

FILED APR 6 1999

SENATE FILE
BY IVERSON

470

(COMPANION TO LSB 3023YH
BY SIEGRIST)

Passed Senate, Date ^{A.1243} 4/21/99 Passed House, Date ^(P.1835) 4/28/99
Vote: Ayes 28 Nays 20 Vote: Ayes 99 Nays 0
Approved 5/18/99

A BILL FOR

1 An Act relating to campaign finance disclosure by regulating
2 express advocacy of candidates and ballot issues, requiring
3 annual authorization for political representation financed
4 from deductions from wages, dues, and fees, providing and
5 applying penalties, providing an effective date and for
6 applicability, and providing for severability.

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

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SF 470
STATE GOVERNMENT

1 Section 1. Section 20.26, Code 1999, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. All contributions by or through
4 employee organizations shall also comply with the provisions
5 of section 56.15B.

6 Sec. 2. Section 56.2, Code 1999, is amended by adding the
7 following new subsections:

8 NEW SUBSECTION. 5A. "Clearly identified" means that a
9 communication contains an unambiguous reference to a
10 particular candidate or ballot issue, including but not
11 limited to one or more of the following:

12 a. Use of the name of the candidate or ballot issue.

13 b. Use of a photograph or drawing of the candidate, or the
14 use of a particular symbol associated with a specific ballot
15 issue.

16 c. Use of a candidate's initials, nickname, office, or
17 status as a candidate, or use of acronym, popular name, or
18 characterization of a ballot issue.

19 NEW SUBSECTION. 12A. "Express advocacy" or to "expressly
20 advocate" means communication that can be characterized
21 according to at least one of the following descriptions:

22 a. The communication is political speech made in the form
23 of a contribution.

24 b. In advocating the election or defeat of one or more
25 clearly identified candidates or the passage or defeat of one
26 or more clearly identified ballot issues, the communication
27 includes explicit words that unambiguously indicate that the
28 communication is recommending or supporting a particular
29 outcome in the election with regard to any clearly identified
30 candidate or ballot issue.

31 c. When taken as a whole and with limited reference to
32 external events such as the proximity to the election, the
33 communication could only be interpreted by a reasonable person
34 as supporting or recommending the election, passage, or defeat
35 of one or more clearly identified candidates or ballot issues

1 because both of the following conditions are met:

2 (1) The communication, as it relates to the election or
3 defeat of the candidate or ballot issue, is unmistakable,
4 unambiguous, and suggestive of only one meaning.

5 (2) Reasonable minds could not differ as to whether the
6 communication encourages action to nominate, elect, approve,
7 or defeat one or more clearly identified candidates or a
8 ballot issue or whether the communication encourages some
9 other kind of action.

10 Sec. 3. Section 56.2, subsections 16 and 17, Code 1999,
11 are amended to read as follows:

12 16. "Political committee" means a either of the following:

13 a. A committee, but not a candidate's committee, which
14 that accepts contributions in excess of five hundred dollars
15 in the aggregate, makes expenditures in excess of five hundred
16 dollars in the aggregate, or incurs indebtedness in excess of
17 five hundred dollars in the aggregate in any one calendar year
18 ~~for-the-purpose-of-supporting-or-opposing~~ to expressly
19 advocate the nomination, election, or defeat of a candidate
20 for public office, or ~~for-the-purpose-of-supporting-or~~
21 opposing to expressly advocate the passage or defeat of a
22 ballot issue; ~~"political-committee"-also-means-an.~~

23 b. An association, lodge, society, cooperative, union,
24 fraternity, sorority, educational institution, civic
25 organization, labor organization, religious organization, or
26 professional organization which that accepts contributions in
27 excess of five hundred dollars in the aggregate, makes
28 expenditures in excess of five hundred dollars in the
29 aggregate, or incurs indebtedness in excess of five hundred
30 dollars in the aggregate in any one calendar year ~~for-the~~
31 ~~purpose-of-supporting-or-opposing~~ to expressly advocate the
32 nomination, election, or defeat of a candidate for public
33 office, or ~~for-the-purpose-of-supporting-or-opposing to~~
34 expressly advocate the passage or defeat of a ballot issue.
35 ~~"Political-committee"-also-includes-a-committee-which-accepts~~

1 contributions-in-excess-of-five-hundred-dollars-in-the
2 aggregate,-makes-expenditures-in-excess-of-five-hundred
3 dollars-in-the-aggregate,-or-incurs-indebtedness-in-excess-of
4 five-hundred-dollars-in-the-aggregate-in-a-calendar-year-to
5 cause-the-publication-or-broadcasting-of-material-in-which-the
6 public-policy-positions-or-voting-record-of-an-identifiable
7 candidate-is-discussed-and-in-which-a-reasonable-person-could
8 find-commentary-favorable-or-unfavorable-to-those-public
9 policy-positions-or-voting-record-

10 17. "Political purpose" or "political purposes" means the
11 support-or-opposition express advocacy of a candidate or
12 ballot issue.

13 Sec. 4. Section 56.4, unnumbered paragraphs 2 and 3, Code
14 1999, are amended to read as follows:

15 Political committees supporting-or-opposing expressly
16 advocating the nomination, election, or defeat of candidates
17 for both federal office and any elected office created by law
18 or the Constitution of the state of Iowa shall file statements
19 and reports with the board in addition to any federal reports
20 required to be filed with the board. However, a political
21 committee which is registered and filing full disclosure
22 reports of all financial activities with the federal election
23 commission may file verified statements as provided in section
24 56.5.

25 Political committees supporting-or-opposing expressly
26 advocating the nomination, election, or defeat of candidates
27 or the passage or defeat of ballot issues for statewide
28 elections and for county, municipal or school elections may
29 file all activity on one report with the board and shall send
30 a copy to the commissioner responsible under section 47.2 for
31 conducting the election.

32 Sec. 5. Section 56.5, subsection 2, paragraph f, Code
33 1999, is amended to read as follows:

34 f. A signed statement by the treasurer of the committee
35 and the candidate, in the case of a candidate's committee,

1 which shall verify that they are aware of the requirement to
2 file disclosure reports if the committee, the committee
3 officers, the candidate, or both the committee officers and
4 the candidate receive contributions in excess of five hundred
5 dollars in the aggregate, make expenditures in excess of five
6 hundred dollars in the aggregate, or incur indebtedness in
7 excess of five hundred dollars in the aggregate in a calendar
8 year ~~for the purpose of supporting or opposing~~ to expressly
9 advocate the nomination, election, or defeat of any candidate
10 for public office. In the case of political committees,
11 statements shall be made by the treasurer of the committee and
12 the chairperson.

13 Sec. 6. Section 56.5A, Code 1999, is amended to read as
14 follows:

15 56.5A CANDIDATE'S COMMITTEE.

16 1. Each candidate for state, county, city, or school
17 office shall organize one, and only one, candidate's committee
18 for a specific office sought when the candidate receives
19 contributions in excess of five hundred dollars in the
20 aggregate, makes expenditures in excess of five hundred
21 dollars in the aggregate, or incurs indebtedness in excess of
22 five hundred dollars in the aggregate in a calendar year.

23 2. A political committee shall not be established to
24 ~~support or oppose~~ expressly advocate the nomination, election,
25 or defeat of only one candidate for office, except that a
26 political committee may be established to ~~support or oppose~~
27 expressly advocate the passage or defeat of approval of a
28 single judge standing for retention.

29 Sec. 7. Section 56.6, subsection 1, paragraph d, Code
30 1999, is amended to read as follows:

31 d. Committees for municipal and school elective offices
32 and local ballot issues shall file their first reports five
33 days prior to any election in which the name of the candidate
34 or the local ballot issue which they ~~support or oppose~~
35 expressly advocate appears on the printed ballot and shall

1 file their next report on the first day of the month following
2 the final election in a calendar year in which the candidate's
3 name or the ballot issue appears on the ballot. A committee
4 supporting-or-opposing expressly advocating the nomination,
5 election, or defeat of a candidate for a municipal or school
6 elective office or the passage or defeat of a local ballot
7 issue shall also file disclosure reports on the nineteenth day
8 of January and October of each year in which the candidate or
9 ballot issue does not appear on the ballot and on the
10 nineteenth day of January, May, and July of each year in which
11 the candidate or ballot issue appears on the ballot, until the
12 committee dissolves. These reports shall be current to five
13 days prior to the filing deadline and are considered timely
14 filed if mailed bearing a United States postal service
15 postmark on or before the due date.

16 Sec. 8. Section 56.12A, unnumbered paragraph 1, Code 1999,
17 is amended to read as follows:

18 The state and the governing body of a county, city, or
19 other political subdivision of the state shall not expend or
20 permit the expenditure of public moneys for political
21 purposes, including supporting-or-opposing expressly
22 advocating the passage or defeat of a ballot issue.

23 Sec. 9. Section 56.13, subsections 1, 2, and 3, Code 1999,
24 are amended to read as follows:

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

1 committee shall notify that candidate's committee in writing
2 within twenty-four hours of taking the action. The
3 notification shall provide that candidate's committee with the
4 cost of the promotion at fair market value. A copy of the
5 notification shall be sent to the board.

6 Any person who makes expenditures or incurs indebtedness,
7 other than incidental expenses incurred in performing
8 volunteer work, in-support-or-opposition to expressly advocate
9 the nomination, election, or defeat of a candidate for public
10 office shall notify the appropriate committee and provide
11 necessary information for disclosure reports.

12 2. If a person, other than a political committee, makes
13 one or more expenditures in excess of five hundred dollars in
14 the aggregate, or incurs indebtedness in excess of five
15 hundred dollars in the aggregate, in any one calendar year ~~for~~
16 purposes-of-supporting-or-opposing to expressly advocate the
17 passage or defeat of a ballot issue, the person shall file a
18 statement of activity within ten days of taking the action
19 exceeding the threshold. The statement shall contain
20 information identifying the person filing the statement,
21 identifying the ballot issue, and indicating the position
22 urged by the person with regard to the ballot issue. The
23 person shall file reports indicating the dates on which the
24 expenditures or incurrence of indebtedness took place; a
25 description of the nature of the action taken which resulted
26 in the expenditures or debt; and the cost of the promotion at
27 fair market value. For a local ballot issue, the reports
28 shall be filed five days prior to any election in which the
29 ballot issue appears and on the first day of the month
30 following the election, as well as on the nineteenth day of
31 January, May, and July of each year in which the ballot issue
32 appears on the ballot and on the nineteenth day of January and
33 October of each year in which the ballot issue does not appear
34 on the ballot. For a statewide ballot issue, reports shall be
35 filed on the nineteenth day of January, May, and July of each

1 year. The reports shall be current to five days prior to the
2 filing deadline, and are considered timely filed if mailed
3 bearing a United States postal service postmark on or before
4 the due date. Filing obligations shall cease when the person
5 files a statement of discontinuation indicating that the
6 person's financial activity ~~in-support-of-or-in-opposition~~ to
7 expressly advocate the passage or defeat of the ballot issue
8 has ceased. Statements and reports shall be filed with the
9 commissioner responsible under section 47.2 for conducting the
10 election at which the issue is voted upon, except that reports
11 on a statewide ballot issue shall be filed with the board.

12 3. A person taking action involving the making of an
13 expenditure or incurrence of indebtedness ~~in-support-or~~
14 opposition to expressly advocate the passage or defeat of a
15 ballot issue independently of a political committee shall,
16 within seventy-two hours of taking the action, notify in
17 writing any political committee which advocates the same
18 position with regard to the ballot issue as the person taking
19 the action. The notification shall provide the political
20 committee with the cost of the promotion at fair market value.
21 A copy of the notification shall be sent to the board. It
22 shall be presumed that a benefited committee approves the
23 action if the committee fails to file a statement of disavowal
24 with the commissioner or board and takes corrective action
25 within ten days of the action. Action approved by a committee
26 shall be reported as a contribution by the committee.

27 Sec. 10. Section 56.14, subsection 1, paragraph a, Code
28 1999, is amended to read as follows:

29 1. a. A person who causes the publication or distribution
30 of published material designed to ~~promote-or-defeat~~ expressly
31 advocate the nomination, or election, or defeat of a candidate
32 for public office or the passage or defeat of a constitutional
33 amendment or public measure shall include conspicuously on the
34 published material the identity and address of the person
35 responsible for the material. If the person responsible is an

1 organization, the name of one officer of the organization
2 shall appear on the material. However, if the organization is
3 a committee which has filed a statement of organization under
4 this chapter, only the name of the committee is required to be
5 included on the published material. Published material
6 designed to ~~promote-or-defeat~~ expressly advocate the
7 nomination, ~~or election,~~ or defeat of a candidate for public
8 office or the passage or defeat of a constitutional amendment
9 or public measure which contains language or depictions which
10 a reasonable person would understand as asserting that an
11 entity which is incorporated or is a registered committee had
12 authored the material shall, if the entity is not incorporated
13 or a registered committee, include conspicuously on the
14 published material a statement that the apparent organization
15 or committee is not incorporated or a registered committee in
16 addition to the attribution statement required by this
17 section. For purposes of this section, "registered committee"
18 means a committee which has an active statement of
19 organization filed under section 56.5.

20 Sec. 11. Section 56.15, subsections 1, 2, and 4, Code
21 1999, are amended to read as follows:

22 1. Except as provided in subsections 3 and 4, it is
23 unlawful for an insurance company, savings and loan
24 association, bank, credit union, or corporation organized
25 pursuant to the laws of this state, the United States, or any
26 other state, territory, or foreign country, whether for profit
27 or not, or an officer, agent, or representative acting for
28 such insurance company, savings and loan association, bank,
29 credit union, or corporation, to contribute any money,
30 property, labor, or thing of value, directly or indirectly, to
31 a committee, or ~~for-the-purpose-of-influencing~~ to expressly
32 advocate that the vote of an elector be used to nominate,
33 elect, or defeat a candidate for public office, except that
34 such resources may be so expended in connection with a utility
35 franchise election held pursuant to section 364.2, subsection

1 4, or a ballot issue. All such expenditures are subject to
2 the disclosure requirements of this chapter.

3 2. Except as provided in subsection 3, it is unlawful for
4 a member of a committee, or its employee or representative,
5 except a ballot issue committee, or for a candidate for office
6 or the representative of the candidate, to solicit, request,
7 or knowingly receive from an insurance company, savings and
8 loan association, bank, credit union, or corporation organized
9 pursuant to the laws of this state, the United States, or any
10 other state, territory, or foreign country, whether for profit
11 or not, or its officer, agent, or representative, any money,
12 property, or thing of value belonging to the insurance
13 company, savings and loan association, bank, or corporation
14 for campaign expenses, or ~~for the purpose of influencing to~~
15 expressly advocate that the vote of an elector be used to
16 nominate, elect, or defeat a candidate for public office.

17 This section does not restrain or abridge the freedom of the
18 press or prohibit the consideration and discussion in the
19 press of candidacies, nominations, public officers, or public
20 questions.

21 4. The restrictions imposed by this section relative to
22 making, soliciting or receiving contributions shall not apply
23 to a nonprofit corporation or organization which uses those
24 contributions to encourage registration of voters and
25 participation in the political process, or to publicize public
26 issues, or both, but does not use any part of those
27 contributions to ~~endorse or oppose~~ expressly advocate the
28 nomination, election, or defeat of any candidate for public
29 office. A nonprofit corporation or organization may use
30 contributions solicited or received to ~~support or oppose~~
31 expressly advocate the passage or defeat of ballot issues but
32 the expenditures shall be disclosed by the nonprofit
33 corporation or organization in the manner provided for a
34 permanent organization temporarily engaged in a political
35 activity under section 56.6.

1 This section does not prohibit a family farm corporation,
2 as defined in section 9H.1, from placing a yard sign on
3 agricultural land, and does not prohibit the placement of yard
4 signs, with the prior written permission of the individual
5 property owner, on property rented or leased by a corporation
6 from private individuals, subject to the requirements of
7 section 56.14. This section also does not prohibit the
8 placement of a yard sign on residential property that is owned
9 by a corporation, but rented or leased to a private
10 individual, if the prior permission of the renter or lessee is
11 obtained.

12 Sec. 12. Section 56.15, Code 1999, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 4A. For purposes of this section,
15 "committee" shall include statutory political committees
16 organized under chapter 43, and nonparty political
17 organizations organized under chapter 44.

18 Sec. 13. NEW SECTION. 56.15B CONTRIBUTIONS FROM NEGATIVE
19 CHECK-OFF PLANS PROHIBITED.

20 1. As used in this section, unless the context otherwise
21 requires:

22 a. "Legislative objective" means action related to the
23 passage, defeat, approval, veto, or modification of
24 legislation, a rule, or an executive order, or another
25 official action by the members of the general assembly, a
26 state agency, or another elected or appointed official or body
27 of officials.

28 b. "Negative check-off plan" means a plan under which an
29 individual is deemed to have agreed to a payment, deduction,
30 or allocation of moneys, or a series of payments, deductions,
31 or allocations of moneys, by means of the individual's
32 inaction or failure to object to such payment, deduction, or
33 allocation of moneys.

34 c. "Voluntary" means an action or choice freely made by an
35 individual that is evidenced by a written authorization

1 executed on at least an annual basis on a document that
2 includes only the signature indicating agreement and a
3 conspicuous disclosure in plain language, written in at least
4 twelve point type, that includes the following information:

5 (1) An explanation regarding the kind of payment or
6 regular deduction the individual is authorizing.

7 (2) The entity that will be receiving the moneys.

8 (3) The fact that such moneys may be used for political
9 purposes or legislative objectives.

10 (4) A statement that such authorization is purely
11 voluntary, that the individual has the right to inquire
12 regarding the exact political purposes or legislative
13 objectives for which the moneys may be used, and that no
14 actions can be taken against an individual who does not sign
15 such an authorization because of the refusal to sign.

16 2. A person shall not solicit or receive moneys for any
17 political purpose or legislative objective from an individual
18 in the course of the person's business, vocation, occupation,
19 charity, fellowship, or other group or organizational activity
20 unless the moneys have been voluntarily contributed, given, or
21 otherwise authorized by the individual.

22 a. A violation of this subsection is a fraudulent practice
23 under section 714.8.

24 b. A payment, deduction, or allocation of moneys made
25 pursuant to a negative check-off plan shall not be considered
26 to have been voluntarily made by an individual. A negative
27 check-off plan is void as against public policy.

28 c. This subsection shall not apply to payments,
29 deductions, or allocations of moneys required by federal law,
30 by state tax laws, or by court order or other court-approved
31 agreement or decree.

