
42 have the following powers, duties and functions:

43 a. Preside over meetings of the committee.

44 b. Call meetings of the committee upon receipt of
45 recommendations from the board relating to findings of
46 ethical violations of members of the general assembly.

47 4. The ethics committee of each house shall have
48 the following powers, duties, and functions:

49 ~~1. Prepare a code of ethics within thirty days~~
50 ~~after the commencement of the session.~~

S-5736

-13-

S-5736

Page 14

1 ~~---2---Prepare-rules-relating-to-lobbyists-and~~
2 ~~lobbying-activities-in-the-general-assembly.~~
3 ~~---3---Issue-advisory-opinions-interpreting-the-intent~~
4 ~~of-constitutional-and-statutory-provisions-relating-to~~
5 ~~legislators-and-lobbyists-as-well-as-interpreting-the~~
6 ~~code-of-ethics-and-rules-issued-pursuant-to-this~~
7 ~~section:--Opinions-shall-be-issued-when-approved-by-a~~
8 ~~majority-of-the-seven-members-and-may-be-issued-upon~~
9 ~~the-written-request-of-a-member-of-the-general~~
10 ~~assembly-or-upon-the-committee's-initiation:--Opinions~~
11 ~~are-not-binding-on-the-legislator-or-lobbyist.~~

12 ~~---4. a. Receive and investigate complaints and~~
13 ~~charges-against-members-of-its-house-alleging-a~~
14 ~~violation-of-the-code-of-ethics, rules-governing~~
15 ~~lobbyists, this chapter, or other matters referred to~~
16 ~~it by its house or the board. The committee shall~~
17 ~~recommend rules for the receipt and processing of~~
18 ~~complaints-made recommendations received relating to~~
19 ~~findings of ethical violations of members of the~~
20 ~~general assembly during the legislative session and~~
21 ~~those made received after the general assembly~~
22 ~~adjourns.~~

23 5 b. Recommend legislation relating to legislative
24 ethics and lobbying activities.

25 PARAGRAPH DIVIDED. The ethics committees may
26 employ independent legal counsel to assist them in
27 carrying out their duties under this chapter with the
28 approval of a committee's house when the general
29 assembly is in session and with the approval of the
30 rules-and-administration committee charged with the
31 responsibility for the administration of that house
32 when the general assembly is not in session. Payment
33 of costs for the independent legal counsel shall be
34 made from section 2.12.

35 ~~The-code-of-ethics-and-rules-relating-to-lobbyists~~
36 ~~and-lobbying-activities-shall-not-become-effective~~
37 ~~until-approved-by-the-members-of-the-house-to-which~~
38 ~~the-proposed-code-and-rules-apply.--The-code-or-rules~~
39 ~~may-be-amended-either-upon-the-recommendation-of-the~~
40 ~~ethics-committee-or-by-members-of-the-general~~
41 ~~assembly.~~

42 Violation of the code of ethics or recommendations
43 received from the board may result in censure,
44 reprimand, or other sanctions as determined by a
45 majority of the member's house. However, a member may
46 be suspended or expelled and the member's salary
47 forfeited only if directed by a two-thirds vote of the
48 member's house. A suspension, expulsion, or
49 forfeiture of salary shall be for the duration
50 specified in the directing resolution. However, it

S-5736

-14-

S-5736

Page 15

1 shall not extend beyond the end of the general
2 assembly during which the violation occurred.
3 ~~Violation of a rule relating to lobbyists and lobbying~~
4 ~~activities may result in censure, reprimand, or other~~
5 ~~sanctions as determined by a majority of the members~~
6 ~~of the house in which the violation occurred.~~
7 ~~However, a lobbyist may be suspended from lobbying~~
8 ~~activities for the duration provided in the directing~~
9 ~~resolution only if directed by a two-thirds vote of~~
10 ~~the house in which the violation occurred.~~

11 Sec. 16. NEW SECTION. 68B.10A IOWA ETHICS AND
12 CAMPAIGN FINANCE BOARD -- ESTABLISHED.

13 1. An Iowa ethics and campaign finance board is
14 established as an independent agency. Effective
15 January 1, 1993, the board shall administer and set
16 standards for, investigate complaints relating to, and
17 monitor the ethics and campaign finance practices of
18 officials and employees in the executive and
19 legislative branches of state government, of local
20 officials and employees in local government, and of
21 candidates for public office, and monitor and set
22 standards for the conduct of lobbyists. The board
23 shall consist of twelve members of the general public
24 who shall be appointed as follows:

25 a. Four members to be appointed by the governor,
26 not more than two of whom shall be of the same gender
27 or political party. One of the members shall be a
28 former elected public official.

29 b. Four members, one of whom shall be a member of
30 the majority party appointed by the president of the
31 senate, one of whom shall be a member of the minority
32 party appointed by the minority leader of the senate,
33 one of whom shall be a member of the majority party
34 appointed by the speaker of the house of
35 representatives, and one of whom shall be a member of
36 the minority party appointed by the minority leader of
37 the house of representatives. Not more than two of
38 the members appointed under this paragraph shall be of
39 the same gender. One of the members shall be a former
40 elected public official.

41 c. Four members to be appointed by the chief
42 justice of the supreme court, not more than two of
43 whom shall be of the same gender or political party.
44 One of the members shall be a former elected public
45 official.

46 2. Members shall serve staggered six-year terms
47 beginning and ending as provided in section 69.19.
48 Any vacancy on the board shall be filled by
49 appointment for the unexpired portion of the term,
50 within ninety days of the vacancy and in accordance

S-5736

-15-

S-5736

Page 16

1 with the procedures for regular appointments. A
2 member of the board may be reappointed to serve
3 additional terms on the board. However, no member
4 shall serve more than two full terms on the board.
5 Members may be removed in the manner provided in
6 chapter 69. A member or employee of the board shall
7 also meet all of the following criteria:

8 a. The member or employee shall not hold or be a
9 candidate for any other public office while the person
10 is a member or employee of the board.

11 b. The member or employee shall not hold office in
12 any political party or political committee or
13 candidate's committee.

14 c. The member shall not be an employee of or be
15 directly responsible to the member's appointing
16 authority. An employee of the board shall not be an
17 employee of or be directly responsible to the
18 governor, the supreme court, or the general assembly.

19 3. The board shall annually elect one member to
20 serve as the chairperson of the board and one member
21 to serve as vice chairperson. The vice chairperson
22 shall act as the chairperson in the absence or
23 disability of the chairperson or in the event of a
24 vacancy in that office. The chairperson shall, in
25 addition to other responsibilities assigned by the
26 board, be responsible for calling for and presiding at
27 regular meetings or special proceedings of the board.
28 Seven members of the board shall constitute a quorum.
29 An affirmative vote of a majority of the members of
30 the board is required for any official action or
31 recommendation of the full board. The quorum and
32 voting requirements shall not, however, preclude the
33 formation of subcommittees of the board for purposes
34 of developing and making recommendations to the full
35 board for official action.

36 4. Members of the board shall receive a per diem
37 as specified in section 7E.6 while conducting business
38 of the board, and payment of actual and necessary
39 expenses incurred in the performance of their duties.
40 Members of the board shall file statements of
41 financial interest under section 68B.10F.

42 5. The board shall employ a full-time executive
43 secretary who shall be the board's chief
44 administrative officer. The board shall employ or
45 contract for the employment of legal counsel
46 notwithstanding section 13.7, and any other personnel
47 as may be necessary to carry out the duties of the
48 board. The board's legal counsel shall be the chief
49 legal officer of the board, shall advise the board on
50 all legal matters, and, upon the instructions of the

S-5736

-16-

S-5736

Page 17

1 board, may commence any actions as may be appropriate.
2 Notwithstanding section 19A.3, all of the board's
3 employees, except for the executive secretary and
4 legal counsel, shall be employed subject to the merit
5 system provisions of chapter 19A.

6 Sec. 17. NEW SECTION. 68B.10B DUTIES OF THE
7 BOARD.

8 The duties of the board shall include, but are not
9 limited to, all of the following:

10 1. Adopt rules pursuant to chapter 17A and conduct
11 hearings under section 68B.10C and chapter 17A, as
12 necessary to carry out the purposes of this chapter
13 and chapter 56.

14 2. Develop, prescribe, furnish, and distribute any
15 forms necessary for the implementation of the
16 procedures contained in this chapter and chapter 56
17 for the filing of reports and statements by persons
18 required to file the reports and statements under this
19 chapter and chapter 56.

20 3. Review the contents of all disclosure reports
21 and statements filed with the board and promptly
22 advise each person or committee of errors found. The
23 board may verify information contained in the reports
24 with other parties to assure accurate disclosure. The
25 board, upon its own motion, may initiate action and
26 conduct a hearing relating to requirements under this
27 chapter or chapter 56. The board may require a county
28 commissioner of elections to periodically file summary
29 reports with the board.

30 4. Prepare and publish a manual setting forth
31 examples of approved uniform systems of accounts and
32 approved methods of disclosure for use by persons
33 required to file statements and reports under this
34 chapter and chapter 56. The board shall also prepare
35 and publish other educational materials, and any other
36 reports or materials deemed appropriate by the board,
37 and conduct regular educational programs for public
38 officials and employees, lobbyists, and candidates for
39 public office relating to the requirements imposed
40 upon public officials and employees, lobbyists, and
41 candidates for public office under this chapter and
42 chapter 56. The board shall at least annually provide
43 all public officials and public employees with
44 notification of the contents of this chapter and
45 chapter 56 by distributing copies of educational
46 materials to associations that represent the interests
47 of the various governmental entities for dissemination
48 to their membership.

49 5. Assure that the statements and reports which
50 have been filed in accordance with this chapter and

S-5736

-17-

S-5736

Page 18

1 chapter 56 are available for public inspection and
2 copying during the regular office hours of the office
3 in which they are filed and not later than by the end
4 of the day during which a report or statement was
5 received. Rules adopted relating to public inspection
6 and copying of statements and reports may include a
7 charge for any copying and mailing of the reports and
8 statements, shall provide for the mailing of copies
9 upon the request of any person and upon prior receipt
10 of payment of the costs by the board, and shall
11 prohibit the use of the information copied from
12 reports and statements for soliciting contributions or
13 for any commercial purpose by any person other than
14 statutory political committees.

15 6. Require that the candidate of a candidate's
16 committee, or the chairperson of a political
17 committee, is responsible for filing disclosure
18 reports under chapter 56, and shall receive notice
19 from the board if the committee has failed to file a
20 disclosure report at the time required under chapter
21 56. A candidate of a candidate's committee, or the
22 chairperson of a political committee may be subject to
23 a civil penalty for failure to file a disclosure
24 report required under section 56.6, subsection 1.

25 7. Establish and impose penalties, and
26 recommendations for punishment of persons who are
27 subject to penalties of or punishment by the board or
28 by other bodies, for the failure to comply with the
29 requirements of this chapter or chapter 56.

30 8. Determine, in case of dispute, at what time a
31 person has become a candidate.

32 9. Preserve reports and statements filed with the
33 board for a period of five years from the date of
34 receipt.

35 10. Establish a procedure for requesting and
36 issuing formal and informal board opinions to persons
37 subject to the authority of the board under this
38 chapter or chapter 56. Advice contained in formal
39 board opinions shall, if followed, constitute a
40 defense to a complaint alleging a violation of this
41 chapter, chapter 56, or rules of the board that is
42 based on the same facts and circumstances.

43 11. Establish rules relating to ethical conduct
44 for persons holding a public office of the state or a
45 political subdivision, including candidates, and for
46 employees of the legislative and executive branch of
47 state government and of political subdivisions of the
48 state and regulations governing the conduct of
49 lobbyists, including but not limited to conflicts of
50 interest, abuse of office, misuse of public property,

S-5736

-18-

S-5736

Page 19

1 use of confidential information, participation in
2 matters in which a public official or employee has a
3 financial interest, and rejection of improper offers.
4 12. Establish fees, where necessary, to cover the
5 costs associated with preparing, printing, and
6 distributing materials to persons subject to the
7 authority of the board.

8 Sec. 18. NEW SECTION. 68B.10C COMPLAINTS --
9 PROCEDURE.

10 1. Any person may file a complaint alleging that a
11 public official, public employee, candidate for public
12 office, or a lobbyist has committed a violation of
13 this chapter, chapter 56, or the rules adopted by the
14 board. The board shall prescribe and provide forms
15 for this purpose. The complaint shall include the
16 name and address of the complainant and a statement of
17 the facts believed to be true that form the basis of
18 the complaint, including the sources of information
19 and approximate dates of the acts alleged and a
20 certification by the complainant under penalty of
21 perjury that the facts stated to be true are true to
22 the best of the complainant's knowledge.