32 3. A person other than a candidate, candidate's committee,
33 or political committee shall not knowingly receive or use
34 funds collected in violation of subsection 2 for any political
35 purpose or legislative objective.

1 4. A candidate, candidate's committee, or political
2 committee shall not knowingly receive or use moneys collected
3 in violation of subsection 2.

4 Sec. 14. Section 56.22, subsection 2, Code 1999, is
5 amended to read as follows:

6 2. Funds distributed to statutory political committees
7 pursuant to this chapter shall not be used to ~~support-or~~
8 ~~oppose~~ expressly advocate the nomination, election, or defeat
9 of any candidate. Nothing in this subsection shall be
10 construed to prohibit a statutory political committee from
11 using such funds to pay expenses incurred in arranging and
12 holding a nominating convention.

13 Sec. 15. Section 731.5, Code 1999, is amended by adding
14 the following new unnumbered paragraph:

15 NEW UNNUMBERED PARAGRAPH. All deductions from an
16 employee's earnings, wages, or compensation shall also comply
17 with the provisions of section 56.15B.

18 Sec. 16. SEVERABILITY. If any section of this Act, or any
19 portion of any section of this Act, is found unconstitutional
20 or otherwise unenforceable by a court, the remaining sections
21 and portions of sections shall be given effect to the fullest
22 extent possible.

23 Sec. 17. APPLICABILITY AND EFFECTIVE DATE. Section 13 of
24 this Act, enacting new section 56.15B, being deemed of
25 immediate importance, takes effect upon enactment, and shall
26 apply to any deduction or allocation of moneys related to or
27 conducted in conjunction with annual dues assessment and
28 billing for the entity's next annual dues cycle, or other
29 annual contribution or allocation cycle, but in any event
30 shall apply to all actual deductions by all affected entities
31 that occur on or after July 1, 1999, regardless of when the
32 annual dues are assessed or billed or the contribution is
33 otherwise allocated or solicited.

34 EXPLANATION
35 This bill relates to campaign finance.

1 The bill replaces references in Code chapter 56 with
2 terminology related to "express advocacy", to conform the
3 provisions of the chapter to language contained in the United
4 States Supreme Court's decision in Buckley v. Valeo (1976).
5 Two definitions are added in relation to this change in
6 terminology, including a definition for "express advocacy".

7 The bill also adds new Code section 56.15B, which prohibits
8 any allocation of dues or fees towards political
9 representation without affirmative express annual
10 authorization of the individual whose wages, dues, or fees are
11 used to support such activity. Related amendments are made to
12 Code sections 20.26 and 731.5. Violations are punishable as a
13 fraudulent practice pursuant to Code section 714.8. This new
14 Code section 56.15B is affected by a separate effective date
15 and applicability provision.

16 The bill also contains a severability clause.

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SENATE FILE 470

S-3382

1 Amend Senate File 470 as follows:

2 1. Page 8, by inserting after line 19 the
3 following:

4 "Sec. ____ . NEW SECTION. 56.14A FALSE INFORMATION
5 IN POLITICAL MATERIAL.

6 1. A person shall not be a sponsor of any
7 published material on behalf of or in opposition to
8 any candidate or ballot issue that contains any
9 assertion, representation, or statement of fact,
10 including, but not limited to, information concerning
11 a candidate's prior public record, which the sponsor
12 knows to be untrue, deceptive, or misleading.

13 2. For purposes of this section, "published
14 material" means statements or graphic representations
15 made through any public medium which includes, but is
16 not limited to, any of the following:

17 a. Electronic media such as live or prerecorded
18 radio or television broadcasts, broadcasts or
19 transmissions through other publicly available
20 electronic communications, and video or audio tape
21 recordings which are publicly distributed.

22 b. Print media, such as newspapers, pamphlets,
23 folders, display cards, signs, posters, or billboard
24 advertisements.

25 c. Any other methods or mediums designed for
26 publicly advertising or publishing information.

27 3. For purposes of this section, "sponsor" means a
28 person who pays for or approves published material and
29 shall include a candidate or committee which knows and
30 approves of an independent expenditure made by another
31 person under section 56.13."

32 2. Page 12, by inserting after line 17 the
33 following:

34 "Sec. 101. CAMPAIGN FINANCE COMMISSION. A
35 campaign finance commission is established to study
36 campaign finance disclosure and related laws and to
37 recommend reforms in these laws, according to the
38 following:

39 1. APPOINTMENT. The commission shall be composed
40 of six members, bipartisan and gender-balanced in
41 accordance with sections 69.16 and 69.16A, and
42 appointed as follows:

43 a. Two members shall be the state chairs of each
44 of the political parties, as defined in section 43.2,
45 or their designees.

46 b. Four members shall be jointly appointed by the
47 majority and minority leaders of the senate and house.
48 These members shall be appointed from nonpartisan
49 organizations which have researched, studied, and
50 advocated the issue of political campaign finance

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1 reform for fifteen years or more, or who are specially
2 qualified to serve on the commission because of
3 training or experience.

4 c. The commission shall elect a chair and vice
5 chair at its first meetings.

6 2. TERMS. The members of the commission shall
7 serve for the life of the commission.

8 3. VACANCIES. A vacancy in the commission shall
9 be filled in the manner in which the original
10 appointment was made.

11 Sec. 102. POWERS AND DUTIES OF THE COMMISSION.

12 1. HEARINGS. The commission may hold hearings
13 which shall be open and announced in advance to the
14 public, take testimony, and receive evidence as the
15 commission considers appropriate. Activities of the
16 commission shall be held in accordance with chapter
17 21.

18 The commission shall hold at least one hearing in
19 each congressional district within the state
20 specifically to obtain public input on the issue of
21 campaign finance reform.

22 2. QUORUM. Four members of the commission shall
23 constitute a quorum, but a lesser number may hold
24 hearings.

25 3. REPORT. Not later than December 15, 1999, the
26 commission shall submit to the general assembly a
27 report of the activities of the commission, together
28 with a draft of legislation recommended by the
29 commission to reform the campaign finance disclosure
30 and related laws for consideration by the general
31 assembly in the year 2000 according to the provisions
32 of this Act.

33 4. MATTERS TO BE CONSIDERED. In holding hearings
34 and preparing the report required under subsection 3,
35 the commission shall consider all issues related to
36 the reform of campaign finance disclosure and related
37 laws. The commission may secure directly from any
38 department or agency such information as the
39 commission considers necessary, and the department or
40 agency shall promptly furnish such information to the
41 commission.

42 5. STAFFING. Assistance shall be provided to the
43 commission by the central nonpartisan legislative
44 staff bureaus. The commission may utilize the
45 services of the legislative service bureau in
46 formulating a draft of legislation. The attorney
47 general's office and the ethics and campaign
48 disclosure board shall serve as consultants, and
49 advise the commission as necessary.

50 Sec. 103. ASSIGNMENT OF LEGISLATION. The

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1 legislation drafted by the commission shall be filed
2 with each chamber on the first day of the legislative
3 session beginning in the year 2000, and immediately
4 assigned to the committee on state government in each
5 chamber.

6 Sec. 104. TERMINATION. The commission shall cease
7 to exist one month after the submission of its report
8 under section 102 of this Act."

9 3. Title page, line 1, by inserting after the
10 word "disclosure" the following: "and advertisement,
11 including the study of campaign finance disclosure and
12 related laws,".

13 4. Title page, line 4, by inserting after the
14 word "fees," the following: "establishing a
15 commission to study campaign finance disclosure and
16 related laws, prohibiting false or misleading
17 information in political advertisements,".

18 5. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT
SHELDON RITTMER, Chairperson

S-3382 FILED APRIL 14, 1999

0/0
4/21/99 (P 1242)

SENATE FILE 470

S-3381

1 Amend Senate File 470 as follows:

2 1. Page 5, by inserting before line 16 the
3 following:

4 "Sec. 101. NEW SECTION. 56.6A VOLUNTARY LIMITS
5 ON CONTRIBUTIONS AND EXPENDITURES.

6 1. A candidate for the general assembly may file a
7 declaration of limitation on expenditures pursuant to
8 section 56.6B, certifying that the candidate and the
9 candidate's committee will not do any of the
10 following:

11 a. Make expenditures during an election campaign
12 cycle exceeding the following amounts:

13 (1) Fifty thousand dollars for a candidate for the
14 senate.

15 (2) Twenty-five thousand dollars for a candidate
16 for the house of representatives.

17 b. Accept direct contributions from a state,
18 county, or city statutory political committee or a
19 national political party.

20 2. A candidate who has filed a declaration of
21 limitation on expenditures pursuant to section 56.6B
22 shall not be bound by the declaration if any opposing
23 candidate for the same office has not filed a
24 declaration of limitation on expenditures pursuant to
25 section 56.6B, or has filed a declaration but has made
26 expenditures exceeding the applicable limit.

27 3. For the purposes of this section and section
28 56.6B:

29 a. "Election campaign cycle" means the period of
30 time between any general or special election
31 commencing on the day following the previous election
32 for that office, and continuing through election day.

33 b. "Expenditures" shall include all amounts
34 reported in disclosure reports pursuant to section
35 56.6, subsection 3, paragraph "g", as well as any
36 amounts attributed to a candidate pursuant to section
37 56.13.

38 Sec. 102. NEW SECTION. 56.6B DECLARATION OF
39 LIMITATION ON EXPENDITURES.

40 1. A declaration of limitation on expenditures
41 shall meet the requirements of section 56.6A,
42 subsection 1, and shall include the signature of the
43 candidate.

44 2. A declaration of limitation on expenditures
45 shall be filed with the board no later than the date
46 upon which the candidate makes a filing pursuant to
47 section 43.11, 44.1, or 45.4 to have the candidate's
48 name placed on a ballot for election to public office.

49 3. Once a declaration of limitation on
50 expenditures has been filed, a candidate's

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1 expenditures may be challenged pursuant to the
 2 procedure in section 68B.32B. Notwithstanding the
 3 requirements of that section, the board shall, within
 4 twenty-four hours of the filing of a complaint,
 5 determine whether there is probable cause to believe
 6 the existence of facts that would establish an
 7 unreported expenditure, an improperly reported
 8 expenditure, or aggregate expenditures exceeding the
 9 applicable limit. The board shall proceed with the
 10 remainder of the complaint procedure only upon a
 11 finding of probable cause.

12 4. a. A finding by the board that a candidate has
 13 exceeded the applicable expenditure limit shall not
 14 subject the candidate to any criminal penalty under
 15 this chapter, but shall release the candidate's
 16 opponent from any obligation to comply with that
 17 candidate's own declaration of limitation of
 18 expenditures.

19 b. A finding by the board that the candidate has
 20 not reported or has improperly reported an expenditure
 21 shall result in appropriate adjustment of the
 22 candidate's reported expenditures, and may subject the
 23 candidate to penalties pursuant to section 56.16."

24 2. Title page, line 1, by striking the word
 25 "disclosure" and inserting the following: ", by
 26 limiting contributions,".

27 3. By renumbering as necessary.

By JOHN P. KIBBIE

S-3381 FILED APRIL 14, 1999

Withdrawn
 4/21/99
 (P. 1241)

SENATE FILE 470

S-3377

1 Amend Senate File 470 as follows:

2 1. Page 8, by inserting before line 20 the
3 following:

4 "Sec. 101. NEW SECTION. 56.14A NEW ADVERTISING
5 BEFORE ELECTION -- RESTRICTIONS.

6 A candidate or a candidate's committee shall not,
7 within the five-day period which immediately precedes
8 the election in which the candidate is seeking office,
9 publish, distribute, or cause to be published or
10 distributed, published material designed to promote or
11 defeat the election of the candidate or the
12 candidate's opponent unless the material was
13 previously published or distributed during the period
14 of time which preceded that five-day period. For
15 purposes of this subsection, "published material"
16 includes "published material" as defined under section
17 56.14 and paid political announcements broadcast
18 through electronic media including, but not limited
19 to, radio, television, or computer networks."

20 2. Title page, line 1, by striking the word
21 "disclosure".

22 3. Title page, line 4, by inserting after the
23 word "fees," the following: "prohibiting certain
24 political advertisements,".

25 4. By renumbering as necessary.

By JOHN P. KIBBIE

S-3377 FILED APRIL 14, 1999

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4/21/99

SENATE FILE 470

S-3376

- 1 Amend Senate File 470 as follows:
- 2 1. Page 4, by striking lines 15 through 28 and
- 3 inserting the following:
- 4 "56.5A CANDIDATE'S COMMITTEE.
- 5 1. Each candidate for state, county, city, or
- 6 school office shall organize one, and only one,
- 7 candidate's committee for a specific office sought
- 8 when the candidate receives contributions in excess of
- 9 five hundred dollars in the aggregate, makes
- 10 expenditures in excess of five hundred dollars in the
- 11 aggregate, or incurs indebtedness in excess of five
- 12 hundred dollars in the aggregate in a calendar year.
- 13 2. A political committee shall not be established
- 14 to support-or-oppose expressly advocate the
- 15 nomination, election, or defeat of only one candidate
- 16 for office, except that a political committee may be
- 17 established to support-or-oppose expressly advocate
- 18 the passage or defeat of approval of a single judge
- 19 standing for retention.
- 20 3. a. A candidate's committee shall accept
- 21 contributions from sources other than voters
- 22 registered within the district represented by the
- 23 office to which the candidate presently seeks
- 24 election, only to the extent that the candidate's
- 25 committee has received and deposited in the
- 26 candidate's campaign account, an equal or greater
- 27 total of contributions from voters registered within
- 28 the district.
- 29 b. A candidate who accepts a contribution in
- 30 violation of this subsection shall be fined civilly in
- 31 an amount equal to ten times the amount by which the
- 32 contribution exceeded the permitted limit. The fine
- 33 proceeds shall be deposited in the Iowa election
- 34 campaign fund created by section 56.19."
- 35 2. Title page, line 1, by striking the word
- 36 "disclosure" and inserting the following: ", by
- 37 limiting contributions,".
- 38 3. By renumbering as necessary.

By JOHN P. KIBBIE

S-3376 FILED APRIL 14, 1999

o/o
4/21/99

SENATE FILE 470

S-3375

1 Amend Senate File 470 as follows:

2 1. Page 10, by inserting after line 11 the
3 following:

4 "Sec. ____ . Section 56.15, Code 1999, is amended by
5 adding the following new subsection:

6 NEW SUBSECTION. 4A. Solicitation for
7 contributions as permitted by this section must also
8 comply with the provisions of section 56.15B."

9 2. Page 12, by inserting after line 3 the
10 following:

11 "5. An employer that permits any solicitation of
12 contributions for political committees on the
13 employer's property or by any owner, officer,
14 director, shareholder, member, or employee of the
15 company during working hours of any solicitor owner,
16 officer, director, shareholder, member, employee, or
17 union official, or during the working hours of any
18 solicitee owner, officer, director, shareholder,
19 member, employee, or union official shall allow equal
20 access for solicitation purposes for contributions to
21 any political committee to any owner, officer,
22 director, shareholder, member, employee, or union
23 official on the employer's property or during any
24 hours while employees are working on the premises of
25 the employer."

26 3. Page 12, by inserting after line 17 the
27 following:

28 "Sec. ____ . NEW SECTION. 731.10 SOLICITATION FOR
29 CONTRIBUTIONS FOR POLITICAL COMMITTEES.

30 A union official shall have the right to solicit
31 contributions for political committees on an
32 employer's property or during any hours while
33 employees are working on the premises of the employer
34 pursuant to section 56.15B."

35 4. Title page, line 1, by inserting after the
36 word "disclosure" the following: "and contribution
37 solicitation, by allowing equal access for certain
38 political committee contribution solicitation,".

39 5. By renumbering as necessary.

By DICK L. DEARDEN

S-3375 FILED APRIL 14, 1999

0/0

4/21/99

(p. 1242)

SENATE FILE 470

S-3374

1. Amend Senate File 470 as follows:

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

4 "Sec. _____. Section 68B.35, subsections 2, 4, and
5 5, Code 1999, are amended to read as follows:

6 2. The financial statement information required by
7 this-section under subsection 1 shall be filed by the
8 following persons:

9 ~~a. Any statewide-elected official.~~

10 ~~b. a.~~ The executive or administrative head or
11 heads of any agency of state government.

12 ~~c. b.~~ The deputy executive or administrative head
13 or heads of an agency of state government.

14 ~~d. c.~~ The head of a major subunit of a department
15 or independent state agency whose position involves a
16 substantial exercise of administrative discretion or
17 the expenditure of public funds as defined under rules
18 adopted by the board, pursuant to chapter 17A, in
19 consultation with the department or agency.

20 ~~e. d.~~ Members of the banking board, the ethics and
21 campaign disclosure board, the credit union review
22 board, the economic development board, the employment
23 appeal board, the environmental protection commission,
24 the health facilities council, the Iowa business
25 investment corporation board of directors, the Iowa
26 finance authority, the Iowa seed capital corporation,
27 the Iowa public employees' retirement system
28 investment board, the lottery board, the natural
29 resource commission, the board of parole, the
30 petroleum underground storage tank fund board, the
31 public employment relations board, the state racing
32 and gaming commission, the state board of regents, the
33 tax review board, the transportation commission, the
34 office of consumer advocate, the utilities board, the
35 Iowa telecommunications and technology commission, and
36 any full-time members of other boards and commissions
37 as defined under section 7E.4 who receive an annual
38 salary for their service on the board or commission.

39 ~~f. Members of the general assembly.~~

40 ~~g. Candidates for state office.~~

41 ~~h. e.~~ Legislative employees who are the head or
42 deputy head of a legislative agency or whose position
43 involves a substantial exercise of administrative
44 discretion or the expenditure of public funds.

45 4. The ethics committee of each house of the
46 general assembly shall recommend rules for adoption by
47 each house for the time and manner for the filing of
48 financial statements by members or employees of the
49 particular house. The legislative council shall adopt
50 rules for the time and manner for the filing of

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1 financial statements by legislative employees of the
2 central legislative staff agencies. The rules shall
3 provide for the filing of the financial statements
4 with either the chief clerk of the house, the
5 secretary of the senate, or other appropriate person
6 or body. The rules shall provide that financial
7 statements filed by members of each house reflect
8 information which is current as of the time of filing
9 the financial statement and for amendment of the
10 information if the information changes during the time
11 period covered by the financial statement.