23 2. Unless the chairperson of the board concludes
24 that immediate notification would prejudice a
25 preliminary investigation or subject the complainant
26 to an unreasonable risk, a copy of the complaint, upon
27 the filing of the complaint, shall be mailed to the
28 party charged with a violation. If a determination is
29 made by the chairperson not to notify the party
30 charged within a period of ten days after the filing
31 of the complaint of the existence and the filing of
32 the complaint, the board must approve and establish
33 the time and conditions under which the party charged
34 will be informed of the filing and contents of the
35 complaint.

36 3. a. The board staff shall review the complaint
37 to determine if the complaint meets the requirements
38 for formal sufficiency. If the complaint is
39 deficient, the complaint shall be returned to the
40 complainant with a statement of the nature of the
41 deficiency. If the complaint is sufficient as to
42 form, the complaint shall be evaluated by legal
43 counsel for the board.

44 b. The board's legal counsel shall advise the
45 chairperson of the board whether the complaint states
46 a valid charge which may be investigated. A valid
47 complaint must allege all of the following:

48 (1) Facts, that if true, establish a violation of
49 a provision of this chapter, chapter 56, or the rules
50 adopted by the board for which civil penalties or

S-5736

-19-

S-5736

Page 20

1 other remedies are provided.

2 (2) That the conduct providing the basis for the
3 complaint occurred within three years of the
4 complaint.

5 (3) That the party charged with a violation is a
6 party subject to the jurisdiction of the board.

7 c. Upon receiving legal counsel's evaluation of
8 the validity of the complaint, the chairperson shall
9 refer the complaint to the board, in the manner
10 provided under rules adopted by the board, for a
11 determination of the substantive validity of the
12 complaint.

13 d. If the board determines the complaint is not
14 valid, the complaint shall be dismissed and returned
15 to the complainant with a notice of dismissal stating
16 the reason or reasons for the dismissal. If the board
17 determines that the complaint is valid it shall be
18 referred to the board staff for investigation.

19 e. The board may also, without the filing of a
20 complaint, initiate investigations on the board's own
21 motion into matters subject to the board's
22 jurisdiction.

23 4. The purpose of an investigation by the board
24 and board staff is to determine whether there is
25 probable cause to proceed with an adjudicatory hearing
26 on the matter. In conducting investigations and
27 holding hearings, the board may require by subpoena
28 the attendance and testimony of witnesses and may
29 subpoena books, papers, records, and any other real
30 evidence relating to the matter before the board. The
31 board shall have the additional authority provided in
32 section 17A.13. Hearings conducted by the board shall
33 be conducted in the manner prescribed in section
34 17A.12. The rules of evidence applicable under
35 section 17A.14 shall also apply in hearings conducted
36 by the board. A preponderance of clear and convincing
37 evidence shall be required to support a finding that
38 the person, candidate, or committee has committed a
39 violation. If a complaint is filed or initiated less
40 than ninety days before the election for a public
41 office, for which the person named in the complaint is
42 the incumbent officeholder or is a candidate, the
43 board shall, if possible, set the hearing at the
44 earliest available date so as to allow the issue to be
45 resolved before the election. An extension of time
46 for a hearing may be granted when both parties
47 mutually agree on an alternate date for the hearing.
48 Parties to a complaint may, subject to the approval of
49 the board, negotiate for settlement of disputes that
50 are before the board. Terms of any negotiated

S-5736

-20-

S-5736

Page 21

1 settlements shall be publicly recorded.

2 5. The board shall maintain the confidentiality of
3 a complaint unless either the complainant or the
4 alleged violator publicly discloses the existence of a
5 complaint or a preliminary investigation. The board,
6 upon such a disclosure by the complainant or the
7 alleged violator, may publicly confirm the existence
8 of the preliminary inquiry and, in the board's
9 discretion, make public the complaint and any
10 documents which were issued to either party to the
11 complaint. The board's investigations and
12 deliberations relating to probable cause
13 determinations shall be confidential. However,
14 investigative materials may be furnished to the proper
15 prosecutorial authorities by the board. If the board
16 determines, at any stage in the proceedings that take
17 place prior to hearing, that the complaint is
18 groundless, the complaint shall be dismissed and the
19 complainant and the party charged shall be notified.
20 If, after investigation, the board determines evidence
21 exists which, if believed, would support a finding of
22 a violation of this chapter, chapter 56, or the rules
23 adopted by the board, a finding of probable cause
24 shall be made, and hearing shall be ordered. The
25 determination of probable cause, notice of hearing,
26 and final decision of the board shall be public
27 records. After the determination of probable cause,
28 all adjudicatory proceedings of the board, except for
29 the deliberations of the board on the evidence, shall
30 be public. The board may impose a civil penalty not
31 to exceed two thousand dollars upon a person who
32 violates the confidentiality of proceedings or records
33 provided for in this section. If the board determines
34 that a complaint is frivolous or has been filed in bad
35 faith, the board may order the complainant to pay the
36 costs of the proceeding and may impose a civil penalty
37 not to exceed two thousand dollars.

38 6. The board shall determine what role legal
39 counsel for the board shall assume in the conducting
40 of investigations. In addition, upon the request of
41 the board, an appropriate county attorney or the
42 attorney general shall assist the board in any
43 investigation. At board hearings, the complaint shall
44 be prosecuted by legal counsel unless, upon the
45 request of the board, the complaint is prosecuted by
46 the attorney general.

47 7. Upon a finding by the board that the party
48 charged has engaged in an act or practice that
49 violates this chapter, chapter 56, or rules adopted by
50 the board, the board shall proceed as provided under

S-5736

-21-

S-5736

Page 22

1 section 68B.10D. Upon a finding that the party
2 charged has not engaged in an act or practice which
3 violates this chapter, chapter 56, or the rules
4 adopted by the board, the complaint shall be dismissed
5 and the party charged and the complainant shall be
6 notified.

7 8. The right of an appropriate county attorney or
8 the attorney general to commence and maintain a
9 district court prosecution for criminal violations of
10 the law is unaffected by any proceedings under this
11 section.

12 9. The board shall by rule pursuant to chapter 17A
13 establish procedures to implement this section.

14 Sec. 19. NEW SECTION. 68B.10D PENALTIES --
15 RECOMMENDED ACTIONS.

16 The board, after a hearing and upon a finding by a
17 preponderance of clear and convincing evidence that a
18 violation of a provision of this chapter, chapter 56,
19 or rules adopted by the board has occurred, may do one
20 or more of the following:

21 1. Issue an order requiring the violator to cease
22 and desist from the violation found.

23 2. Issue an order requiring the violator to file
24 any report, statement or other information as required
25 by this chapter, chapter 56, or rules adopted by the
26 board.

27 3. Publicly reprimand the violator for violations
28 of this chapter, chapter 56, or rules adopted by the
29 board in writing and provide a copy of the reprimand
30 to the violator's appointing authority.

31 4. Make a written recommendation to the violator's
32 appointing authority that the violator be removed or
33 suspended from office, and include in the
34 recommendation the length of the suspension.

35 5. If the violator is a member of the general
36 assembly, make a written recommendation to the house
37 of which the violator is a member that the legislator
38 be censured, reprimanded, suspended, expelled from
39 office, or recommend other sanctions as deemed
40 appropriate by the board.

41 6. If the violator is an elected official other
42 than an official who can only be removed by
43 impeachment, make a written recommendation to the
44 attorney general or the appropriate county attorney
45 that an action for removal from office be initiated
46 pursuant to chapter 66.

47 7. If the violator is a lobbyist, censure,
48 reprimand, or impose other sanctions deemed
49 appropriate by the board. A lobbyist may also be
50 suspended from lobbying activities if the board finds

S-5736

S-5736

Page 23

1 that suspension is an appropriate sanction for the
2 violation committed.

3 8. Issue an order requiring the violator to pay a
4 civil penalty of not more than two thousand dollars
5 for each violation of this chapter, chapter 56, or
6 rules adopted by the board.

7 9. Refer the complaint and supporting information
8 to the attorney general or appropriate county attorney
9 with a recommendation for prosecution or enforcement
10 of criminal penalties.

11 If a person fails to comply with an order of the
12 board under subsection 1, 2, or 8, the board may
13 petition the district court having jurisdiction for an
14 order for enforcement of the order of the board. The
15 enforcement proceeding shall be conducted as provided
16 in section 68B.10E.

17 Sec. 20. NEW SECTION. 68B.10E JUDICIAL REVIEW --
18 ENFORCEMENT.

19 Judicial review of the actions of the board may be
20 sought in accordance with chapter 17A. Judicial
21 enforcement of orders of the board may be sought in
22 accordance with chapter 17A.

23 Sec. 21. NEW SECTION. 68B.10F PERSONAL FINANCIAL
24 DISCLOSURE -- CONTENTS OF STATEMENT.

25 1. A candidate for public office shall file a
26 statement of financial interests with the board
27 concerning the calendar year preceding the year in
28 which the election is to be held for which the
29 candidate has filed. The statement shall be filed no
30 later than thirty days after the date on which the
31 person formally becomes a candidate. Public officials
32 and certain employees shall also, if required by the
33 board by rule, file a statement of financial interests
34 for the preceding year with the board in the manner
35 and at times provided by the board.

36 2. The board shall adopt rules providing for the
37 disclosure of sources of income and significant
38 financial interests of all public officials. The
39 rules shall establish standards for different levels
40 of disclosure of sources of income and significant
41 financial interests depending upon the nature and size
42 of the political subdivision of the state that the
43 official represents and the level of responsibility or
44 authority of the office which is held. Rules may
45 provide for a waiver of personal financial disclosure
46 for county or local elected officials, or any other
47 persons who, as defined in the rules of the board, do
48 not occupy a position involving a substantial and
49 material exercise of administrative discretion in the
50 formulation of public policy, expenditure of public

S-5736

-23-

S-5736

Page 24

1 funds, enforcement of laws and rules of the state, or
2 the execution of any other public trust, including
3 appointees to boards, commissions, councils, and
4 committees.

5 Sec. 22. NEW SECTION. 68B.10G APPLICABILITY --
6 LOBBYIST REGISTRATION REQUIRED.

7 1. All lobbyists shall, on or before the day their
8 lobbying activity begins, register with the board by
9 filing a lobbyist's registration statement on forms
10 approved by the board. Lobbyists engaged in lobbying
11 activities before the general assembly, the office of
12 the governor, or any state agency, may file the
13 statement with the chief clerk of the house of
14 representatives, secretary of the senate, the office
15 of the governor, or any state agency. The board shall
16 provide appropriate registration forms to the general
17 assembly, the office of the governor, and state
18 agencies. Persons receiving registration statement
19 filings from lobbyists shall forward a copy of the
20 statements to the board. The board shall forward
21 copies of the statements to the entities for which
22 each lobbyist is registered to lobby.

23 2. Registration shall be valid from the date of
24 registration until the expiration of the registration
25 period for the type of lobbying in which the person
26 will be engaging. Any change in or addition to the
27 information shall be registered with the board within
28 ten days after the change or addition is known to the
29 lobbyist.

30 3. For persons registered to lobby before the
31 general assembly, registration expires upon the
32 commencement of the next regular session of the
33 general assembly, except that the board may adopt and
34 implement a reasonable preregistration procedure in
35 advance of each regular session during which persons
36 may register for that session and the following
37 legislative interim. For persons registered to lobby
38 before the office of the governor or a state agency,
39 registration expires upon the commencement of a new
40 calendar year. The board may adopt and implement a
41 reasonable preregistration procedure in advance of
42 each new calendar year during which persons may
43 register for that year.

44 4. If a lobbyist's service on behalf of a
45 particular employer, client, or cause is concluded
46 prior to the end of the calendar year, the lobbyist
47 may cancel the registration on appropriate forms
48 supplied by the board. The cancellation forms shall
49 be filed by the lobbyist in the place where the
50 lobbyist filed the original registration. Persons

S-5736

-24-

S-5736

Page 25

1 receiving forms canceling a lobbyist's registration
 2 shall forward the forms to the board. Upon
 3 cancellation of registration, a lobbyist is prohibited
 4 from engaging in any lobbying activity on behalf of
 5 that particular employer, client, or cause until
 6 reregistering and complying with the rules of the
 7 board.