12 5. A candidate for statewide office shall file a
13 financial statement with the ethics and campaign
14 disclosure board, a candidate for the office of state
15 representative shall file a financial statement with
16 the chief clerk of the house of representatives, and a
17 candidate for the office of state senator shall file a
18 financial statement with the secretary of the senate.
19 Statements shall contain information concerning the
20 year ~~preceding-the-year~~ in which the election is to be
21 held. The statement shall be filed no later than
22 thirty days after the date on which a person is
23 required to file nomination papers for state office
24 under section 43.11, or, if the person is a candidate
25 in a special election, as soon as practicable after
26 the certification of the name of the nominee under
27 section 43.88, but the statement shall be postmarked
28 no later than seven days after certification. The
29 ethics and campaign disclosure board shall adopt rules
30 pursuant to chapter 17A providing for the filing of
31 the financial statements with the board and for the
32 deposit, retention, and availability of the financial
33 statements. The rules shall provide for amendment of
34 the information contained in the financial statements
35 if the information changes during the time period
36 covered by the financial statement. The ethics
37 committees of the house of representatives and the
38 senate shall recommend rules for adoption by the
39 respective houses providing for the filing of the
40 financial statements with the chief clerk of the house
41 or the secretary of the senate and for the deposit,
42 retention, and availability of the financial
43 statements. The rules shall provide for amendment of
44 the information contained in the financial statements
45 if the information changes during the time period
46 covered by the financial statement. Rules adopted
47 shall also include a procedure for notification of
48 candidates of the duty to file disclosure financial
49 statements under this section.

50 Sec. ____ . Section 68B.35, Code 1999, is amended by

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1 adding the following new subsections:

2 NEW SUBSECTION. 2A. A statewide elected official,
3 members of the general assembly, and candidates for
4 state office shall file financial statements which
5 contain all of the following:

6 a. The name of any business, organization, or
7 entity in which the official, member, or candidate is
8 employed. If the official, member, or candidate is
9 self-employed and is doing business under the
10 official's, member's, or candidate's given name, the
11 official, member, or candidate shall indicate that the
12 person is self-employed. If the official, member, or
13 candidate is self-employed, and is doing business
14 under a name other than the official's, member's, or
15 candidate's given name, the official, member, or
16 candidate shall indicate that the person is self-
17 employed and list the name of the person's business.
18 If the official, member, or candidate is not employed
19 by another person or is not self-employed, the person
20 shall indicate that the person is not employed.

21 b. The nature of the business in which the
22 official, member, or candidate is employed or self-
23 employed, if the official, member, or candidate is
24 employed or self-employed.

25 c. The job title or position held within any
26 business in which the official, member, or candidate
27 is employed or self-employed.

28 d. If the official, member, or candidate is
29 employed or self-employed, the range in which annual
30 compensation received or earned falls, in the
31 following ranges:

- 32 (1) \$ 0 through \$9,999.99.
33 (2) \$ 10,000 through \$24,999.99.
34 (3) \$ 25,000 through \$49,999.99.
35 (4) \$ 50,000 through \$99,999.99.
36 (5) \$100,000 through \$149,999.99.
37 (6) \$150,000 through \$249,999.99.
38 (7) \$250,000 through \$499,999.99.
39 (8) \$500,000 through \$999,999.99.
40 (9) \$1,000,000 and above.

41 e. The information required in paragraphs "a"
42 through "d", where applicable, for the spouse of the
43 official, member, or candidate.

44 f. A list of any other sources of income and type
45 of interest held, if the source produces more than one
46 thousand dollars annually in gross income. The list
47 shall include the name of the corporation, business,
48 or other entity from which the income is derived and,
49 if not apparent from the name, the nature of the
50 business of the corporation, business, or other entity

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1 from which the income is derived. The type of
2 interest held may be listed under any of the following
3 categories, or under any other categories as may be
4 established by rule:

- 5 (1) Securities.
- 6 (2) Instruments of financial institutions.
- 7 (3) Trusts.
- 8 (4) Real estate.
- 9 (5) Retirement systems.
- 10 (6) Other types of income or income categories

11 specified in state and federal income tax regulations.

12 NEW SUBSECTION. 6. The secretary of the senate
13 and the chief clerk of the house shall forward copies
14 of any personal financial disclosure statements
15 received from members of and candidates for the
16 general assembly to the ethics and campaign disclosure
17 board. The board shall add the information to any
18 files maintained which pertain to the particular
19 member of or candidate for the general assembly and
20 shall add the information, when possible, to any
21 electronic databases or files which are publicly
22 accessible from remote locations."

23 2. Title page, line 1, by inserting after the
24 word "finance" the following: "and personal
25 financial".

26 3. Title page, line 4, by inserting after the
27 word "fees" the following: "providing for personal
28 financial disclosure by certain public officials and
29 candidates,".

30 4. By renumbering as necessary.

By MATT McCOY

S-3374 FILED APRIL 14, 1999

O/O
4/21/99

SENATE FILE 470

S-3384

- 1 Amend Senate File 470 as follows:
2 1. Page 4, by inserting before line 29 the
3 following:
4 "Sec. 101. NEW SECTION. 56.5B LIMITATIONS ON
5 CONTRIBUTIONS.
6 1. An individual shall not make contributions
7 that, during any election campaign cycle, in the
8 aggregate exceed the following:
9 a. Two thousand dollars to any candidate or
10 candidate's committee for a statewide office.
11 b. Five hundred dollars to any candidate or
12 candidate's committee for the Iowa senate.
13 c. Two hundred fifty dollars to any candidate or
14 candidate's committee for the Iowa house of
15 representatives.
16 2. A candidate or candidate's committee shall not
17 knowingly accept any contribution in violation of this
18 section.
19 3. For purposes of this section:
20 a. "Election campaign cycle" means the period of
21 time between any general or special election
22 commencing on the day following the previous election
23 for that office and continuing through election day.
24 b. "Statewide office" means the office of any of
25 the state officers listed in section 39.9."
26 2. Title page, line 1, by striking the word
27 "disclosure".
28 3. Title page, line 4, by inserting after the
29 word "fees," the following: "limiting certain
30 contributions,".
31 4. By renumbering as necessary.

By MIKE CONNOLLY

S-3384 FILED APRIL 14, 1999

w/d

4/21/99

SENATE FILE 470

S-3385

- 1 Amend Senate File 470 as follows:
2 1. Page 4, by inserting after line 28 the
3 following:
4 "Sec. ____ . NEW SECTION. 56.5B LIMITATIONS ON
5 CONTRIBUTIONS.
6 1. A political committee shall not make
7 contributions that, during any election campaign
8 cycle, in the aggregate exceed the following:
9 a. Two thousand dollars to any candidate or
10 candidate's committee for a statewide office.
11 b. Five hundred dollars to any candidate or
12 candidate's committee for the Iowa senate.
13 c. Two hundred fifty dollars to any candidate or
14 candidate's committee for the Iowa house of
15 representatives.
16 2. A candidate or candidate's committee shall not
17 knowingly accept any contribution in violation of this
18 section.
19 3. For purposes of this section:
20 a. "Election campaign cycle" means the period of
21 time between any general or special election
22 commencing on the day following the previous election
23 for that office and continuing through election day.
24 b. "Political committee" shall not include a state
25 statutory political committee, county statutory
26 political committee, city statutory political
27 committee, or national political party.
28 c. "Statewide office" means the office of any of
29 the state officers listed in section 39.9.
30 4. This section shall not apply to the following:
31 a. Contributions to Iowa candidates for the United
32 States senate or house of representatives, or to any
33 other candidate for federal office.
34 b. Transfers of campaign funds made pursuant to
35 section 56.42."
36 2. Title page, line 1, by striking the words
37 "disclosure by" and inserting the following: ", by
38 limiting certain contributions,".
39 3. By renumbering as necessary.

By MIKE CONNOLLY

S-3385 FILED APRIL 14, 1999

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4/21/99

SENATE FILE 470

S-3386

1 Amend Senate File 470 as follows:

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

4 "Section 1. Section 56.2, Code 1999, is amended by
5 adding the following new subsections:

6 NEW SUBSECTION. 5A. "Clearly identified" means
7 that a communication contains an unambiguous reference
8 to a particular candidate or ballot issue, including
9 but not limited to one or more of the following:

10 a. Use of the name of the candidate or ballot
11 issue.

12 b. Use of a photograph or drawing of the
13 candidate, or the use of a particular symbol
14 associated with a specific ballot issue.

15 c. Use of a candidate's initials, nickname,
16 office, or status as a candidate, or use of acronym,
17 popular name, or characterization of a ballot issue.

18 NEW SUBSECTION. 12A. "Express advocacy" or to
19 "expressly advocate" means communication that can be
20 characterized according to at least one of the
21 following descriptions:

22 a. The communication is political speech made in
23 the form of a contribution.

24 b. In advocating the election or defeat of one or
25 more clearly identified candidates or the passage or
26 defeat of one or more clearly identified ballot
27 issues, the communication includes explicit words that
28 unambiguously indicate that the communication is
29 recommending or supporting a particular outcome in the
30 election with regard to any clearly identified
31 candidate or ballot issue.

32 c. When taken as a whole and with limited
33 reference to external events such as the proximity to
34 the election, the communication could only be
35 interpreted by a reasonable person as supporting or
36 recommending the election, passage, or defeat of one
37 or more clearly identified candidates or ballot issues
38 because both of the following conditions are met:

39 (1) The communication, as it relates to the
40 election or defeat of the candidate or ballot issue,
41 is unmistakable, unambiguous, and suggestive of only
42 one meaning.

43 (2) Reasonable minds could not differ as to
44 whether the communication encourages action to
45 nominate, elect, approve, or defeat one or more
46 clearly identified candidates or a ballot issue or
47 whether the communication encourages some other kind
48 of action.

49 Sec. 2. Section 56.2, subsections 16 and 17, Code
50 1999, are amended to read as follows:

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1 16. "Political committee" means a either of the
2 following:

3 a. A committee, but not a candidate's committee,
4 which that accepts contributions in excess of five
5 hundred dollars in the aggregate, makes expenditures
6 in excess of five hundred dollars in the aggregate, or
7 incurs indebtedness in excess of five hundred dollars
8 in the aggregate in any one calendar year for-the
9 purpose-of-supporting-or-opposing to expressly
10 advocate the nomination, election, or defeat of a
11 candidate for public office, or for-the-purpose-of
12 supporting-or-opposing to expressly advocate the
13 passage or defeat of a ballot issue;--"political
14 committee"-also-means-an.

15 b. An association, lodge, society, cooperative,
16 union, fraternity, sorority, educational institution,
17 civic organization, labor organization, religious
18 organization, or professional organization which that
19 accepts contributions in excess of five hundred
20 dollars in the aggregate, makes expenditures in excess
21 of five hundred dollars in the aggregate, or incurs
22 indebtedness in excess of five hundred dollars in the
23 aggregate in any one calendar year for-the-purpose-of
24 supporting-or-opposing to expressly advocate the
25 nomination, election, or defeat of a candidate for
26 public office, or for-the-purpose-of-supporting-or
27 opposing to expressly advocate the passage or defeat
28 of a ballot issue. "Political-committee"-also
29 includes-a-committee-which-accepts-contributions-in
30 excess-of-five-hundred-dollars-in-the-aggregate;-makes
31 expenditures-in-excess-of-five-hundred-dollars-in-the
32 aggregate;-or-incurs-indebtedness-in-excess-of-five
33 hundred-dollars-in-the-aggregate-in-a-calendar-year-to
34 cause-the-publication-or-broadcasting-of-material-in
35 which-the-public-policy-positions-or-voting-record-of
36 an-identifiable-candidate-is-discussed-and-in-which-a
37 reasonable-person-could-find-commentary-favorable-or
38 unfavorable-to-those-public-policy-positions-or-voting
39 record.

40 17. "Political purpose" or "political purposes"
41 means the support-or-opposition express advocacy of a
42 candidate or ballot issue.

43 Sec. 3. Section 56.4, unnumbered paragraphs 2 and
44 3, Code 1999, are amended to read as follows:

45 Political committees supporting-or-opposing
46 expressly advocating the nomination, election, or
47 defeat of candidates for both federal office and any
48 elected office created by law or the Constitution of
49 the state of Iowa shall file statements and reports
50 with the board in addition to any federal reports

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1 required to be filed with the board. However, a
2 political committee which is registered and filing
3 full disclosure reports of all financial activities
4 with the federal election commission may file verified
5 statements as provided in section 56.5.

6 Political committees ~~supporting or opposing~~
7 expressly advocating the nomination, election, or
8 defeat of candidates or the passage or defeat of
9 ballot issues for statewide elections and for county,
10 municipal or school elections may file all activity on
11 one report with the board and shall send a copy to the
12 commissioner responsible under section 47.2 for
13 conducting the election.

14 Sec. 4. Section 56.5, subsection 2, paragraph f,
15 Code 1999, is amended to read as follows:

16 f. A signed statement by the treasurer of the
17 committee and the candidate, in the case of a
18 candidate's committee, which shall verify that they
19 are aware of the requirement to file disclosure
20 reports if the committee, the committee officers, the
21 candidate, or both the committee officers and the
22 candidate receive contributions in excess of five
23 hundred dollars in the aggregate, make expenditures in
24 excess of five hundred dollars in the aggregate, or
25 incur indebtedness in excess of five hundred dollars
26 in the aggregate in a calendar year ~~for the purpose of~~
27 supporting or opposing to expressly advocate the
28 nomination, election, or defeat of any candidate for
29 public office. In the case of political committees,
30 statements shall be made by the treasurer of the
31 committee and the chairperson.

32 Sec. 5. Section 56.5A, Code 1999, is amended to
33 read as follows:

34 56.5A CANDIDATE'S COMMITTEE.

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

43 2. A political committee shall not be established
44 to ~~support or oppose~~ expressly advocate the
45 nomination, election, or defeat of only one candidate
46 for office, except that a political committee may be
47 established to support or oppose expressly advocate
48 the passage or defeat of approval of a single judge
49 standing for retention.

50 Sec. 6. Section 56.6, subsection 1, paragraph d,

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1 Code 1999, is amended to read as follows:

2 d. Committees for municipal and school elective
3 offices and local ballot issues shall file their first
4 reports five days prior to any election in which the
5 name of the candidate or the local ballot issue which
6 they ~~support-or-oppose~~ expressly advocate appears on
7 the printed ballot and shall file their next report on
8 the first day of the month following the final
9 election in a calendar year in which the candidate's
10 name or the ballot issue appears on the ballot. A
11 committee ~~supporting-or-opposing~~ expressly advocating
12 the nomination, election, or defeat of a candidate for
13 a municipal or school elective office or the passage
14 or defeat of a local ballot issue shall also file
15 disclosure reports on the nineteenth day of January
16 and October of each year in which the candidate or
17 ballot issue does not appear on the ballot and on the
18 nineteenth day of January, May, and July of each year
19 in which the candidate or ballot issue appears on the
20 ballot, until the committee dissolves. These reports
21 shall be current to five days prior to the filing
22 deadline and are considered timely filed if mailed
23 bearing a United States postal service postmark on or
24 before the due date.

25 Sec. 7. Section 56.12A, unnumbered paragraph 1,
26 Code 1999, is amended to read as follows:

27 The state and the governing body of a county, city,
28 or other political subdivision of the state shall not
29 expend or permit the expenditure of public moneys for
30 political purposes, including ~~supporting-or-opposing~~
31 expressly advocating the passage or defeat of a ballot
32 issue.

33 Sec. 8. Section 56.13, subsections 1, 2, and 3,
34 Code 1999, are amended to read as follows:

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

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1 committee with the cost of the promotion at fair
2 market value. A copy of the notification shall be
3 sent to the board.

4 Any person who makes expenditures or incurs
5 indebtedness, other than incidental expenses incurred
6 in performing volunteer work, ~~in support or opposition~~
7 to expressly advocate the nomination, election, or
8 defeat of a candidate for public office shall notify
9 the appropriate committee and provide necessary
10 information for disclosure reports.

11 2. If a person, other than a political committee,
12 makes one or more expenditures in excess of five
13 hundred dollars in the aggregate, or incurs
14 indebtedness in excess of five hundred dollars in the
15 aggregate, in any one calendar year ~~for purposes of~~
16 supporting or opposing to expressly advocate the
17 passage or defeat of a ballot issue, the person shall
18 file a statement of activity within ten days of taking
19 the action exceeding the threshold. The statement
20 shall contain information identifying the person
21 filing the statement, identifying the ballot issue,
22 and indicating the position urged by the person with
23 regard to the ballot issue. The person shall file
24 reports indicating the dates on which the expenditures
25 or incurrence of indebtedness took place; a
26 description of the nature of the action taken which
27 resulted in the expenditures or debt; and the cost of
28 the promotion at fair market value. For a local
29 ballot issue, the reports shall be filed five days
30 prior to any election in which the ballot issue
31 appears and on the first day of the month following
32 the election, as well as on the nineteenth day of
33 January, May, and July of each year in which the
34 ballot issue appears on the ballot and on the
35 nineteenth day of January and October of each year in
36 which the ballot issue does not appear on the ballot.
37 For a statewide ballot issue, reports shall be filed
38 on the nineteenth day of January, May, and July of
39 each year. The reports shall be current to five days
40 prior to the filing deadline, and are considered
41 timely filed if mailed bearing a United States postal
42 service postmark on or before the due date. Filing
43 obligations shall cease when the person files a
44 statement of discontinuation indicating that the
45 person's financial activity ~~in support of or in~~
46 opposition to expressly advocate the passage or defeat
47 of the ballot issue has ceased. Statements and
48 reports shall be filed with the commissioner
49 responsible under section 47.2 for conducting the
50 election at which the issue is voted upon, except that

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1 reports on a statewide ballot issue shall be filed
2 with the board.

3 3. A person taking action involving the making of
4 an expenditure or incurrence of indebtedness in
5 support-or-opposition to expressly advocate the
6 passage or defeat of a ballot issue independently of a
7 political committee shall, within seventy-two hours of
8 taking the action, notify in writing any political
9 committee which advocates the same position with
10 regard to the ballot issue as the person taking the
11 action. The notification shall provide the political
12 committee with the cost of the promotion at fair
13 market value. A copy of the notification shall be
14 sent to the board. It shall be presumed that a
15 benefited committee approves the action if the
16 committee fails to file a statement of disavowal with
17 the commissioner or board and takes corrective action
18 within ten days of the action. Action approved by a
19 committee shall be reported as a contribution by the
20 committee.

21 Sec. 9. Section 56.14, subsection 1, paragraph a,
22 Code 1999, is amended to read as follows:

23 1. a. A person who causes the publication or
24 distribution of published material designed to promote
25 or-defeat expressly advocate the nomination, or
26 election, or defeat of a candidate for public office
27 or the passage or defeat of a constitutional amendment
28 or public measure shall include conspicuously on the
29 published material the identity and address of the
30 person responsible for the material. If the person
31 responsible is an organization, the name of one
32 officer of the organization shall appear on the
33 material. However, if the organization is a committee
34 which has filed a statement of organization under this
35 chapter, only the name of the committee is required to
36 be included on the published material. Published
37 material designed to ~~promote-or-defeat~~ expressly
38 advocate the nomination, or election, or defeat of a
39 candidate for public office or the passage or defeat
40 of a constitutional amendment or public measure which
41 contains language or depictions which a reasonable
42 person would understand as asserting that an entity
43 which is incorporated or is a registered committee had
44 authored the material shall, if the entity is not
45 incorporated or a registered committee, include
46 conspicuously on the published material a statement
47 that the apparent organization or committee is not
48 incorporated or a registered committee in addition to
49 the attribution statement required by this section.
50 For purposes of this section, "registered committee"

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1 means a committee which has an active statement of
2 organization filed under section 56.5.

3 Sec. 10. Section 56.15, subsections 1, 2, and 4,
4 Code 1999, are amended to read as follows:

5 1. Except as provided in subsections 3 and 4, it
6 is unlawful for an insurance company, savings and loan
7 association, bank, credit union, or corporation
8 organized pursuant to the laws of this state, the
9 United States, or any other state, territory, or
10 foreign country, whether for profit or not, or an
11 officer, agent, or representative acting for such
12 insurance company, savings and loan association, bank,
13 credit union, or corporation, to contribute any money,
14 property, labor, or thing of value, directly or
15 indirectly, to a committee, or ~~for the purpose of~~
16 influencing to expressly advocate that the vote of an
17 elector be used to nominate, elect, or defeat a
18 candidate for public office, except that such
19 resources may be so expended in connection with a
20 utility franchise election held pursuant to section
21 364.2, subsection 4, or a ballot issue. All such
22 expenditures are subject to the disclosure
23 requirements of this chapter.

24 2. Except as provided in subsection 3, it is
25 unlawful for a member of a committee, or its employee
26 or representative, except a ballot issue committee, or
27 for a candidate for office or the representative of
28 the candidate, to solicit, request, or knowingly
29 receive from an insurance company, savings and loan
30 association, bank, credit union, or corporation
31 organized pursuant to the laws of this state, the
32 United States, or any other state, territory, or
33 foreign country, whether for profit or not, or its
34 officer, agent, or representative, any money,
35 property, or thing of value belonging to the insurance
36 company, savings and loan association, bank, or
37 corporation for campaign expenses, or ~~for the purpose~~
38 of influencing to expressly advocate that the vote of
39 an elector be used to nominate, elect, or defeat a
40 candidate for public office. This section does not
41 restrain or abridge the freedom of the press or
42 prohibit the consideration and discussion in the press
43 of candidacies, nominations, public officers, or
44 public questions.

45 4. The restrictions imposed by this section
46 relative to making, soliciting or receiving
47 contributions shall not apply to a nonprofit
48 corporation or organization which uses those
49 contributions to encourage registration of voters and
50 participation in the political process, or to

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1 publicize public issues, or both, but does not use any
2 part of those contributions to ~~endorse or oppose~~
3 expressly advocate the nomination, election, or defeat
4 of any candidate for public office. A nonprofit
5 corporation or organization may use contributions
6 solicited or received to ~~support or oppose expressly~~
7 advocate the passage or defeat of ballot issues but
8 the expenditures shall be disclosed by the nonprofit
9 corporation or organization in the manner provided for
10 a permanent organization temporarily engaged in a
11 political activity under section 56.6.

12 This section does not prohibit a family farm
13 corporation, as defined in section 9H.1, from placing
14 a yard sign on agricultural land, and does not
15 prohibit the placement of yard signs, with the prior
16 written permission of the individual property owner,
17 on property rented or leased by a corporation from
18 private individuals, subject to the requirements of
19 section 56.14. This section also does not prohibit
20 the placement of a yard sign on residential property
21 that is owned by a corporation, but rented or leased
22 to a private individual, if the prior permission of
23 the renter or lessee is obtained.

24 Sec. 11. Section 56.15, Code 1999, is amended by
25 adding the following new subsection:

26 NEW SUBSECTION. 4A. For purposes of this section,
27 "committee" shall include statutory political
28 committees organized under chapter 43, and nonparty
29 political organizations organized under chapter 44.

30 Sec. 12. Section 56.22, subsection 2, Code 1999,
31 is amended to read as follows:

32 2. Funds distributed to statutory political
33 committees pursuant to this chapter shall not be used
34 to ~~support or oppose expressly~~ advocate the
35 nomination, election, or defeat of any candidate.
36 Nothing in this subsection shall be construed to
37 prohibit a statutory political committee from using
38 such funds to pay expenses incurred in arranging and
39 holding a nominating convention."

40 2. Title page, by striking lines 2 through 6 and
41 inserting the following: "express advocacy of
42 candidates and ballot issues."

By MIKE CONNOLLY

S-3386 FILED APRIL 14, 1999

Lost
4/21/99 P. 1240)

SENATE FILE 470

S-3409

1 Amend Senate File 470 as follows:

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

4 "Sec. 101. Section 43.7, Code 1999, is amended to
5 read as follows:

6 43.7 TIME OF HOLDING.

7 The primary election by all political parties shall
8 be held at the usual voting places of the several
9 precincts on the first Tuesday after the first Monday
10 in ~~June~~ September in each even-numbered year.

11 Sec. 102. Section 43.73, unnumbered paragraph 1,
12 Code 1999, is amended to read as follows:

13 Not less than ~~sixty-nine~~ forty days before the
14 general election the state commissioner shall certify
15 to each commissioner, under separate party headings,
16 the name of each person nominated as shown by the
17 official canvass made by the executive council, or as
18 certified to the state commissioner by the proper
19 persons when any person has been nominated by a
20 convention or by a party committee, or by petition,
21 the office to which the person is nominated, and the
22 order in which federal and state offices, judges,
23 constitutional amendments, and state public measures
24 shall appear on the official ballot.

25 Sec. 103. Section 43.76, Code 1999, is amended to
26 read as follows:

27 43.76 WITHDRAWAL OF NOMINATED CANDIDATES.

28 1. A candidate nominated in a primary election for
29 any office for which nomination papers are required to
30 be filed with the state commissioner may withdraw as a
31 nominee for that office on or before, but not later
32 than, the ~~eighty-ninth~~ forty-second day before the
33 date of the general election by so notifying the state
34 commissioner in writing.

35 2. A candidate nominated in a primary election for
36 any office for which nomination papers are required to
37 be filed with the commissioner may withdraw as a
38 nominee for that office on or before, but not later
39 than, the ~~seventy-fourth~~ fifty-fifth day before the
40 date of the general election by so notifying the
41 commissioner in writing.

42 Sec. 104. Section 43.78, subsections 2 and 3, Code
43 1999, are amended to read as follows:

44 2. The name of any candidate designated to fill a
45 vacancy on the general election ballot in accordance
46 with subsection 1, paragraph "a", "b", or "c" shall be
47 submitted in writing to the state commissioner not
48 later than five o'clock p.m. on the ~~eighty-first~~
49 forty-first day before the date of the general
50 election.

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1 3. The name of any candidate designated to fill a
2 vacancy on the general election ballot in accordance
3 with subsection 1, paragraph "d", "e", or "f" shall be
4 submitted in writing to the commissioner not later
5 than five o'clock p.m. on the ~~sixty-ninth~~ fifty-fourth
6 day before the date of the general election.

7 Sec. 105. Section 43.79, Code 1999, is amended to
8 read as follows:

9 43.79 DEATH OF CANDIDATE AFTER TIME FOR
10 WITHDRAWAL.

11 The death of a candidate nominated as provided by
12 law for any office to be filled at a general election,
13 during the period beginning on the ~~eighty-eighth~~
14 thirty-fifth day before the general election, in the
15 case of any candidate whose nomination papers were
16 filed with the state commissioner, or beginning on the
17 ~~seventy-third~~ fortieth day before the general
18 election, in the case of any candidate whose
19 nomination papers were filed with the commissioner,
20 and ending on the last day before the general election
21 shall not operate to remove the deceased candidate's
22 name from the general election ballot. If the
23 deceased candidate was seeking the office of senator
24 or representative in the Congress of the United
25 States, governor, attorney general, senator or
26 representative in the general assembly or county
27 supervisor, section 49.58 shall control. If the
28 deceased candidate was seeking any other office, and
29 as a result of the candidate's death a vacancy is
30 subsequently found to exist, the vacancy shall be
31 filled as provided by chapter 69.

32 Sec. 106. Section 50.48, subsection 4, unnumbered
33 paragraph 3, Code 1999, is amended to read as follows:

34 The ballots or voting machine documents shall be
35 resealed by the recount board before adjournment and
36 shall be preserved as required by section 50.12. At
37 the conclusion of the recount, the recount board shall
38 make and file with the commissioner a written report
39 of its findings, which shall be signed by at least two
40 members of the recount board. The recount board shall
41 complete the recount and file its report not later
42 than the ~~eighteenth~~ twenty-seventh day following the
43 county board's canvass of the election in question.

44 Sec. 107. Section 53.2, unnumbered paragraph 1,
45 Code 1999, is amended to read as follows:

46 Any registered voter, under the circumstances
47 specified in section 53.1, may on any day, except
48 election day, and not more than ~~seventy~~ forty days
49 ~~prior to~~ before the date of the general election and
50 not more than seventy days before the date of other

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1 elections, apply in person for an absentee ballot at
 2 the commissioner's office or at any location
 3 designated by the commissioner, or make written
 4 application to the commissioner for an absentee
 5 ballot. The state commissioner shall prescribe a form
 6 for absentee ballot applications. However, if a
 7 registered voter submits an application that includes
 8 all of the information required in this section, the
 9 prescribed form is not required. Absentee ballot
 10 applications may include instructions to send the
 11 application directly to the county commissioner of
 12 elections. However, no absentee ballot application
 13 shall be preaddressed or printed with instructions to
 14 send the applications to anyone other than the
 15 appropriate commissioner.

16 Sec. 108. Section 53.39, unnumbered paragraph 2,
 17 Code 1999, is amended to read as follows:

18 All official ballots to be voted by qualified
 19 absent voters in the armed forces of the United States
 20 at the primary election and the general election shall
 21 be printed prior-to-forty at least ten days before the
 22 respective elections and shall be available for
 23 transmittal to such the qualified voters in the armed
 24 forces of the United States at least forty ten days
 25 before the respective elections and shall be accepted
 26 until thirty days after the election. The provisions
 27 of this chapter apply to absent voting by qualified
 28 voters in the armed forces of the United States except
 29 as modified by the provisions of this division."

30 2. Page 12, by inserting after line 12 the
 31 following:

32 "Sec. 201. Section 277.1, Code 1999, is amended to
 33 read as follows:

34 277.1 REGULAR ELECTION.

35 The regular election shall be held annually on the
 36 second Tuesday in September in each school district
 37 for the election of officers of the district and
 38 merged area and for the purpose of submitting to the
 39 voters any matter authorized by law. However, if the
 40 regular election falls on the same day as the primary
 41 election, the regular election shall be held the
 42 following Tuesday."

43 3. Title page, line 1, by inserting after the
 44 words "relating to" the following: "election dates
 45 and".

46 4. Title page, line 4, by inserting after the
 47 word "fees," the following: "by changing primary
 48 election dates,".

49 5. By renumbering as necessary.

By ANDY MCKEAN

S-3409 FILED APRIL 15, 1999

W/D

SENATE FILE 470

S-3393

- 1 Amend Senate File 470 as follows:
- 2 1. Page 12, by striking lines 23 through 25 and
- 3 inserting the following:
- 4 "Sec. 17. APPLICABILITY AND EFFECTIVE DATE. This
- 5 Act, being deemed of immediate importance, takes
- 6 effect upon enactment. Section 13 of this Act,
- 7 enacting new section 56.15B, shall".
- 8 2. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-3393 FILED APRIL 15, 1999

0/0 4/15/99

SENATE FILE 470

S-3394

- 1 Amend Senate File 470 as follows:
- 2 1. Page 4, by inserting after line 28 the
- 3 following:
- 4 "Sec. 101. Section 56.6, subsection 1, paragraph
- 5 a, Code 1999, is amended to read as follows:
- 6 a. Each treasurer of a committee shall file with
- 7 the board or commissioner disclosure reports of
- 8 contributions received and disbursed on forms
- 9 prescribed by rules as provided by chapter 17A. The
- 10 reports from all committees, except those committees
- 11 for municipal and school elective offices and for
- 12 local ballot issues, shall be filed on the nineteenth
- 13 day or mailed bearing a United States postal service
- 14 postmark dated on or before the nineteenth day of
- 15 January, May, July, and October of each year. The
- 16 May, July, and October reports shall be current as of
- 17 five days prior to the filing deadline. The January
- 18 report shall be the annual report covering activity
- 19 through December 31. ~~However, a state, county, or~~
- 20 ~~city statutory political committee is not required to~~
- 21 ~~file the May and July reports for a year in which no~~
- 22 ~~primary or general election is held at the respective~~
- 23 ~~state, county, or city level. A candidate's~~
- 24 ~~committee other than for municipal and school~~
- 25 ~~elective offices, for a year in which the candidate is~~
- 26 ~~not standing for election, is not required to file the~~
- 27 ~~May, July, and October reports.~~ Reports for
- 28 committees for a ballot issue placed before the voters
- 29 of the entire state shall be filed at the January,
- 30 May, July, and October deadlines."
- 31 2. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-3394 FILED APRIL 15, 1999

*Last
4/21/99
(p. 1241)*

SENATE FILE 470

S-3445

1 Amend Senate File 470 as follows:

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

4 "Section 1. Section 20.26, Code 1999, is amended
5 by adding the following new unnumbered paragraph:
6 NEW UNNUMBERED PARAGRAPH. All contributions by or
7 through employee organizations shall also comply with
8 the provisions of section 56.15B.

9 Sec. 2. Section 56.2, Code 1999, is amended by
10 adding the following new subsections:

11 NEW SUBSECTION. 5A. "Clearly identified" means
12 that a communication contains an unambiguous reference
13 to a particular candidate or ballot issue, including
14 but not limited to one or more of the following:

15 a. Use of the name of the candidate or ballot
16 issue.

17 b. Use of a photograph or drawing of the
18 candidate, or the use of a particular symbol
19 associated with a specific ballot issue.

20 c. Use of a candidate's initials, nickname,
21 office, or status as a candidate, or use of acronym,
22 popular name, or characterization of a ballot issue.

23 NEW SUBSECTION. 12A. "Express advocacy" or to
24 "expressly advocate" means communication that can be
25 characterized according to at least one of the
26 following descriptions:

27 a. The communication is political speech made in
28 the form of a contribution.

29 b. In advocating the election or defeat of one or
30 more clearly identified candidates or the passage or
31 defeat of one or more clearly identified ballot
32 issues, the communication includes explicit words that
33 unambiguously indicate that the communication is
34 recommending or supporting a particular outcome in the
35 election with regard to any clearly identified
36 candidate or ballot issue.

37 c. When taken as a whole and with limited
38 reference to external events such as the proximity to
39 the election, the communication could only be
40 interpreted by a reasonable person as supporting or
41 recommending the election, passage, or defeat of one
42 or more clearly identified candidates or ballot issues
43 because both of the following conditions are met:

44 (1) The communication, as it relates to the
45 election or defeat of the candidate or ballot issue,
46 is unmistakable, unambiguous, and suggestive of only
47 one meaning.

48 (2) Reasonable minds could not differ as to
49 whether the communication encourages action to
50 nominate, elect, approve, or defeat one or more

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1 clearly identified candidates or a ballot issue or
2 whether the communication encourages some other kind
3 of action.

4 Sec. 3. Section 56.2, subsections 16 and 17, Code
5 1999, are amended to read as follows:

6 16. "Political committee" means a either of the
7 following:

8 a. A committee, but not a candidate's committee,
9 which that accepts contributions in excess of five
10 hundred dollars in the aggregate, makes expenditures
11 in excess of five hundred dollars in the aggregate, or
12 incurs indebtedness in excess of five hundred dollars
13 in the aggregate in any one calendar year ~~for the~~
14 ~~purpose of supporting or opposing to expressly~~
15 ~~advocate the nomination, election, or defeat of a~~
16 ~~candidate for public office, or for the purpose of~~
17 ~~supporting or opposing to expressly advocate the~~
18 ~~passage or defeat of a ballot issue; "political~~
19 ~~committee" also means an.~~

20 b. An association, lodge, society, cooperative,
21 union, fraternity, sorority, educational institution,
22 civic organization, labor organization, religious
23 organization, or professional organization which that
24 accepts contributions in excess of five hundred
25 dollars in the aggregate, makes expenditures in excess
26 of five hundred dollars in the aggregate, or incurs
27 indebtedness in excess of five hundred dollars in the
28 aggregate in any one calendar year ~~for the purpose of~~
29 ~~supporting or opposing to expressly advocate the~~
30 ~~nomination, election, or defeat of a candidate for~~
31 ~~public office, or for the purpose of supporting or~~
32 ~~opposing to expressly advocate the passage or defeat~~
33 ~~of a ballot issue. "Political committee" also~~
34 ~~includes a committee which accepts contributions in~~
35 ~~excess of five hundred dollars in the aggregate; makes~~
36 ~~expenditures in excess of five hundred dollars in the~~
37 ~~aggregate; or incurs indebtedness in excess of five~~
38 ~~hundred dollars in the aggregate in a calendar year to~~
39 ~~cause the publication or broadcasting of material in~~
40 ~~which the public policy positions or voting record of~~
41 ~~an identifiable candidate is discussed and in which a~~
42 ~~reasonable person could find commentary favorable or~~
43 ~~unfavorable to those public policy positions or voting~~
44 ~~record.~~

45 17. "Political purpose" or "political purposes"
46 means the support or opposition express advocacy of a
47 candidate or ballot issue.