8 5. All federal, state, and local officials or
 9 employees representing the official positions of their
 10 departments, commissions, boards, or agencies shall
 11 present to the board a letter of authorization from
 12 their department or agency heads prior to the
 13 commencement of their lobbying. The lobbyist
 14 registration statement of these officials and
 15 employees shall not be deemed complete until the
 16 letter of authorization is attached. Federal, state,
 17 and local officials who wish to lobby in opposition to
 18 the official position of their departments,
 19 commissions, boards, or agencies must indicate this on
 20 their lobbyist registration statements.

21 Sec. 23. NEW SECTION. 68B.10H LOBBYIST
 22 REPORTING.

23 1. A lobbyist shall file, on forms prescribed by
 24 the board, a separate report with the board disclosing
 25 the following: the lobbyist's clients; contributions,
 26 expenditures, and gifts that were made for purposes of
 27 lobbying and were initiated or paid by the lobbyist on
 28 behalf of each of the lobbyist's clients during the
 29 prior calendar month; all campaign contributions made
 30 by the lobbyist; and the recipient of the
 31 contributions, expenditures, gifts, or campaign
 32 contributions.

33 2. The report of contributions, expenditures, and
 34 gifts must be filed with the board on a monthly basis
 35 on dates to be determined by the board.

36 Sec. 24. NEW SECTION. 68B.10I LOBBYIST'S CLIENT
 37 REPORTING.

38 1. No later than January 31 and July 31 of each
 39 year, a lobbyist's client shall file with the board a
 40 report that contains information on all salaries,
 41 fees, and retainers paid by the lobbyist's client to
 42 the lobbyist for lobbying purposes during the
 43 preceding six calendar months.

44 2. The report due January 31 shall include a
 45 cumulative total of all lobbying expenditures for the
 46 preceding calendar year.

47 Sec. 25. Section 68B.11, Code 1991, is amended by
 48 striking the section and inserting in lieu thereof the
 49 following:

50 68B.11 SUPREME COURT RULES.

S-5736

S-5736

Page 26

1 The supreme court of this state shall adopt rules
2 **establishing a code of ethics for officials and**
3 employees of the judicial department of this state,
4 and the immediate family members of the officials and
5 employees. Rules adopted shall include provisions
6 relating to the receipt or acceptance of gifts and
7 honoraria, interests in public contracts, services
8 against the state, and financial disclosure which are
9 substantially similar to the requirements of this
10 chapter and chapter 56.

11 Sec. 26. Section 56.2, Code Supplement 1991, is
12 amended by adding the following new subsection:

13 NEW SUBSECTION. 1A. "Board" means the Iowa ethics
14 and campaign finance board under section 68B.10A.

15 Sec. 27. Section 56.2, subsection 3, Code
16 Supplement 1991, is amended to read as follows:

17 3. "Candidate" means any individual who has taken
18 affirmative action to seek nomination or election to a
19 public office ~~but and shall exclude~~ also include any
20 judge standing for retention in a judicial election.

21 Sec. 28. Section 56.2, subsection 5, Code
22 Supplement 1991, is amended by striking the subsection
23 and inserting in lieu thereof the following:

24 5. "Commissioner" means the county commissioner of
25 elections designated under section 47.2.

26 Sec. 29. Section 56.2, subsection 11, Code
27 Supplement 1991, is amended to read as follows:

28 11. "Disclosure report" means a statement of
29 contributions received, expenditures made, and
30 indebtedness incurred on forms prescribed by rules
31 ~~promulgated~~ adopted by the commission board in
32 accordance with chapter 17A.

33 Sec. 30. Section 56.2, subsection 16, Code
34 Supplement 1991, is amended to read as follows:

35 16. "Public office" means any federal, state,
36 county, city, or school office filled by election.

37 Sec. 31. Section 56.4, Code 1991, is amended to
38 read as follows:

39 56.4 REPORTS FILED WITH COMMISSION BOARD.

40 All statements and reports required to be filed
41 under this chapter for a state office shall be filed
42 with the commission board. If the statement or report
43 is filed for or by a candidate for a seat in the
44 general assembly, the report or statement shall also
45 be filed with the commissioner of elections of each
46 county within the district. All statements and
47 reports required to be filed under this chapter for a
48 county, city, or school office shall be filed with the
49 commissioner. Statements and reports on a ballot
50 issue shall be filed with the commissioner responsible

S-5736

-26-

S-5736

Page 27

1 under section 47.2 for conducting the election at
2 which the issue is voted upon, except that statements
3 and reports on a statewide ballot issue shall be filed
4 with the commission board. Copies of any reports
5 filed with a commissioner shall be provided by the
6 commissioner to the commission board on its request.
7 State statutory political committees shall file all
8 statements and reports with the commission board. All
9 other statutory political committees shall file the
10 statements and reports with the commissioner with a
11 copy sent to the commission board.

12 Political committees supporting or opposing
13 candidates for both federal office and any elected
14 office created by law or the Constitution of the state
15 of Iowa shall file statements and reports with the
16 commission board in addition to any federal reports
17 required to be filed with the secretary of state.

18 Political committees supporting or opposing
19 candidates or ballot issues for statewide elections
20 and for county, municipal or school elections may file
21 all activity on one report with the commission board
22 and shall send a copy to the commissioner responsible
23 under section 47.2 for conducting the election.

24 Sec. 32. Section 56.5, subsections 3 and 5, Code
25 Supplement 1991, are amended to read as follows:

26 3. Any change in information previously submitted
27 in a statement of organization or notice in case of
28 dissolution of the committee shall be reported to the
29 commission board or commissioner not more than thirty
30 days from the date of the change or dissolution.

31 5. A committee not domiciled in Iowa which makes a
32 contribution to a candidate's committee or political
33 committee domiciled in Iowa shall disclose each
34 contribution to the commission board. A committee not
35 domiciled in Iowa which is not registered and filing
36 full disclosure reports of all financial activities
37 with the federal election commission or another
38 state's disclosure commission shall register and file
39 full disclosure reports with the commission board
40 pursuant to this chapter. A committee which is
41 currently filing a disclosure report in another
42 jurisdiction shall either file a statement of
43 organization under subsections 1 and 2 and file
44 disclosure reports, the same as those required of
45 Iowa-domiciled committees, under section 56.6, or
46 shall file one copy of a verified statement with the
47 commission board and a second copy with the treasurer
48 of the committee receiving the contribution. The form
49 shall be completed and filed at the time the
50 contribution is made. The verified statement shall be

S-5736

-27-

S-5736

Page 28

1 on forms prescribed by the commission board. The form
2 shall include the complete name, address, and
3 telephone number of the contributing committee, the
4 state or federal jurisdiction under which it is
5 registered or operates, the identification of any
6 parent entity or other affiliates or sponsors, its
7 purpose, the name and address of an Iowa resident
8 authorized to receive service of original notice and
9 the name and address of the receiving committee, the
10 amount of the cash or in-kind contribution, and the
11 date the contribution was made.