48 Sec. 4. Section 56.4, unnumbered paragraphs 2 and
49 3, Code 1999, are amended to read as follows:

50 Political committees supporting or opposing

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1 expressly advocating the nomination, election, or
2 defeat of candidates for both federal office and any
3 elected office created by law or the Constitution of
4 the state of Iowa shall file statements and reports
5 with the board in addition to any federal reports
6 required to be filed with the board. However, a
7 political committee which is registered and filing
8 full disclosure reports of all financial activities
9 with the federal election commission may file verified
10 statements as provided in section 56.5.

11 Political committees ~~supporting or opposing~~
12 expressly advocating the nomination, election, or
13 defeat of candidates or the passage or defeat of
14 ballot issues for statewide elections and for county,
15 municipal or school elections may file all activity on
16 one report with the board and shall send a copy to the
17 commissioner responsible under section 47.2 for
18 conducting the election.

19 Sec. 5. Section 56.5, subsection 2, paragraph f,
20 Code 1999, is amended to read as follows:

21 f. A signed statement by the treasurer of the
22 committee and the candidate, in the case of a
23 candidate's committee, which shall verify that they
24 are aware of the requirement to file disclosure
25 reports if the committee, the committee officers, the
26 candidate, or both the committee officers and the
27 candidate receive contributions in excess of five
28 hundred dollars in the aggregate, make expenditures in
29 excess of five hundred dollars in the aggregate, or
30 incur indebtedness in excess of five hundred dollars
31 in the aggregate in a calendar year ~~for the purpose of~~
32 supporting or opposing to expressly advocate the
33 nomination, election, or defeat of any candidate for
34 public office. In the case of political committees,
35 statements shall be made by the treasurer of the
36 committee and the chairperson.

37 Sec. 6. Section 56.5A, Code 1999, is amended to
38 read as follows:

39 56.5A CANDIDATE'S COMMITTEE.

40 1. Each candidate for state, county, city, or
41 school office shall organize one, and only one,
42 candidate's committee for a specific office sought
43 when the candidate receives contributions in excess of
44 five hundred dollars in the aggregate, makes
45 expenditures in excess of five hundred dollars in the
46 aggregate, or incurs indebtedness in excess of five
47 hundred dollars in the aggregate in a calendar year.

48 2. A political committee shall not be established
49 to ~~support or oppose~~ expressly advocate the
50 nomination, election, or defeat of only one candidate

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1 for office, except that a political committee may be
2 established to ~~support-or-oppose~~ expressly advocate
3 the passage or defeat of approval of a single judge
4 standing for retention.

5 Sec. 7. Section 56.6, subsection 1, paragraph d,
6 Code 1999, is amended to read as follows:

7 d. Committees for municipal and school elective
8 offices and local ballot issues shall file their first
9 reports five days prior to any election in which the
10 name of the candidate or the local ballot issue which
11 they ~~support-or-oppose~~ expressly advocate appears on
12 the printed ballot and shall file their next report on
13 the first day of the month following the final
14 election in a calendar year in which the candidate's
15 name or the ballot issue appears on the ballot. A
16 committee ~~supporting-or-opposing~~ expressly advocating
17 the nomination, election, or defeat of a candidate for
18 a municipal or school elective office or the passage
19 or defeat of a local ballot issue shall also file
20 disclosure reports on the nineteenth day of January
21 and October of each year in which the candidate or
22 ballot issue does not appear on the ballot and on the
23 nineteenth day of January, May, and July of each year
24 in which the candidate or ballot issue appears on the
25 ballot, until the committee dissolves. These reports
26 shall be current to five days prior to the filing
27 deadline and are considered timely filed if mailed
28 bearing a United States postal service postmark on or
29 before the due date.

30 Sec. 8. Section 56.12A, unnumbered paragraph 1,
31 Code 1999, is amended to read as follows:

32 The state and the governing body of a county, city,
33 or other political subdivision of the state shall not
34 expend or permit the expenditure of public moneys for
35 political purposes, including ~~supporting-or-opposing~~
36 expressly advocating the passage or defeat of a ballot
37 issue.

38 Sec. 9. Section 56.13, subsections 1, 2, and 3,
39 Code 1999, are amended to read as follows:

40 1. Action involving a contribution or expenditure
41 which must be reported under this chapter and which is
42 taken by any person, candidate's committee or
43 political committee on behalf of a candidate, if known
44 and approved by the candidate, shall be deemed action
45 by the candidate and reported by the candidate's
46 committee. It shall be presumed that a candidate
47 approves the action if the candidate had knowledge of
48 it and failed to file a statement of disavowal with
49 the commissioner or board and take corrective action
50 within seventy-two hours of the action. A person,

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1 candidate's committee or political committee taking
2 such action independently of that candidate's
3 committee shall notify that candidate's committee in
4 writing within twenty-four hours of taking the action.
5 The notification shall provide that candidate's
6 committee with the cost of the promotion at fair
7 market value. A copy of the notification shall be
8 sent to the board.

9 Any person who makes expenditures or incurs
10 indebtedness, other than incidental expenses incurred
11 in performing volunteer work, ~~in support or opposition~~
12 to expressly advocate the nomination, election, or
13 defeat of a candidate for public office shall notify
14 the appropriate committee and provide necessary
15 information for disclosure reports.

16 2. If a person, other than a political committee,
17 makes one or more expenditures in excess of five
18 hundred dollars in the aggregate, or incurs
19 indebtedness in excess of five hundred dollars in the
20 aggregate, in any one calendar year ~~for purposes of~~
21 supporting or opposing to expressly advocate the
22 passage or defeat of a ballot issue, the person shall
23 file a statement of activity within ten days of taking
24 the action exceeding the threshold. The statement
25 shall contain information identifying the person
26 filing the statement, identifying the ballot issue,
27 and indicating the position urged by the person with
28 regard to the ballot issue. The person shall file
29 reports indicating the dates on which the expenditures
30 or incurrance of indebtedness took place; a
31 description of the nature of the action taken which
32 resulted in the expenditures or debt; and the cost of
33 the promotion at fair market value. For a local
34 ballot issue, the reports shall be filed five days
35 prior to any election in which the ballot issue
36 appears and on the first day of the month following
37 the election, as well as on the nineteenth day of
38 January, May, and July of each year in which the
39 ballot issue appears on the ballot and on the
40 nineteenth day of January and October of each year in
41 which the ballot issue does not appear on the ballot.
42 For a statewide ballot issue, reports shall be filed
43 on the nineteenth day of January, May, and July of
44 each year. The reports shall be current to five days
45 prior to the filing deadline, and are considered
46 timely filed if mailed bearing a United States postal
47 service postmark on or before the due date. Filing
48 obligations shall cease when the person files a
49 statement of discontinuation indicating that the
50 person's financial activity ~~in support of or in~~

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1 opposition to expressly advocate the passage or defeat
2 of the ballot issue has ceased. Statements and
3 reports shall be filed with the commissioner
4 responsible under section 47.2 for conducting the
5 election at which the issue is voted upon, except that
6 reports on a statewide ballot issue shall be filed
7 with the board.

8 3. A person taking action involving the making of
9 an expenditure or incurrence of indebtedness in
10 support-or-opposition to expressly advocate the
11 passage or defeat of a ballot issue independently of a
12 political committee shall, within seventy-two hours of
13 taking the action, notify in writing any political
14 committee which advocates the same position with
15 regard to the ballot issue as the person taking the
16 action. The notification shall provide the political
17 committee with the cost of the promotion at fair
18 market value. A copy of the notification shall be
19 sent to the board. It shall be presumed that a
20 benefited committee approves the action if the
21 committee fails to file a statement of disavowal with
22 the commissioner or board and takes corrective action
23 within ten days of the action. Action approved by a
24 committee shall be reported as a contribution by the
25 committee.

26 Sec. 10. Section 56.14, subsection 1, paragraph a,
27 Code 1999, is amended to read as follows:

28 a. A person who causes the publication or
29 distribution of published material designed to promote
30 or-defeat expressly advocate the nomination, or
31 election, or defeat of a candidate for public office
32 or the passage or defeat of a constitutional amendment
33 or public measure shall include conspicuously on the
34 published material the identity and address of the
35 person responsible for the material. If the person
36 responsible is an organization, the name of one
37 officer of the organization shall appear on the
38 material. However, if the organization is a committee
39 which has filed a statement of organization under this
40 chapter, only the name of the committee is required to
41 be included on the published material. Published
42 material designed to promote-or-defeat expressly
43 advocate the nomination, or election, or defeat of a
44 candidate for public office or the passage or defeat
45 of a constitutional amendment or public measure which
46 contains language or depictions which a reasonable
47 person would understand as asserting that an entity
48 which is incorporated or is a registered committee had
49 authored the material shall, if the entity is not
50 incorporated or a registered committee, include

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1 conspicuously on the published material a statement
2 that the apparent organization or committee is not
3 incorporated or a registered committee in addition to
4 the attribution statement required by this section.
5 For purposes of this section, "registered committee"
6 means a committee which has an active statement of
7 organization filed under section 56.5.

8 Sec. 11. Section 56.15, subsections 1, 2, and 4,
9 Code 1999, are amended to read as follows:

10 1. Except as provided in subsections 3 and 4, it
11 is unlawful for an insurance company, savings and loan
12 association, bank, credit union, or corporation
13 organized pursuant to the laws of this state, the
14 United States, or any other state, territory, or
15 foreign country, whether for profit or not, or an
16 officer, agent, or representative acting for such
17 insurance company, savings and loan association, bank,
18 credit union, or corporation, to contribute any money,
19 property, labor, or thing of value, directly or
20 indirectly, to a committee, or ~~for-the-purpose-of~~
21 influencing to expressly advocate that the vote of an
22 elector be used to nominate, elect, or defeat a
23 candidate for public office, except that such
24 resources may be so expended in connection with a
25 utility franchise election held pursuant to section
26 364.2, subsection 4, or a ballot issue. All such
27 expenditures are subject to the disclosure
28 requirements of this chapter.

29 2. Except as provided in subsection 3, it is
30 unlawful for a member of a committee, or its employee
31 or representative, except a ballot issue committee, or
32 for a candidate for office or the representative of
33 the candidate, to solicit, request, or knowingly
34 receive from an insurance company, savings and loan
35 association, bank, credit union, or corporation
36 organized pursuant to the laws of this state, the
37 United States, or any other state, territory, or
38 foreign country, whether for profit or not, or its
39 officer, agent, or representative, any money,
40 property, or thing of value belonging to the insurance
41 company, savings and loan association, bank, or
42 corporation for campaign expenses, or ~~for-the-purpose~~
43 of-influencing to expressly advocate that the vote of
44 an elector be used to nominate, elect, or defeat a
45 candidate for public office. This section does not
46 restrain or abridge the freedom of the press or
47 prohibit the consideration and discussion in the press
48 of candidacies, nominations, public officers, or
49 public questions.

50 4. The restrictions imposed by this section

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1 relative to making, soliciting or receiving
2 contributions shall not apply to a nonprofit
3 corporation or organization which uses those
4 contributions to encourage registration of voters and
5 participation in the political process, or to
6 publicize public issues, or both, but does not use any
7 part of those contributions to ~~endorse or oppose~~
8 expressly advocate the nomination, election, or defeat
9 of any candidate for public office. A nonprofit
10 corporation or organization may use contributions
11 solicited or received to ~~support or oppose expressly~~
12 advocate the passage or defeat of ballot issues but
13 the expenditures shall be disclosed by the nonprofit
14 corporation or organization in the manner provided for
15 a permanent organization temporarily engaged in a
16 political activity under section 56.6.

17 This section does not prohibit a family farm
18 corporation, as defined in section 9H.1, from placing
19 a yard sign on agricultural land, and does not
20 prohibit the placement of yard signs, with the prior
21 written permission of the individual property owner,
22 on property rented or leased by a corporation from
23 private individuals, subject to the requirements of
24 section 56.14. This section also does not prohibit
25 the placement of a yard sign on residential property
26 that is owned by a corporation, but rented or leased
27 to a private individual, if the prior permission of
28 the renter or lessee is obtained.

29 Sec. 12. Section 56.15, Code 1999, is amended by
30 adding the following new subsection:

31 NEW SUBSECTION. 4A. For purposes of this section,
32 "committee" shall include statutory political
33 committees organized under chapter 43, and nonparty
34 political organizations organized under chapter 44.

35 Sec. 13. NEW SECTION. 56.15B CONTRIBUTIONS FROM
36 NEGATIVE CHECK-OFF PLANS PROHIBITED.

37 1. As used in this section, unless the context
38 otherwise requires:

39 a. "Legislative objective" means action related to
40 the passage, defeat, approval, veto, or modification
41 of legislation, a rule, or an executive order, or
42 another official action by the members of the general
43 assembly, a state agency, or another elected or
44 appointed official or body of officials.

45 b. "Negative check-off plan" means a plan under
46 which an individual is deemed to have agreed to a
47 payment, deduction, or allocation of moneys, or a
48 series of payments, deductions, or allocations of
49 moneys, by means of the individual's inaction or
50 failure to object to such payment, deduction, or

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1 allocation of moneys.

2 c. "Voluntary" means an action or choice freely
3 made by an individual that is evidenced by a written
4 authorization executed on at least an annual basis on
5 a document that includes only the signature indicating
6 agreement and a conspicuous disclosure in plain
7 language, written in at least twelve point type, that
8 includes the following information:

9 (1) An explanation regarding the kind of payment
10 or regular deduction the individual is authorizing.
11 (2) The entity that will be receiving the moneys.
12 (3) The fact that such moneys may be used for
13 political purposes or legislative objectives.
14 (4) A statement that such authorization is purely
15 voluntary, that the individual has the right to
16 inquire regarding the exact political purposes or
17 legislative objectives for which the moneys may be
18 used, and that no actions can be taken against an
19 individual who does not sign such an authorization
20 because of the refusal to sign.

21 2. A person shall not solicit or receive moneys
22 for any political purpose or legislative objective
23 from an individual in the course of the person's
24 business, vocation, occupation, charity, fellowship,
25 or other group or organizational activity unless the
26 moneys have been voluntarily contributed, given, or
27 otherwise authorized by the individual.

28 a. A violation of this subsection is a fraudulent
29 practice under section 714.8.

30 b. A payment, deduction, or allocation of moneys
31 made pursuant to a negative check-off plan shall not
32 be considered to have been voluntarily made by an
33 individual. A negative check-off plan is void as
34 against public policy.

35 c. This subsection shall not apply to payments,
36 deductions, or allocations of moneys required by
37 federal law, by state tax laws, or by court order or
38 other court-approved agreement or decree.

39 3. A person other than a candidate, candidate's
40 committee, or political committee shall not knowingly
41 receive or use funds collected in violation of
42 subsection 2 for any political purpose or legislative
43 objective.

44 4. A candidate, candidate's committee, or
45 political committee shall not knowingly receive or use
46 moneys collected in violation of subsection 2.

47 Sec. 14. Section 56.22, subsection 2, Code 1999,
48 is amended to read as follows:

49 2. Funds distributed to statutory political
50 committees pursuant to this chapter shall not be used

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1 to ~~support or oppose~~ expressly advocate the
2 nomination, election, or defeat of any candidate.
3 Nothing in this subsection shall be construed to
4 prohibit a statutory political committee from using
5 such funds to pay expenses incurred in arranging and
6 holding a nominating convention.

7 Sec. 15. Section 731.5, Code 1999, is amended by
8 adding the following new unnumbered paragraph:

9 NEW UNNUMBERED PARAGRAPH. All deductions from an
10 employee's earnings, wages, or compensation shall also
11 comply with the provisions of section 56.15B.

12 Sec. 16. SEVERABILITY. If any section of this
13 Act, or any portion of any section of this Act, is
14 found unconstitutional or otherwise unenforceable by a
15 court, the remaining sections and portions of sections
16 shall be given effect to the fullest extent possible.

17 Sec. 17. APPLICABILITY AND EFFECTIVE DATE. This
18 Act, being deemed of immediate importance, takes
19 effect upon enactment, and shall apply to any
20 deduction or allocation of moneys related to or
21 conducted in conjunction with annual dues assessment
22 and billing for the entity's next annual dues cycle,
23 or other annual contribution or allocation cycle, but
24 in any event shall apply to all actual deductions by
25 all affected entities that occur on or after July 1,
26 1999, regardless of when the annual dues are assessed
27 or billed or the contribution is otherwise allocated
28 or solicited.

29 Sec. 18. CAMPAIGN FINANCE COMMISSION. A campaign
30 finance commission is established to study campaign
31 finance disclosure and related laws and to recommend
32 reforms in these laws, according to the following:

33 1. APPOINTMENT. The commission shall be composed
34 of six members, bipartisan and gender-balanced in
35 accordance with sections 69.16 and 69.16A, and
36 appointed as follows:

37 a. Two members shall be the state chairs of each
38 of the political parties, as defined in section 43.2,
39 or their designees.

40 b. Four members shall be jointly appointed by the
41 majority and minority leaders of the senate and house.
42 These members shall be appointed from nonpartisan
43 organizations which have researched, studied, and
44 advocated the issue of political campaign finance
45 reform for fifteen years or more, or who are specially
46 qualified to serve on the commission because of
47 training or experience.

48 c. The commission shall elect a chair and vice
49 chair at its first meetings.

50 2. TERMS. The members of the commission shall

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1 serve for the life of the commission.

2 3. VACANCIES. A vacancy in the commission shall
3 be filled in the manner in which the original
4 appointment was made.

5 Sec. 19. POWERS AND DUTIES OF THE COMMISSION.

6 1. HEARINGS. The commission may hold hearings
7 which shall be open and announced in advance to the
8 public, take testimony, and receive evidence as the
9 commission considers appropriate. Activities of the
10 commission shall be held in accordance with chapter
11 21.

12 The commission shall hold at least one hearing in
13 each congressional district within the state
14 specifically to obtain public input on the issue of
15 campaign finance reform.

16 2. QUORUM. Four members of the commission shall
17 constitute a quorum, but a lesser number may hold
18 hearings.

19 3. REPORT. Not later than December 15, 1999, the
20 commission shall submit to the general assembly a
21 report of the activities of the commission, together
22 with a draft of legislation recommended by the
23 commission to reform the campaign finance disclosure
24 and related laws for consideration by the general
25 assembly in the year 2000 according to the provisions
26 of this Act.

27 4. MATTERS TO BE CONSIDERED. In holding hearings
28 and preparing the report required under subsection 3,
29 the commission shall consider all issues related to
30 the reform of campaign finance disclosure and related
31 laws. The commission may secure directly from any
32 department or agency such information as the
33 commission considers necessary, and the department or
34 agency shall promptly furnish such information to the
35 commission.

36 5. STAFFING. Assistance shall be provided to the
37 commission by the central nonpartisan legislative
38 staff bureaus. The commission may utilize the
39 services of the legislative service bureau in
40 formulating a draft of legislation. The attorney
41 general's office and the ethics and campaign
42 disclosure board shall serve as consultants, and
43 advise the commission as necessary.

44 Sec. 20. ASSIGNMENT OF LEGISLATION. The
45 legislation drafted by the commission shall be filed
46 with each chamber on the first day of the legislative
47 session beginning in the year 2000, and immediately
48 assigned to the committee on state government in each
49 chamber.

50 Sec. 21. TERMINATION. The commission shall cease

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1 to exist one month after the submission of its report
2 under section 19 of this Act."

3 2. Title page, line 1, by inserting after the
4 word "disclosure" the following: ", including the
5 study of campaign finance disclosure and related
6 laws,".

7 3. Title page, line 4, by inserting after the
8 word "fees," the following: "establishing a
9 commission to study campaign finance disclosure and
10 related laws,".

By JEFF LAMBERTI

S-3445 FILED APRIL 20, 1999

Adopted
4/21/99
(P.1242)

SENATE FILE 470

S-3446

1 Amend the amendment, S-3445, to Senate File 470
2 as follows:

3 1. By striking page 1, line 1, through page 12,
4 line 10, and inserting the following:

5 "Amend Senate File 470 as follows:

6 "____. By striking everything after the enacting
7 clause and inserting the following:

8 "Section 1. Section 20.26, Code 1999, is amended
9 by adding the following new unnumbered paragraph:

10 NEW UNNUMBERED PARAGRAPH. All contributions by or
11 through employee organizations shall also comply with
12 the provisions of section 56.15B.

13 Sec. 2. Section 56.2, Code 1999, is amended by
14 adding the following new subsections:

15 NEW SUBSECTION. 5A. "Clearly identified" means
16 that a communication contains an unambiguous reference
17 to a particular candidate or ballot issue, including
18 but not limited to one or more of the following:

19 a. Use of the name of the candidate or ballot
20 issue.

21 b. Use of a photograph or drawing of the
22 candidate, or the use of a particular symbol
23 associated with a specific ballot issue.

24 c. Use of a candidate's initials, nickname,
25 office, or status as a candidate, or use of acronym,
26 popular name, or characterization of a ballot issue.

27 NEW SUBSECTION. 12A. "Express advocacy" or to
28 "expressly advocate" means communication that can be
29 characterized according to at least one of the
30 following descriptions:

31 a. The communication is political speech made in
32 the form of a contribution.

33 b. In advocating the election or defeat of one or
34 more clearly identified candidates or the passage or
35 defeat of one or more clearly identified ballot
36 issues, the communication includes explicit words that
37 unambiguously indicate that the communication is
38 recommending or supporting a particular outcome in the
39 election with regard to any clearly identified
40 candidate or ballot issue.

41 c. When taken as a whole and with limited
42 reference to external events such as the proximity to
43 the election, the communication could only be
44 interpreted by a reasonable person as supporting or
45 recommending the election, passage, or defeat of one
46 or more clearly identified candidates or ballot issues
47 because both of the following conditions are met:

48 (1) The communication, as it relates to the
49 election or defeat of the candidate or ballot issue,
50 is unmistakable, unambiguous, and suggestive of only

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1 one meaning.

2 (2) Reasonable minds could not differ as to
3 whether the communication encourages action to
4 nominate, elect, approve, or defeat one or more
5 clearly identified candidates or a ballot issue or
6 whether the communication encourages some other kind
7 of action.

8 Sec. 3. Section 56.2, subsections 16 and 17, Code
9 1999, are amended to read as follows:

10 16. "Political committee" means a either of the
11 following:

12 a. A committee, but not a candidate's committee,
13 which that accepts contributions in excess of five
14 hundred dollars in the aggregate, makes expenditures
15 in excess of five hundred dollars in the aggregate, or
16 incurs indebtedness in excess of five hundred dollars
17 in the aggregate in any one calendar year for-the
18 purpose-of-supporting-or-opposing to expressly
19 advocate the nomination, election, or defeat of a
20 candidate for public office, or for-the-purpose-of
21 supporting-or-opposing to expressly advocate the
22 passage or defeat of a ballot issue;--"political
23 committee"--also-means-an.

24 b. An association, lodge, society, cooperative,
25 union, fraternity, sorority, educational institution,
26 civic organization, labor organization, religious
27 organization, or professional organization which that
28 accepts contributions in excess of five hundred
29 dollars in the aggregate, makes expenditures in excess
30 of five hundred dollars in the aggregate, or incurs
31 indebtedness in excess of five hundred dollars in the
32 aggregate in any one calendar year for-the-purpose-of
33 supporting-or-opposing to expressly advocate the
34 nomination, election, or defeat of a candidate for
35 public office, or for-the-purpose-of-supporting-or
36 opposing to expressly advocate the passage or defeat
37 of a ballot issue. "Political-committee"--also
38 includes-a-committee-which-accepts-contributions-in
39 excess-of-five-hundred-dollars-in-the-aggregate;--makes
40 expenditures-in-excess-of-five-hundred-dollars-in-the
41 aggregate;--or-incurs-indebtedness-in-excess-of-five
42 hundred-dollars-in-the-aggregate-in-a-calendar-year-to
43 cause-the-publication-or-broadcasting-of-material-in
44 which-the-public-policy-positions-or-voting-record-of
45 an-identifiable-candidate-is-discussed-and-in-which-a
46 reasonable-person-could-find-commentary-favorable-or
47 unfavorable-to-those-public-policy-positions-or-voting
48 record.

49 17. "Political purpose" or "political purposes"
50 means the support-or-opposition express advocacy of a

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1 candidate or ballot issue.

2 Sec. 4. Section 56.4, unnumbered paragraphs 2 and
3 3, Code 1999, are amended to read as follows:

4 Political committees ~~supporting-or-opposing~~
5 expressly advocating the nomination, election, or
6 defeat of candidates for both federal office and any
7 elected office created by law or the Constitution of
8 the state of Iowa shall file statements and reports
9 with the board in addition to any federal reports
10 required to be filed with the board. However, a
11 political committee which is registered and filing
12 full disclosure reports of all financial activities
13 with the federal election commission may file verified
14 statements as provided in section 56.5.

15 Political committees ~~supporting-or-opposing~~
16 expressly advocating the nomination, election, or
17 defeat of candidates or the passage or defeat of
18 ballot issues for statewide elections and for county,
19 municipal or school elections may file all activity on
20 one report with the board and shall send a copy to the
21 commissioner responsible under section 47.2 for
22 conducting the election.

23 Sec. 5. Section 56.5, subsection 2, paragraph f,
24 Code 1999, is amended to read as follows:

25 f. A signed statement by the treasurer of the
26 committee and the candidate, in the case of a
27 candidate's committee, which shall verify that they
28 are aware of the requirement to file disclosure
29 reports if the committee, the committee officers, the
30 candidate, or both the committee officers and the
31 candidate receive contributions in excess of five
32 hundred dollars in the aggregate, make expenditures in
33 excess of five hundred dollars in the aggregate, or
34 incur indebtedness in excess of five hundred dollars
35 in the aggregate in a calendar year ~~for-the-purpose-of~~
36 supporting-or-opposing to expressly advocate the
37 nomination, election, or defeat of any candidate for
38 public office. In the case of political committees,
39 statements shall be made by the treasurer of the
40 committee and the chairperson.

41 Sec. 6. Section 56.5A, Code 1999, is amended to
42 read as follows:

43 56.5A CANDIDATE'S COMMITTEE.

44 1. Each candidate for state, county, city, or
45 school office shall organize one, and only one,
46 candidate's committee for a specific office sought
47 when the candidate receives contributions in excess of
48 five hundred dollars in the aggregate, makes
49 expenditures in excess of five hundred dollars in the
50 aggregate, or incurs indebtedness in excess of five

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1 hundred dollars in the aggregate in a calendar year.
2 2. A political committee shall not be established
3 to support-or-oppose expressly advocate the
4 nomination, election, or defeat of only one candidate
5 for office, except that a political committee may be
6 established to support-or-oppose expressly advocate
7 the passage or defeat of approval of a single judge
8 standing for retention.

9 Sec. 7. Section 56.6, subsection 1, paragraph d,
10 Code 1999, is amended to read as follows:

11 d. Committees for municipal and school elective
12 offices and local ballot issues shall file their first
13 reports five days prior to any election in which the
14 name of the candidate or the local ballot issue which
15 they support-or-oppose expressly advocate appears on
16 the printed ballot and shall file their next report on
17 the first day of the month following the final
18 election in a calendar year in which the candidate's
19 name or the ballot issue appears on the ballot. A
20 committee supporting-or-opposing expressly advocating
21 the nomination, election, or defeat of a candidate for
22 a municipal or school elective office or the passage
23 or defeat of a local ballot issue shall also file
24 disclosure reports on the nineteenth day of January
25 and October of each year in which the candidate or
26 ballot issue does not appear on the ballot and on the
27 nineteenth day of January, May, and July of each year
28 in which the candidate or ballot issue appears on the
29 ballot, until the committee dissolves. These reports
30 shall be current to five days prior to the filing
31 deadline and are considered timely filed if mailed
32 bearing a United States postal service postmark on or
33 before the due date.

34 Sec. 8. Section 56.12A, unnumbered paragraph 1,
35 Code 1999, is amended to read as follows:

36 The state and the governing body of a county, city,
37 or other political subdivision of the state shall not
38 expend or permit the expenditure of public moneys for
39 political purposes, including supporting-or-opposing
40 expressly advocating the passage or defeat of a ballot
41 issue.

42 Sec. 9. Section 56.13, subsections 1, 2, and 3,
43 Code 1999, are amended to read as follows:

44 1. Action involving a contribution or expenditure
45 which must be reported under this chapter and which is
46 taken by any person, candidate's committee or
47 political committee on behalf of a candidate, if known
48 and approved by the candidate, shall be deemed action
49 by the candidate and reported by the candidate's
50 committee. It shall be presumed that a candidate

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1 approves the action if the candidate had knowledge of
2 it and failed to file a statement of disavowal with
3 the commissioner or board and take corrective action
4 within seventy-two hours of the action. A person,
5 candidate's committee or political committee taking
6 such action independently of that candidate's
7 committee shall notify that candidate's committee in
8 writing within twenty-four hours of taking the action.
9 The notification shall provide that candidate's
10 committee with the cost of the promotion at fair
11 market value. A copy of the notification shall be
12 sent to the board.

13 Any person who makes expenditures or incurs
14 indebtedness, other than incidental expenses incurred
15 in performing volunteer work, ~~in support or opposition~~
16 to expressly advocate the nomination, election, or
17 defeat of a candidate for public office shall notify
18 the appropriate committee and provide necessary
19 information for disclosure reports.

20 2. If a person, other than a political committee,
21 makes one or more expenditures in excess of five
22 hundred dollars in the aggregate, or incurs
23 indebtedness in excess of five hundred dollars in the
24 aggregate, in any one calendar year ~~for purposes of~~
25 supporting or opposing to expressly advocate the
26 passage or defeat of a ballot issue, the person shall
27 file a statement of activity within ten days of taking
28 the action exceeding the threshold. The statement
29 shall contain information identifying the person
30 filing the statement, identifying the ballot issue,
31 and indicating the position urged by the person with
32 regard to the ballot issue. The person shall file
33 reports indicating the dates on which the expenditures
34 or incurrence of indebtedness took place; a
35 description of the nature of the action taken which
36 resulted in the expenditures or debt; and the cost of
37 the promotion at fair market value. For a local
38 ballot issue, the reports shall be filed five days
39 prior to any election in which the ballot issue
40 appears and on the first day of the month following
41 the election, as well as on the nineteenth day of
42 January, May, and July of each year in which the
43 ballot issue appears on the ballot and on the
44 nineteenth day of January and October of each year in
45 which the ballot issue does not appear on the ballot.
46 For a statewide ballot issue, reports shall be filed
47 on the nineteenth day of January, May, and July of
48 each year. The reports shall be current to five days
49 prior to the filing deadline, and are considered
50 timely filed if mailed bearing a United States postal

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1 service postmark on or before the due date. Filing
2 obligations shall cease when the person files a
3 statement of discontinuation indicating that the
4 person's financial activity ~~in support of or in~~
5 ~~opposition~~ to expressly advocate the passage or defeat
6 of the ballot issue has ceased. Statements and
7 reports shall be filed with the commissioner
8 responsible under section 47.2 for conducting the
9 election at which the issue is voted upon, except that
10 reports on a statewide ballot issue shall be filed
11 with the board.

12 3. A person taking action involving the making of
13 an expenditure or incurrence of indebtedness ~~in~~
14 ~~support or opposition~~ to expressly advocate the
15 passage or defeat of a ballot issue independently of a
16 political committee shall, within seventy-two hours of
17 taking the action, notify in writing any political
18 committee which advocates the same position with
19 regard to the ballot issue as the person taking the
20 action. The notification shall provide the political
21 committee with the cost of the promotion at fair
22 market value. A copy of the notification shall be
23 sent to the board. It shall be presumed that a
24 benefited committee approves the action if the
25 committee fails to file a statement of disavowal with
26 the commissioner or board and takes corrective action
27 within ten days of the action. Action approved by a
28 committee shall be reported as a contribution by the
29 committee.

30 Sec. 10. Section 56.14, subsection 1, paragraph a,
31 Code 1999, is amended to read as follows:

32 a. A person who causes the publication or
33 distribution of published material designed to promote
34 or defeat expressly advocate the nomination, or
35 election, or defeat of a candidate for public office
36 or the passage or defeat of a constitutional amendment
37 or public measure shall include conspicuously on the
38 published material the identity and address of the
39 person responsible for the material. If the person
40 responsible is an organization, the name of one
41 officer of the organization shall appear on the
42 material. However, if the organization is a committee
43 which has filed a statement of organization under this
44 chapter, only the name of the committee is required to
45 be included on the published material. Published
46 material designed to ~~promote or defeat expressly~~
47 advocate the nomination, or election, or defeat of a
48 candidate for public office or the passage or defeat
49 of a constitutional amendment or public measure which
50 contains language or depictions which a reasonable

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1 person would understand as asserting that an entity
2 which is incorporated or is a registered committee had
3 authored the material shall, if the entity is not
4 incorporated or a registered committee, include
5 conspicuously on the published material a statement
6 that the apparent organization or committee is not
7 incorporated or a registered committee in addition to
8 the attribution statement required by this section.
9 For purposes of this section, "registered committee"
10 means a committee which has an active statement of
11 organization filed under section 56.5.

12 Sec. 11. Section 56.15, subsections 1, 2, and 4,
13 Code 1999, are amended to read as follows:

14 1. Except as provided in subsections 3 and 4, it
15 is unlawful for an insurance company, savings and loan
16 association, bank, credit union, or corporation
17 organized pursuant to the laws of this state, the
18 United States, or any other state, territory, or
19 foreign country, whether for profit or not, or an
20 officer, agent, or representative acting for such
21 insurance company, savings and loan association, bank,
22 credit union, or corporation, to contribute any money,
23 property, labor, or thing of value, directly or
24 indirectly, to a committee, or ~~for-the-purpose-of~~
25 influencing to expressly advocate that the vote of an
26 elector be used to nominate, elect, or defeat a
27 candidate for public office, except that such
28 resources may be so expended in connection with a
29 utility franchise election held pursuant to section
30 364.2, subsection 4, or a ballot issue. All such
31 expenditures are subject to the disclosure
32 requirements of this chapter.

33 2. Except as provided in subsection 3, it is
34 unlawful for a member of a committee, or its employee
35 or representative, except a ballot issue committee, or
36 for a candidate for office or the representative of
37 the candidate, to solicit, request, or knowingly
38 receive from an insurance company, savings and loan
39 association, bank, credit union, or corporation
40 organized pursuant to the laws of this state, the
41 United States, or any other state, territory, or
42 foreign country, whether for profit or not, or its
43 officer, agent, or representative, any money,
44 property, or thing of value belonging to the insurance
45 company, savings and loan association, bank, or
46 corporation for campaign expenses, or ~~for-the-purpose~~
47 of-influencing to expressly advocate that the vote of
48 an elector be used to nominate, elect, or defeat a
49 candidate for public office. This section does not
50 restrain or abridge the freedom of the press or

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1 prohibit the consideration and discussion in the press
2 of candidacies, nominations, public officers, or
3 public questions.

4 4. The restrictions imposed by this section
5 relative to making, soliciting or receiving
6 contributions shall not apply to a nonprofit
7 corporation or organization which uses those
8 contributions to encourage registration of voters and
9 participation in the political process, or to
10 publicize public issues, or both, but does not use any
11 part of those contributions to ~~endorse or oppose~~
12 expressly advocate the nomination, election, or defeat
13 of any candidate for public office. A nonprofit
14 corporation or organization may use contributions
15 solicited or received to ~~support or oppose~~ expressly
16 advocate the passage or defeat of ballot issues but
17 the expenditures shall be disclosed by the nonprofit
18 corporation or organization in the manner provided for
19 a permanent organization temporarily engaged in a
20 political activity under section 56.6.

21 This section does not prohibit a family farm
22 corporation, as defined in section 9H.1, from placing
23 a yard sign on agricultural land, and does not
24 prohibit the placement of yard signs, with the prior
25 written permission of the individual property owner,
26 on property rented or leased by a corporation from
27 private individuals, subject to the requirements of
28 section 56.14. This section also does not prohibit
29 the placement of a yard sign on residential property
30 that is owned by a corporation, but rented or leased
31 to a private individual, if the prior permission of
32 the renter or lessee is obtained.

33 Sec. 12. Section 56.15, Code 1999, is amended by
34 adding the following new subsection:

35 NEW SUBSECTION. 4A. For purposes of this section,
36 "committee" shall include statutory political
37 committees organized under chapter 43, and nonparty
38 political organizations organized under chapter 44.

39 Sec. 13. NEW SECTION. 56.15B CONTRIBUTIONS FROM
40 NEGATIVE CHECK-OFF PLANS PROHIBITED.

41 1. As used in this section, unless the context
42 otherwise requires:

43 a. "Legislative objective" means action related to
44 the passage, defeat, approval, veto, or modification
45 of legislation, a rule, or an executive order, or
46 another official action by the members of the general
47 assembly, a state agency, or another elected or
48 appointed official or body of officials.