12 Sec. 33. Section 56.6, subsection 1, paragraph a;
13 subsection 2; subsection 3, paragraph k; and
14 subsection 5, Code Supplement 1991, are amended to
15 read as follows:

16 a. Each treasurer of a committee shall file with
17 the commission board or commissioner, or both if
18 required under section 56.4, disclosure reports of
19 contributions received and disbursed on forms
20 prescribed by rules as provided by chapter 17A. The
21 reports from all committees, except those committees
22 for municipal and school elective offices and for
23 local ballot issues, shall be filed on the twentieth
24 day or mailed bearing a United States postal service
25 postmark dated on or before the nineteenth day of
26 January, May, July, and October of each year. The
27 May, July, and October reports shall be current as of
28 five days prior to the filing deadline. The January
29 report shall be the annual report covering activity
30 through December 31. However, a state or county
31 statutory political committee is not required to file
32 the May and July reports for a year in which no
33 primary or general election is held. A candidate's
34 committee, other than for municipal and school
35 elective offices, for a year in which the candidate is
36 not standing for election, is not required to file the
37 May, July, and October reports. Reports for
38 committees for a ballot issue placed before the voters
39 of the entire state shall be filed at the January,
40 May, July, and October deadlines.

41 2. If any committee, after having filed a
42 statement of organization or one or more disclosure
43 reports, dissolves or determines that it shall no
44 longer receive contributions or make disbursements,
45 the treasurer of the committee shall notify the
46 commission board or the commissioner within thirty
47 days following such dissolution by filing a
48 dissolution report on forms prescribed by the
49 commission board. Moneys refunded in accordance with
50 a dissolution statement shall be considered a

S-5736

-28-

S-5736

Page 29

1 disbursement or expense but the names of persons
2 receiving refunds need not be released or reported
3 unless the contributors' names were required to be
4 reported when the contribution was received.

5 k. Other pertinent information required by this
6 chapter, by rules adopted pursuant to this chapter, or
7 forms approved by the commission board.

8 5. A committee shall not dissolve until all loans,
9 debts and obligations are paid, forgiven or
10 transferred and the remaining money in the account is
11 distributed according to the organization statement.
12 If a loan is transferred or forgiven, the amount of
13 the transferred or forgiven loan must be reported as
14 an in-kind contribution and deducted from the loans
15 payable balance on the disclosure form. A statutory
16 political committee is prohibited from dissolving, but
17 may be placed in an inactive status upon the approval
18 of the commission board. Inactive status may be
19 requested for a statutory political committee when no
20 officers exist and the statutory political committee
21 has ceased to function. The request shall be made by
22 the previous treasurer or chairperson of the committee
23 and by the appropriate state statutory political
24 committee. A statutory political committee granted
25 inactive status shall not solicit or expend funds in
26 its name until the committee reorganizes and fulfills
27 the requirements of a political committee under this
28 chapter.

29 Sec. 34. Section 56.6, subsection 1, paragraph c,
30 Code Supplement 1991, is amended by striking the
31 paragraph.

32 Sec. 35. Section 56.13, unnumbered paragraph 1,
33 Code 1991, is amended to read as follows:

34 Action involving a contribution or expenditure
35 which must be reported under this chapter and which is
36 taken by any person, candidate's committee or
37 political committee on behalf of a candidate, if known
38 and approved by the candidate, shall be deemed action
39 by the candidate and reported by the candidate's
40 committee. It shall be presumed that a candidate
41 approves the action if the candidate had knowledge of
42 it and failed to file a statement of disavowal with
43 the commissioner or commission board and take
44 corrective action within seventy-two hours of the
45 action. A person, candidate's committee or political
46 committee taking such action independently of that
47 candidate's committee shall notify that candidate's
48 committee in writing within twenty-four hours of
49 taking the action. The notification shall provide
50 that candidate's committee with the cost of the

S-5736

-29-

S-5736

Page 30

1 promotion at fair market value. A copy of the
2 notification shall be sent to the commission board.

3 Sec. 36. NEW SECTION. 56.15A PROHIBITING

4 CONTRIBUTIONS DURING THE LEGISLATIVE SESSION.

5 A lobbyist or political committee, other than a
6 state statutory political committee, county statutory
7 political committee, or a national political party,
8 shall not contribute to, act as an agent or
9 intermediary for contributions to, or arrange for the
10 making of contributions to the campaign funds of an
11 elected state official, member of the general
12 assembly, or candidate for public office on the state
13 level on any day during the regular legislative
14 session and, in the case of the governor or a
15 gubernatorial candidate, during the thirty days
16 following the adjournment of a regular legislative
17 session allowed for the signing of bills. This
18 section shall not apply to the receipt of
19 contributions by an elected state official, member of
20 the general assembly, or other state official who has
21 taken affirmative action to seek nomination or
22 election to a federal elective office.

23 Sec. 37. Section 56.20, Code 1991, is amended to
24 read as follows:

25 56.20 RULES PROMULGATED ADOPTED.

26 The director of revenue and finance, in co-
27 operation with the director of the department of
28 management and the Iowa ethics and campaign finance
29 disclosure-commission board, shall administer the
30 provisions of sections 56.18 to 56.26 and they shall
31 promulgate adopt all necessary rules in accordance
32 with chapter 17A.

33 Sec. 38. Section 56.23, Code 1991, is amended to
34 read as follows:

35 56.23 FUNDS -- CAMPAIGN EXPENSES ONLY.

36 The chairperson of the state statutory political
37 committee shall produce evidence to the director of
38 revenue and finance and the Iowa ethics and campaign
39 finance disclosure-commission board not later than the
40 twenty-fifth day of January each year, that all income
41 tax checkoff funds expended for campaign expenses have
42 been utilized exclusively for campaign expenses.

43 The Iowa ethics and campaign finance disclosure
44 commission board shall issue, prior to the payment of
45 any money, guidelines which explain which expenses and
46 evidence thereof qualify as acceptable campaign
47 expenses.

48 Should the Iowa ethics and campaign finance
49 disclosure-commission board and the director of
50 revenue and finance determine that any part of the

S-5736

-30-

S-5736

Page 31

1 funds have been used for noncampaign or improper
2 expenses, they may order the political party or the
3 candidate to return all or any part of the total funds
4 paid to that political party for that election. When
5 such the funds are returned, they shall be deposited
6 in the general fund of the state.

7 Sec. 39. Section 56.41, subsection 1, Code
8 Supplement 1991, is amended to read as follows:

9 1. A candidate and the candidate's committee shall
10 use campaign funds only for campaign purposes or
11 constituency services, and shall not use campaign
12 funds for personal expenses.

13 Sec. 40. Section 56.41, Code Supplement 1991, is
14 amended by adding the following new subsection:

15 NEW SUBSECTION. 3. The board shall adopt rules
16 which list items that represent proper campaign
17 expenses.

18 Sec. 41. Section 56.42, subsections 1, 2, and 5,
19 Code Supplement 1991, are amended to read as follows:

20 1. In addition to the uses permitted under section
21 56.41, a candidate's committee may only transfer
22 campaign funds in one or more of the following ways:

23 a. Contributions to charitable organizations.

24 b. Contributions to national, state, or local
25 political party central committees, ~~or other~~
26 ~~candidate's committees.~~

27 c. Transfers to the treasurer of state for deposit
28 in the general fund of the state.

29 d. Return of contributions to contributors on a
30 pro rata basis, except that any contributor who
31 contributed five dollars or less may be excluded from
32 the distribution.

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

37 5. A candidate, or candidate's committee, or any
38 other person shall not directly or indirectly receive
39 or transfer campaign funds with the intent of
40 circumventing the requirements of this section. A
41 candidate for statewide or legislative office shall
42 not establish, direct, or maintain a political
43 committee.

44 Sec. 42. Section 331.756, subsection 15, Code
45 1991, is amended to read as follows:

46 15. Review the any report and recommendations
47 recommendation of the campaign-finance-disclosure
48 commission Iowa ethics and campaign finance board and
49 proceed to institute the any recommended actions or
50 advise the commission board that prosecution is not

S-5736

-31-

S-5736

Page 32

1 ~~merited as provided in section 56-11, subsection 4~~
2 ~~under chapter 56 or 68B.~~

3 Sec. 43. Section 602.1609, Code 1991, is amended
4 to read as follows:

5 602.1609 COMPLIANCE WITH GIFT ETHICS LAW.

6 Judicial officers and court employees shall comply
7 with rules adopted prescribed by the supreme court
8 ~~under section 68B-11~~ with respect to ethical conduct
9 including the reporting acceptance and receipt of
10 gifts received and honoraria, interests in public
11 contracts, services against the state, and financial
12 disclosure. In prescribing rules, the supreme court
13 shall include any appropriate provisions and
14 limitations contained in chapter 68B. Violations are
15 subject to the criminal imposition of criminal and
16 civil penalties in the manner provided in that section
17 by law.

18 Sec. 44. Section 602.2101, Code 1991, is amended
19 to read as follows:

20 602.2101 AUTHORITY.

21 The supreme court may retire, discipline, or remove
22 a judicial officer from office or may discipline or
23 remove an employee of the judicial department for
24 cause as provided in this part.

25 Sec. 45. Section 602.2103, Code 1991, is amended
26 to read as follows:

27 602.2103 OPERATION OF COMMISSION.

28 A quorum of the commission is four members. Only
29 those commission members that are present at
30 commission meetings or hearings may vote. An
31 application by the commission to the supreme court to
32 retire, discipline, or remove a judicial officer, or
33 discipline or remove an employee of the judicial
34 department, or an action by the commission which
35 affects the final disposition of a complaint, requires
36 the affirmative vote of at least four commission
37 members. Notwithstanding chapter 21 and chapter 22,
38 all records, papers, proceedings, meetings, and
39 hearings of the commission are confidential, but if
40 the commission applies to the supreme court to retire,
41 discipline, or remove a judicial officer, or to
42 discipline or remove an employee of the judicial
43 department, the application and all of the records and
44 papers in that proceeding are public documents.

45 Sec. 46. Section 602.2104, Code 1991, is amended
46 to read as follows:

47 602.2104 PROCEDURE BEFORE COMMISSION.

48 1. Charges before the commission shall be in
49 writing but may be simple and informal. The
50 commission shall investigate each charge as indicated

S-5736

-32-

S-5736

Page 33

1 by its gravity. If the charge is groundless, it shall
2 be dismissed by the commission. If the charge appears
3 to be substantiated but does not warrant application
4 to the supreme court, the commission may dispose of it
5 informally by conference with or communication to the
6 judicial officer or employee of the judicial
7 department involved. If the charge appears to be
8 substantiated and if proved would warrant application
9 to the supreme court, notice shall be given to the
10 judicial officer and a hearing shall be held before
11 the commission. The commission may employ
12 investigative personnel, in addition to the executive
13 secretary, as it deems necessary. The commission may
14 also employ or contract for the employment of legal
15 counsel.

16 2. In case of a hearing before the commission,
17 written notice of the charge and of the time and place
18 of hearing shall be mailed to the a judicial officer
19 or an employee of the judicial department at the
20 officer's person's residence at least twenty days
21 prior to the time set for hearing. Hearing shall be
22 held in the county where the judicial officer or
23 employee of the judicial department resides unless the
24 commission and the judicial officer or employee of the
25 judicial department agree to a different location.
26 The judicial officer shall continue to perform
27 judicial duties during the pendency of the charge and
28 the employee shall continue to perform the employee's
29 assigned duties, unless otherwise ordered by the
30 commission. The commission has subpoena power on
31 behalf of the state and the judicial officer, ~~and~~
32 disobedience or employee of the judicial department.
33 Disobedience of the commission's subpoena is
34 punishable as contempt in the district court for the
35 county in which the hearing proceeding is held. The
36 attorney general shall prosecute the charge before the
37 commission on behalf of the state. ~~The A~~ judicial
38 officer or employee of the judicial department may
39 defend and has the right to participate in person and
40 by counsel, to cross-examine, to be confronted by the
41 witnesses, and to present evidence in accordance with
42 the rules of civil procedure. A complete record shall
43 be made of the evidence by a court reporter. In
44 accordance with its findings on the evidence, the
45 commission shall dismiss the charge or make
46 application to the supreme court to retire,
47 discipline, or remove the judicial officer or to
48 discipline or remove an employee of the judicial
49 department.