49 b. "Negative check-off plan" means a plan under
50 which an individual is deemed to have agreed to a

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1 payment, deduction, or allocation of moneys, or a
2 series of payments, deductions, or allocations of
3 moneys, by means of the individual's inaction or
4 failure to object to such payment, deduction, or
5 allocation of moneys.

6 c. "Voluntary" means an action or choice freely
7 made by an individual that is evidenced by a written
8 authorization executed on at least an annual basis on
9 a document that includes only the signature indicating
10 agreement and a conspicuous disclosure in plain
11 language, written in at least twelve point type, that
12 includes the following information:

13 (1) An explanation regarding the kind of payment
14 or regular deduction the individual is authorizing.

15 (2) The entity that will be receiving the moneys.

16 (3) The fact that such moneys may be used for
17 political purposes or legislative objectives.

18 (4) A statement that such authorization is purely
19 voluntary, that the individual has the right to
20 inquire regarding the exact political purposes or
21 legislative objectives for which the moneys may be
22 used, and that no actions can be taken against an
23 individual who does not sign such an authorization
24 because of the refusal to sign.

25 2. A person shall not solicit or receive moneys
26 for any political purpose or legislative objective
27 from an individual in the course of the person's
28 business, vocation, occupation, charity, fellowship,
29 or other group or organizational activity unless the
30 moneys have been voluntarily contributed, given, or
31 otherwise authorized by the individual.

32 a. A violation of this subsection is a fraudulent
33 practice under section 714.8.

34 b. A payment, deduction, or allocation of moneys
35 made pursuant to a negative check-off plan shall not
36 be considered to have been voluntarily made by an
37 individual. A negative check-off plan is void as
38 against public policy.

39 c. This subsection shall not apply to payments,
40 deductions, or allocations of moneys required by
41 federal law, by state tax laws, or by court order or
42 other court-approved agreement or decree.

43 3. A person other than a candidate, candidate's
44 committee, or political committee shall not knowingly
45 receive or use funds collected in violation of
46 subsection 2 for any political purpose or legislative
47 objective.

48 4. A candidate, candidate's committee, or
49 political committee shall not knowingly receive or use
50 moneys collected in violation of subsection 2.

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1 Sec. 14. Section 56.22, subsection 2, Code 1999,
2 is amended to read as follows:

3 2. Funds distributed to statutory political
4 committees pursuant to this chapter shall not be used
5 to ~~support or oppose~~ expressly advocate the
6 nomination, election, or defeat of any candidate.
7 Nothing in this subsection shall be construed to
8 prohibit a statutory political committee from using
9 such funds to pay expenses incurred in arranging and
10 holding a nominating convention.

11 Sec. 15. Section 731.5, Code 1999, is amended by
12 adding the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. All deductions from an
14 employee's earnings, wages, or compensation shall also
15 comply with the provisions of section 56.15B.

16 Sec. 16. SEVERABILITY. If any section of this
17 Act, or any portion of any section of this Act, is
18 found unconstitutional or otherwise unenforceable by a
19 court, the remaining sections and portions of sections
20 shall be given effect to the fullest extent possible.

21 Sec. 17. APPLICABILITY AND EFFECTIVE DATE.
22 Section 13 of this Act, enacting new section 56.15B,
23 being deemed of immediate importance, takes effect
24 upon enactment, and shall apply to any deduction or
25 allocation of moneys related to or conducted in
26 conjunction with annual dues assessment and billing
27 for the entity's next annual dues cycle, or other
28 annual contribution or allocation cycle, but in any
29 event shall apply to all actual deductions by all
30 affected entities that occur on or after July 1, 1999,
31 regardless of when the annual dues are assessed or
32 billed or the contribution is otherwise allocated or
33 solicited.

34 Sec. 18. CAMPAIGN FINANCE COMMISSION. A campaign
35 finance commission is established to study campaign
36 finance disclosure and related laws and to recommend
37 reforms in these laws, according to the following:

38 1. APPOINTMENT. The commission shall be composed
39 of six members, bipartisan and gender-balanced in
40 accordance with sections 69.16 and 69.16A, and
41 appointed as follows:

42 a. Two members shall be the state chairs of each
43 of the political parties, as defined in section 43.2,
44 or their designees.

45 b. Four members shall be jointly appointed by the
46 majority and minority leaders of the senate and house.
47 These members shall be appointed from nonpartisan
48 organizations which have researched, studied, and
49 advocated the issue of political campaign finance
50 reform for fifteen years or more, or who are specially

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1 qualified to serve on the commission because of
2 training or experience.

3 c. The commission shall elect a chair and vice
4 chair at its first meetings.

5 2. TERMS. The members of the commission shall
6 serve for the life of the commission.

7 3. VACANCIES. A vacancy in the commission shall
8 be filled in the manner in which the original
9 appointment was made.

10 Sec. 19. POWERS AND DUTIES OF THE COMMISSION.

11 1. HEARINGS. The commission may hold hearings
12 which shall be open and announced in advance to the
13 public, take testimony, and receive evidence as the
14 commission considers appropriate. Activities of the
15 commission shall be held in accordance with chapter
16 21.

17 The commission shall hold at least one hearing in
18 each congressional district within the state
19 specifically to obtain public input on the issue of
20 campaign finance reform.

21 2. QUORUM. Four members of the commission shall
22 constitute a quorum, but a lesser number may hold
23 hearings.

24 3. REPORT. Not later than December 15, 1999, the
25 commission shall submit to the general assembly a
26 report of the activities of the commission, together
27 with a draft of legislation recommended by the
28 commission to reform the campaign finance disclosure
29 and related laws for consideration by the general
30 assembly in the year 2000 according to the provisions
31 of this Act.

32 4. MATTERS TO BE CONSIDERED. In holding hearings
33 and preparing the report required under subsection 3,
34 the commission shall consider all issues related to
35 the reform of campaign finance disclosure and related
36 laws. The commission may secure directly from any
37 department or agency such information as the
38 commission considers necessary, and the department or
39 agency shall promptly furnish such information to the
40 commission.

41 5. STAFFING. Assistance shall be provided to the
42 commission by the central nonpartisan legislative
43 staff bureaus. The commission may utilize the
44 services of the legislative service bureau in
45 formulating a draft of legislation. The attorney
46 general's office and the ethics and campaign
47 disclosure board shall serve as consultants, and
48 advise the commission as necessary.

49 Sec. 20. ASSIGNMENT OF LEGISLATION. The
50 legislation drafted by the commission shall be filed

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1 with each chamber on the first day of the legislative
2 session beginning in the year 2000, and immediately
3 assigned to the committee on state government in each
4 chamber.

5 Sec. 21. TERMINATION. The commission shall cease
6 to exist one month after the submission of its report
7 under section 19 of this Act."

8 _____. Title page, line 1, by inserting after the
9 word "disclosure" the following: ", including the
10 study of campaign finance disclosure and related
11 laws,".

12 _____. Title page, line 4, by inserting after the
13 word "fees," the following: "establishing a
14 commission to study campaign finance disclosure and
15 related laws,","."

By JEFF LAMBERTI

S-3446 FILED APRIL 20, 1999

adopted
4/21/99
(P.1242)

SENATE FILE 470

S-3448

1 Amend the amendment, S-3386, to Senate File 470, as
2 follows:

3 1. By striking page 1, line 1, through page 8,
4 line 42, and inserting the following:

5 "Amend Senate File 470 as follows:

6 _____. By striking everything after the enacting
7 clause and inserting the following:

8 "Section 1. Section 20.26, Code 1999, is amended
9 by adding the following new unnumbered paragraph:

10 NEW UNNUMBERED PARAGRAPH. All contributions by or
11 through employee organizations shall also comply with
12 the provisions of section 56.15B.

13 Sec. 2. Section 56.2, Code 1999, is amended by
14 adding the following new subsections:

15 NEW SUBSECTION. 5A. "Clearly identified" means
16 that a communication contains an unambiguous reference
17 to a particular candidate or ballot issue, including
18 but not limited to one or more of the following:

19 a. Use of the name of the candidate or ballot
20 issue.

21 b. Use of a photograph or drawing of the
22 candidate, or the use of a particular symbol
23 associated with a specific ballot issue.

24 c. Use of a candidate's initials, nickname,
25 office, or status as a candidate, or use of acronym,
26 popular name, or characterization of a ballot issue.

27 NEW SUBSECTION. 12A. "Express advocacy" or to
28 "expressly advocate" means communication that can be
29 characterized according to at least one of the
30 following descriptions:

31 a. The communication is political speech made in
32 the form of a contribution.

33 b. In advocating the election or defeat of one or
34 more clearly identified candidates or the passage or
35 defeat of one or more clearly identified ballot
36 issues, the communication includes explicit words that
37 unambiguously indicate that the communication is
38 recommending or supporting a particular outcome in the
39 election with regard to any clearly identified
40 candidate or ballot issue.

41 c. When taken as a whole and with limited
42 reference to external events such as the proximity to
43 the election, the communication could only be
44 interpreted by a reasonable person as supporting or
45 recommending the election, passage, or defeat of one
46 or more clearly identified candidates or ballot issues
47 because both of the following conditions are met:

48 (1) The communication, as it relates to the
49 election or defeat of the candidate or ballot issue,
50 is unmistakable, unambiguous, and suggestive of only

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1 one meaning.

2 (2) Reasonable minds could not differ as to
3 whether the communication encourages action to
4 nominate, elect, approve, or defeat one or more
5 clearly identified candidates or a ballot issue or
6 whether the communication encourages some other kind
7 of action.

8 Sec. 3. Section 56.2, subsections 16 and 17, Code
9 1999, are amended to read as follows:

10 '16. "Political committee" means a either of the
11 following:

12 a. A committee, but not a candidate's committee,
13 which that accepts contributions in excess of five
14 hundred dollars in the aggregate, makes expenditures
15 in excess of five hundred dollars in the aggregate, or
16 incurs indebtedness in excess of five hundred dollars
17 in the aggregate in any one calendar year for-the
18 purpose-of-supporting-or-opposing to expressly
19 advocate the nomination, election, or defeat of a
20 candidate for public office, or for-the-purpose-of
21 supporting-or-opposing to expressly advocate the
22 passage or defeat of a ballot issue,--"political
23 committee"--also-means-an.

24 b. An association, lodge, society, cooperative,
25 union, fraternity, sorority, educational institution,
26 civic organization, labor organization, religious
27 organization, or professional organization which that
28 accepts contributions in excess of five hundred
29 dollars in the aggregate, makes expenditures in excess
30 of five hundred dollars in the aggregate, or incurs
31 indebtedness in excess of five hundred dollars in the
32 aggregate in any one calendar year for-the-purpose-of
33 supporting-or-opposing to expressly advocate the
34 nomination, election, or defeat of a candidate for
35 public office, or for-the-purpose-of-supporting-or
36 opposing to expressly advocate the passage or defeat
37 of a ballot issue. "Political-committee"--also
38 includes-a-committee-which-accepts-contributions-in
39 excess-of-five-hundred-dollars-in-the-aggregate,-makes
40 expenditures-in-excess-of-five-hundred-dollars-in-the
41 aggregate,-or-incurs-indebtedness-in-excess-of-five
42 hundred-dollars-in-the-aggregate-in-a-calendar-year-to
43 cause-the-publication-or-broadcasting-of-material-in
44 which-the-public-policy-positions-or-voting-record-of
45 an-identifiable-candidate-is-discussed-and-in-which-a
46 reasonable-person-could-find-commentary-favorable-or
47 unfavorable-to-those-public-policy-positions-or-voting
48 record.

49 17. "Political purpose" or "political purposes"
50 means the support-or-opposition express advocacy of a

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1 candidate or ballot issue.

2 Sec. 4. Section 56.4, unnumbered paragraphs 2 and
3 3, Code 1999, are amended to read as follows:

4 Political committees ~~supporting-or-opposing~~
5 expressly advocating the nomination, election, or
6 defeat of candidates for both federal office and any
7 elected office created by law or the Constitution of
8 the state of Iowa shall file statements and reports
9 with the board in addition to any federal reports
10 required to be filed with the board. However, a
11 political committee which is registered and filing
12 full disclosure reports of all financial activities
13 with the federal election commission may file verified
14 statements as provided in section 56.5.

15 Political committees ~~supporting-or-opposing~~
16 expressly advocating the nomination, election, or
17 defeat of candidates or the passage or defeat of
18 ballot issues for statewide elections and for county,
19 municipal or school elections may file all activity on
20 one report with the board and shall send a copy to the
21 commissioner responsible under section 47.2 for
22 conducting the election.

23 Sec. 5. Section 56.5, subsection 2, paragraph f,
24 Code 1999, is amended to read as follows:

25 f. A signed statement by the treasurer of the
26 committee and the candidate, in the case of a
27 candidate's committee, which shall verify that they
28 are aware of the requirement to file disclosure
29 reports if the committee, the committee officers, the
30 candidate, or both the committee officers and the
31 candidate receive contributions in excess of five
32 hundred dollars in the aggregate, make expenditures in
33 excess of five hundred dollars in the aggregate, or
34 incur indebtedness in excess of five hundred dollars
35 in the aggregate in a calendar year ~~for-the-purpose-of~~
36 supporting-or-opposing to expressly advocate the
37 nomination, election, or defeat of any candidate for
38 public office. In the case of political committees,
39 statements shall be made by the treasurer of the
40 committee and the chairperson.

41 Sec. 6. Section 56.5A, Code 1999, is amended to
42 read as follows:

43 56.5A CANDIDATE'S COMMITTEE.

44 1. Each candidate for state, county, city, or
45 school office shall organize one, and only one,
46 candidate's committee for a specific office sought
47 when the candidate receives contributions in excess of
48 five hundred dollars in the aggregate, makes
49 expenditures in excess of five hundred dollars in the
50 aggregate, or incurs indebtedness in excess of five

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1 hundred dollars in the aggregate in a calendar year.

2 2. A political committee shall not be established
3 to support-or-oppose expressly advocate the
4 nomination, election, or defeat of only one candidate
5 for office, except that a political committee may be
6 established to support-or-oppose expressly advocate
7 the passage or defeat of approval of a single judge
8 standing for retention.

9 Sec. 7. Section 56.6, subsection 1, paragraph d,
10 Code 1999, is amended to read as follows:

11 d. Committees for municipal and school elective
12 offices and local ballot issues shall file their first
13 reports five days prior to any election in which the
14 name of the candidate or the local ballot issue which
15 they support-or-oppose expressly advocate appears on
16 the printed ballot and shall file their next report on
17 the first day of the month following the final
18 election in a calendar year in which the candidate's
19 name or the ballot issue appears on the ballot. A
20 committee supporting-or-opposing expressly advocating
21 the nomination, election, or defeat of a candidate for
22 a municipal or school elective office or the passage
23 or defeat of a local ballot issue shall also file
24 disclosure reports on the nineteenth day of January
25 and October of each year in which the candidate or
26 ballot issue does not appear on the ballot and on the
27 nineteenth day of January, May, and July of each year
28 in which the candidate or ballot issue appears on the
29 ballot, until the committee dissolves. These reports
30 shall be current to five days prior to the filing
31 deadline and are considered timely filed if mailed
32 bearing a United States postal service postmark on or
33 before the due date.

34 Sec. 8. Section 56.12A, unnumbered paragraph 1,
35 Code 1999, is amended to read as follows:

36 The state and the governing body of a county, city,
37 or other political subdivision of the state shall not
38 expend or permit the expenditure of public moneys for
39 political purposes, including supporting-or-opposing
40 expressly advocating the passage or defeat of a ballot
41 issue.

42 Sec. 9. Section 56.13, subsections 1, 2, and 3,
43 Code 1999, are amended to read as follows:

44 1. Action involving a contribution or expenditure
45 which must be reported under this chapter and which is
46 taken by any person, candidate's committee or
47 political committee on behalf of a candidate, if known
48 and approved by the candidate, shall be deemed action
49 by the candidate and reported by the candidate's
50 committee. It shall be presumed that a candidate

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1 approves the action if the candidate had knowledge of
2 it and failed to file a statement of disavowal with
3 the commissioner or board and take corrective action
4 within seventy-two hours of the action. A person,
5 candidate's committee or political committee taking
6 such action independently of that candidate's
7 committee shall notify that candidate's committee in
8 writing within twenty-four hours of taking the action.
9 The notification shall provide that candidate's
10 committee with the cost of the promotion at fair
11 market value. A copy of the notification shall be
12 sent to the board.

13 Any person who makes expenditures or incurs
14 indebtedness, other than incidental expenses incurred
15 in performing volunteer work, ~~in support or opposition~~
16 to expressly advocate the nomination, election, or
17 defeat of a candidate for public office shall notify
18 the appropriate committee and provide necessary
19 information for disclosure reports.

20 2. If a person, other than a political committee,
21 makes one or more expenditures in excess of five
22 hundred dollars in the aggregate, or incurs
23 indebtedness in excess of five hundred dollars in the
24 aggregate, in any one calendar year ~~for purposes of~~
25 supporting or opposing to expressly advocate the
26 passage or defeat of a ballot issue, the person shall
27 file a statement of activity within ten days of taking
28 the action exceeding the threshold. The statement
29 shall contain information identifying the person
30 filing the statement, identifying the ballot issue,
31 and indicating the position urged by the person with
32 regard to the ballot issue. The person shall file
33 reports indicating the dates on which the expenditures
34 or incurrence of indebtedness took place; a
35 description of the nature of the action taken which
36 resulted in the expenditures or debt; and the cost of
37 the promotion at fair market value. For a local
38 ballot issue, the reports shall be filed five days
39 prior to any election in which the ballot issue
40 appears and on the first day of the month following
41 the election, as well as on the nineteenth day of
42 January, May, and July of each year in which the
43 ballot issue appears on the ballot and on the
44 nineteenth day of January and October of each year in
45 which the ballot issue does not appear on the ballot.
46 For a statewide ballot issue, reports shall be filed
47 on the nineteenth day of January, May, and July of
48 each year. The reports shall be current to five days
49 prior to the filing deadline, and are considered
50 timely filed if mailed bearing a United States postal

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1 service postmark on or before the due date. Filing
2 obligations shall cease when the person files a
3 statement of discontinuation indicating that the
4 person's financial activity ~~in support of or in~~
5 opposition to expressly advocate the passage or defeat
6 of the ballot issue has ceased. Statements and
7 reports shall be filed with the commissioner
8 responsible under section 47.2 for conducting the
9 election at which the issue is voted upon, except that
10 reports on a statewide ballot issue shall be filed
11 with the board.