50 Sec. 47. Section 602.2106, Code 1991, is amended

S-5736

-33-

S-5736

Page 34

1 to read as follows:
 2 602.2106 PROCEDURE BEFORE SUPREME COURT.
 3 1. If the commission submits an application to the
 4 supreme court to retire, discipline, or remove a
 5 judicial officer or to discipline or remove an
 6 employee of the judicial department, the commission
 7 shall promptly file in the supreme court a transcript
 8 of the hearing before the commission. The statutes
 9 and rules relative to proceedings in appeals of equity
 10 suits apply.

11 2. The attorney general shall prosecute the
 12 proceedings in the supreme court on behalf of the
 13 state, and the judicial officer or employee of the
 14 judicial department may defend in person and by
 15 counsel.

16 3. Upon application by the commission, the supreme
 17 court may do either any of the following:

18 a. Retire the judicial officer for permanent
 19 physical or mental disability which substantially
 20 interferes with the performance of judicial duties.

21 b. Discipline or remove the judicial officer for
 22 persistent failure to perform duties, habitual
 23 intemperance, willful misconduct in office, conduct
 24 which brings judicial office into disrepute, or
 25 substantial violation of the canons of judicial
 26 ethics. Discipline may include suspension without pay
 27 for a definite period of time not to exceed twelve
 28 months.

29 c. Discipline or remove an employee of the
 30 judicial department for conduct which violates the
 31 code of ethics prescribed by the supreme court for
 32 court employees.

33 4. If the supreme court finds that the application
 34 should be granted in whole or in part, it shall render
 35 the decree that it deems appropriate.

36 Sec. 48. Section 602.2107, Code 1991, is amended
 37 to read as follows:

38 602.2107 CIVIL IMMUNITY.

39 The making of charges before the commission, the
 40 giving of evidence or information before the
 41 commission or to an investigator or legal counsel
 42 employed by the commission, and the presentation of
 43 transcripts, extensions of evidence, briefs, and
 44 arguments in the supreme court are privileged in
 45 actions for defamation.

46 Sec. 49. INITIAL APPOINTMENTS TO STATE ETHICS AND
 47 CAMPAIGN FINANCE BOARD. Notwithstanding any contrary
 48 requirements contained in section 68B.10A the initial
 49 appointments to the Iowa ethics and campaign finance
 50 board shall be made by July 1, 1992, and staggered as

S-5736

S-5736

Page 35

1 follows:

2 1. Two of the appointees of the governor and the
3 two appointees of the senate shall serve an initial
4 term of two years.

5 2. Two of the appointees of the supreme court and
6 the two appointees of the house of representatives
7 shall serve an initial term of four years.

8 3. Two of the appointees of the governor and two
9 of the appointees of the supreme court shall serve an
10 initial term of six years.

11 The board shall adopt any emergency or transition
12 rules necessary for the assumption of its duties by
13 January 1, 1993, and for the transition and transfer
14 of any matters currently pending before the ethics
15 committees of either house of the general assembly or
16 before the campaign finance disclosure commission.

17 Sec. 50. Sections 6 and 7 of this Act shall apply
18 to officials, employees, members of the general
19 assembly, or legislative employees who are employed,
20 hold office, or terminate service or employment on or
21 after the date of enactment of this Act.

22 Sec. 51. Section 56.9, 56.10A, and 56.11, Code
23 1991, are repealed.

24 Sec. 52. Section 56.10, Code Supplement 1991, is
25 repealed.

26 Sec. 53. Sections 1, 2, 10, 11, 12, 14, 15,
27 sections 21 through 35, and sections 37, 38, 51, and
28 52 of this Act take effect January 1, 1993.

29 Sec. 54. Sections 6, 7, 15, 16, 41, 49, and 50 of
30 this Act, being deemed of immediate importance, take
31 effect upon enactment.

32 Sec. 55. CODIFICATION. The Code editor shall
33 renumber the sections in chapter 68B, reserving
34 section numbers if appropriate, as the Code editor
35 sees fit."

By JEAN LLOYD-JONES

S-5736 FILED APRIL 17, 1992

LOST (p. 1478)

motion to reconsider 4/20 (p. 1492)
" prevailed (p. 1498)
adopted 4/20 (p. 1498)

SENATE FILE 2359

S-5717

1 Amend Senate File 2359 as follows:
2 1. Page 23, line 24, by striking the word "two"
3 and inserting the following: "ten".

By JIM KERSTEN
MAGGIE TINSMAN

S-5717 FILED APRIL 15, 1992

SENATE FILE 2359

S-5729

1 Amend amendment, S-5716, to Senate File 2359, as
2 follows:
3 1. Page 9, line 38, by inserting after the word
4 "board." the following: "Pending board action to
5 employ or to contract for the employment of a full-
6 time executive secretary under section 68B.10A,
7 subsection 5, the executive secretary of the campaign
8 finance disclosure commission, who is employed
9 pursuant to section 56.9, subsection 4, Code 1991,
10 shall be the acting executive secretary of the board.
11 Employees of the campaign finance disclosure
12 commission employed under the merit system provisions
13 of chapter 19A shall retain that status and remain as
14 employees of the board. Employees of the commission
15 exempt from the merit system provisions of chapter 19A
16 shall remain employees of the board pending action of
17 the board's designated executive secretary or
18 qualification as an employee under the merit system
19 provisions of chapter 19A."

By RICHARD DRAKE

S-5729 FILED APRIL 16, 1992

SENATE FILE 2359

S-5730

1 Amend Senate File 2359 as follows:
2 1. Page 3, line 25, by striking the word
3 "contractor," and inserting the following:
4 "contractor or".
5 2. Page 3, lines 26 and 27, by striking the words
6 ", or an employee of a political subdivision of the
7 state".

By RICHARD F. DRAKE

S-5730 FILED APRIL 16, 1992