12 3. A person taking action involving the making of
13 an expenditure or incurrence of indebtedness ~~in~~
14 ~~support or opposition to expressly advocate the~~
15 passage or defeat of a ballot issue independently of a
16 political committee shall, within seventy-two hours of
17 taking the action, notify in writing any political
18 committee which advocates the same position with
19 regard to the ballot issue as the person taking the
20 action. The notification shall provide the political
21 committee with the cost of the promotion at fair
22 market value. A copy of the notification shall be
23 sent to the board. It shall be presumed that a
24 benefited committee approves the action if the
25 committee fails to file a statement of disavowal with
26 the commissioner or board and takes corrective action
27 within ten days of the action. Action approved by a
28 committee shall be reported as a contribution by the
29 committee.

30 Sec. 10. Section 56.14, subsection 1, paragraph a,
31 Code 1999, is amended to read as follows:

32 1. a. A person who causes the publication or
33 distribution of published material designed to ~~promote~~
34 ~~or defeat expressly advocate the nomination, or~~
35 ~~election, or defeat of a candidate for public office~~
36 ~~or the passage or defeat of a constitutional amendment~~
37 ~~or public measure shall include conspicuously on the~~
38 ~~published material the identity and address of the~~
39 ~~person responsible for the material. If the person~~
40 ~~responsible is an organization, the name of one~~
41 ~~officer of the organization shall appear on the~~
42 ~~material. However, if the organization is a committee~~
43 ~~which has filed a statement of organization under this~~
44 ~~chapter, only the name of the committee is required to~~
45 ~~be included on the published material. Published~~
46 ~~material designed to ~~promote or defeat expressly~~~~
47 ~~advocate the nomination, or election, or defeat of a~~
48 ~~candidate for public office or the passage or defeat~~
49 ~~of a constitutional amendment or public measure which~~
50 ~~contains language or depictions which a reasonable~~

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1 person would understand as asserting that an entity
2 which is incorporated or is a registered committee had
3 authored the material shall, if the entity is not
4 incorporated or a registered committee, include
5 conspicuously on the published material a statement
6 that the apparent organization or committee is not
7 incorporated or a registered committee in addition to
8 the attribution statement required by this section.
9 For purposes of this section, "registered committee"
10 means a committee which has an active statement of
11 organization filed under section 56.5.

12 Sec. 11. Section 56.15, subsections 1, 2, and 4,
13 Code 1999, are amended to read as follows:

14 1. Except as provided in subsections 3 and 4, it
15 is unlawful for an insurance company, savings and loan
16 association, bank, credit union, or corporation
17 organized pursuant to the laws of this state, the
18 United States, or any other state, territory, or
19 foreign country, whether for profit or not, or an
20 officer, agent, or representative acting for such
21 insurance company, savings and loan association, bank,
22 credit union, or corporation, to contribute any money,
23 property, labor, or thing of value, directly or
24 indirectly, to a committee, or ~~for-the-purpose-of~~
25 influencing to expressly advocate that the vote of an
26 elector be used to nominate, elect, or defeat a
27 candidate for public office, except that such
28 resources may be so expended in connection with a
29 utility franchise election held pursuant to section
30 364.2, subsection 4, or a ballot issue. All such
31 expenditures are subject to the disclosure
32 requirements of this chapter.

33 2. Except as provided in subsection 3, it is
34 unlawful for a member of a committee, or its employee
35 or representative, except a ballot issue committee, or
36 for a candidate for office or the representative of
37 the candidate, to solicit, request, or knowingly
38 receive from an insurance company, savings and loan
39 association, bank, credit union, or corporation
40 organized pursuant to the laws of this state, the
41 United States, or any other state, territory, or
42 foreign country, whether for profit or not, or its
43 officer, agent, or representative, any money,
44 property, or thing of value belonging to the insurance
45 company, savings and loan association, bank, or
46 corporation for campaign expenses, or ~~for-the-purpose~~
47 of-influencing to expressly advocate that the vote of
48 an elector be used to nominate, elect, or defeat a
49 candidate for public office. This section does not
50 restrain or abridge the freedom of the press or

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1 prohibit the consideration and discussion in the press
2 of candidacies, nominations, public officers, or
3 public questions.

4 4. The restrictions imposed by this section
5 relative to making, soliciting or receiving
6 contributions shall not apply to a nonprofit
7 corporation or organization which uses those
8 contributions to encourage registration of voters and
9 participation in the political process, or to
10 publicize public issues, or both, but does not use any
11 part of those contributions to ~~endorse or oppose~~
12 expressly advocate the nomination, election, or defeat
13 of any candidate for public office. A nonprofit
14 corporation or organization may use contributions
15 solicited or received to ~~support or oppose~~ expressly
16 advocate the passage or defeat of ballot issues but
17 the expenditures shall be disclosed by the nonprofit
18 corporation or organization in the manner provided for
19 a permanent organization temporarily engaged in a
20 political activity under section 56.6.

21 This section does not prohibit a family farm
22 corporation, as defined in section 9H.1, from placing
23 a yard sign on agricultural land, and does not
24 prohibit the placement of yard signs, with the prior
25 written permission of the individual property owner,
26 on property rented or leased by a corporation from
27 private individuals, subject to the requirements of
28 section 56.14. This section also does not prohibit
29 the placement of a yard sign on residential property
30 that is owned by a corporation, but rented or leased
31 to a private individual, if the prior permission of
32 the renter or lessee is obtained.

33 Sec. 12. Section 56.15, Code 1999, is amended by
34 adding the following new subsection:

35 NEW SUBSECTION. 4A. For purposes of this section,
36 "committee" shall include statutory political
37 committees organized under chapter 43, and nonparty
38 political organizations organized under chapter 44.

39 Sec. 13. NEW SECTION. 56.15B CONTRIBUTIONS FROM
40 NEGATIVE CHECK-OFF PLANS PROHIBITED.

41 1. As used in this section, unless the context
42 otherwise requires:

43 a. "Legislative objective" means action related to
44 the passage, defeat, approval, veto, or modification
45 of legislation, a rule, or an executive order, or
46 another official action by the members of the general
47 assembly, a state agency, or another elected or
48 appointed official or body of officials.

49 b. "Negative check-off plan" means a plan under
50 which an individual is deemed to have agreed to a

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1 payment, deduction, or allocation of moneys, or a
2 series of payments, deductions, or allocations of
3 moneys, by means of the individual's inaction or
4 failure to object to such payment, deduction, or
5 allocation of moneys.

6 c. "Voluntary" means an action or choice freely
7 made by an individual that is evidenced by a written
8 authorization executed on at least an annual basis on
9 a document that includes only the signature indicating
10 agreement and a conspicuous disclosure in plain
11 language, written in at least twelve point type, that
12 includes the following information:

13 (1) An explanation regarding the kind of payment
14 or regular deduction the individual is authorizing.

15 (2) The entity that will be receiving the moneys.

16 (3) The fact that such moneys may be used for
17 political purposes or legislative objectives.

18 (4) A statement that such authorization is purely
19 voluntary, that the individual has the right to
20 inquire regarding the exact political purposes or
21 legislative objectives for which the moneys may be
22 used, and that no actions can be taken against an
23 individual who does not sign such an authorization
24 because of the refusal to sign.

25 2. A person shall not solicit or receive moneys
26 for any political purpose or legislative objective
27 from an individual in the course of the person's
28 business, vocation, occupation, charity, fellowship,
29 or other group or organizational activity unless the
30 moneys have been voluntarily contributed, given, or
31 otherwise authorized by the individual.

32 a. A violation of this subsection is a fraudulent
33 practice under section 714.8.

34 b. A payment, deduction, or allocation of moneys
35 made pursuant to a negative check-off plan shall not
36 be considered to have been voluntarily made by an
37 individual. A negative check-off plan is void as
38 against public policy.

39 c. This subsection shall not apply to payments,
40 deductions, or allocations of moneys required by
41 federal law, by state tax laws, or by court order or
42 other court-approved agreement or decree.

43 3. A person other than a candidate, candidate's
44 committee, or political committee shall not knowingly
45 receive or use funds collected in violation of
46 subsection 2 for any political purpose or legislative
47 objective.

48 4. A candidate, candidate's committee, or
49 political committee shall not knowingly receive or use
50 moneys collected in violation of subsection 2.

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1 Sec. 14. Section 56.22, subsection 2, Code 1999,
2 is amended to read as follows:

3 2. Funds distributed to statutory political
4 committees pursuant to this chapter shall not be used
5 to ~~support or oppose~~ expressly advocate the
6 nomination, election, or defeat of any candidate.
7 Nothing in this subsection shall be construed to
8 prohibit a statutory political committee from using
9 such funds to pay expenses incurred in arranging and
10 holding a nominating convention.

11 Sec. 15. Section 731.5, Code 1999, is amended by
12 adding the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. All deductions from an
14 employee's earnings, wages, or compensation shall also
15 comply with the provisions of section 56.15B.

16 Sec. 16. CAMPAIGN FINANCE COMMISSION. A campaign
17 finance commission is established to study campaign
18 finance disclosure and related laws and to recommend
19 reforms in these laws, according to the following:

20 1. APPOINTMENT. The commission shall be composed
21 of six members, bipartisan and gender-balanced in
22 accordance with sections 69.16 and 69.16A, and
23 appointed as follows:

24 a. Two members shall be the state chairs of each
25 of the political parties, as defined in section 43.2,
26 or their designees.

27 b. Four members shall be jointly appointed by the
28 majority and minority leaders of the senate and house.
29 These members shall be appointed from nonpartisan
30 organizations which have researched, studied, and
31 advocated the issue of political campaign finance
32 reform for fifteen years or more, or who are specially
33 qualified to serve on the commission because of
34 training or experience.

35 c. The commission shall elect a chair and vice
36 chair at its first meetings.

37 2. TERMS. The members of the commission shall
38 serve for the life of the commission.

39 3. VACANCIES. A vacancy in the commission shall
40 be filled in the manner in which the original
41 appointment was made.

42 Sec. 17. POWERS AND DUTIES OF THE COMMISSION.

43 1. HEARINGS. The commission may hold hearings
44 which shall be open and announced in advance to the
45 public, take testimony, and receive evidence as the
46 commission considers appropriate. Activities of the
47 commission shall be held in accordance with chapter
48 21.

49 The commission shall hold at least one hearing in
50 each congressional district within the state

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1 specifically to obtain public input on the issue of
2 campaign finance reform.

3 2. QUORUM. Four members of the commission shall
4 constitute a quorum, but a lesser number may hold
5 hearings.

6 3. REPORT. Not later than December 15, 1999, the
7 commission shall submit to the general assembly a
8 report of the activities of the commission, together
9 with a draft of legislation recommended by the
10 commission to reform the campaign finance disclosure
11 and related laws for consideration by the general
12 assembly in the year 2000 according to the provisions
13 of this Act.

14 4. MATTERS TO BE CONSIDERED. In holding hearings
15 and preparing the report required under subsection 3,
16 the commission shall consider all issues related to
17 the reform of campaign finance disclosure and related
18 laws. The commission may secure directly from any
19 department or agency such information as the
20 commission considers necessary, and the department or
21 agency shall promptly furnish such information to the
22 commission.

23 5. STAFFING. Assistance shall be provided to the
24 commission by the central nonpartisan legislative
25 staff bureaus. The commission may utilize the
26 services of the legislative service bureau in
27 formulating a draft of legislation. The attorney
28 general's office and the ethics and campaign
29 disclosure board shall serve as consultants, and
30 advise the commission as necessary.

31 Sec. 18. ASSIGNMENT OF LEGISLATION. The
32 legislation drafted by the commission shall be filed
33 with each chamber on the first day of the legislative
34 session beginning in the year 2000, and immediately
35 assigned to the committee on state government in each
36 chamber.

37 Sec. 19. TERMINATION. The commission shall cease
38 to exist one month after the submission of its report
39 under section 17 of this Act.

40 Sec. 20. SEVERABILITY. If any section of this
41 Act, or any portion of any section of this Act, is
42 found unconstitutional or otherwise unenforceable by a
43 court, the remaining sections and portions of sections
44 shall be given effect to the fullest extent possible.

45 Sec. 21. APPLICABILITY AND EFFECTIVE DATE.
46 Section 13 of this Act, enacting new section 56.15B,
47 being deemed of immediate importance, takes effect
48 upon enactment, and shall apply to any deduction or
49 allocation of moneys related to or conducted in
50 conjunction with annual dues assessment and billing

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1 for the entity's next annual dues cycle, or other
2 annual contribution or allocation cycle, but in any
3 event shall apply to all actual deductions by all
4 affected entities that occur on or after July 1, 1999,
5 regardless of when the annual dues are assessed or
6 billed or the contribution is otherwise allocated or
7 solicited."

8 _____. Title page, line 1, by inserting after the
9 word "disclosure" the following: ", including the
10 study of campaign finance disclosure and related
11 laws,".

12 _____. Title page, line 4, by inserting after the
13 word "fees," the following: "establishing a
14 commission to study campaign finance disclosure and
15 related laws,".

16 _____. By renumbering as necessary."

By JEFF LAMBERTI

S-3448 FILED APRIL 20, 1999

W/D

4/21/99 (R1239)

SENATE FILE 470

S-3453

1 Amend Senate File 470 as follows:
2 1. By striking everything after the enacting
3 clause and inserting the following:
4 "Section 1. Section 56.2, Code 1999, is amended by
5 adding the following new subsections:
6 NEW SUBSECTION. 5A. "Clearly identified" means
7 that a communication contains an unambiguous reference
8 to a particular candidate or ballot issue, including
9 but not limited to one or more of the following:
10 a. Use of the name of the candidate or ballot
11 issue.
12 b. Use of a photograph or drawing of the
13 candidate, or the use of a particular symbol
14 associated with a specific ballot issue.
15 c. Use of a candidate's initials, nickname,
16 office, or status as a candidate, or use of acronym,
17 popular name, or characterization of a ballot issue.
18 NEW SUBSECTION. 12A. "Express advocacy" or to
19 "expressly advocate" means communication that can be
20 characterized according to at least one of the
21 following descriptions:
22 a. The communication is political speech made in
23 the form of a contribution.
24 b. In advocating the election or defeat of one or
25 more clearly identified candidates or the passage or
26 defeat of one or more clearly identified ballot
27 issues, the communication includes explicit words that
28 unambiguously indicate that the communication is
29 recommending or supporting a particular outcome in the
30 election with regard to any clearly identified
31 candidate or ballot issue.
32 c. When taken as a whole and with limited
33 reference to external events such as the proximity to
34 the election, the communication could only be
35 interpreted by a reasonable person as supporting or
36 recommending the election, passage, or defeat of one
37 or more clearly identified candidates or ballot issues
38 because both of the following conditions are met:
39 (1) The communication, as it relates to the
40 election or defeat of the candidate or ballot issue,
41 is unmistakable, unambiguous, and suggestive of only
42 one meaning.
43 (2) Reasonable minds could not differ as to
44 whether the communication encourages action to
45 nominate, elect, approve, or defeat one or more
46 clearly identified candidates or a ballot issue or
47 whether the communication encourages some other kind
48 of action.
49 Sec. 2. Section 56.2, subsections 16 and 17, Code
50 1999, are amended to read as follows:

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1 16. "Political committee" means a either of the
2 following:

3 a. A committee, but not a candidate's committee,
4 which that accepts contributions in excess of five
5 hundred dollars in the aggregate, makes expenditures
6 in excess of five hundred dollars in the aggregate, or
7 incurs indebtedness in excess of five hundred dollars
8 in the aggregate in any one calendar year ~~for the~~
9 ~~purpose of supporting or opposing to expressly~~
10 advocate the nomination, election, or defeat of a
11 candidate for public office, or for the purpose of
12 supporting or opposing to expressly advocate the
13 passage or defeat of a ballot issue; ~~"political~~
14 ~~committee"~~ ~~also means an.~~

15 b. An association, lodge, society, cooperative,
16 union, fraternity, sorority, educational institution,
17 civic organization, labor organization, religious
18 organization, or professional organization which that
19 accepts contributions in excess of five hundred
20 dollars in the aggregate, makes expenditures in excess
21 of five hundred dollars in the aggregate, or incurs
22 indebtedness in excess of five hundred dollars in the
23 aggregate in any one calendar year for the purpose of
24 supporting or opposing to expressly advocate the
25 nomination, election, or defeat of a candidate for
26 public office, or for the purpose of supporting or
27 opposing to expressly advocate the passage or defeat
28 of a ballot issue. "Political committee" also
29 ~~includes a committee which accepts contributions in~~
30 ~~excess of five hundred dollars in the aggregate, makes~~
31 ~~expenditures in excess of five hundred dollars in the~~
32 ~~aggregate, or incurs indebtedness in excess of five~~
33 ~~hundred dollars in the aggregate in a calendar year to~~
34 ~~cause the publication or broadcasting of material in~~
35 ~~which the public policy positions or voting record of~~
36 ~~an identifiable candidate is discussed and in which a~~
37 ~~reasonable person could find commentary favorable or~~
38 ~~unfavorable to those public policy positions or voting~~
39 ~~record.~~

40 17. "Political purpose" or "political purposes"
41 means the support or opposition express advocacy of a
42 candidate or ballot issue.

43 Sec. 3. Section 56.4, unnumbered paragraphs 2 and
44 3, Code 1999, are amended to read as follows:

45 Political committees supporting or opposing
46 expressly advocating the nomination, election, or
47 defeat of candidates for both federal office and any
48 elected office created by law or the Constitution of
49 the state of Iowa shall file statements and reports
50 with the board in addition to any federal reports

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1 required to be filed with the board. However, a
2 political committee which is registered and filing
3 full disclosure reports of all financial activities
4 with the federal election commission may file verified
5 statements as provided in section 56.5.

6 Political committees ~~supporting-or-opposing~~
7 expressly advocating the nomination, election, or
8 defeat of candidates or the passage or defeat of
9 ballot issues for statewide elections and for county,
10 municipal or school elections may file all activity on
11 one report with the board and shall send a copy to the
12 commissioner responsible under section 47.2 for
13 conducting the election.

14 Sec. 4. Section 56.5, subsection 2, paragraph f,
15 Code 1999, is amended to read as follows:

16 f. A signed statement by the treasurer of the
17 committee and the candidate, in the case of a
18 candidate's committee, which shall verify that they
19 are aware of the requirement to file disclosure
20 reports if the committee, the committee officers, the
21 candidate, or both the committee officers and the
22 candidate receive contributions in excess of five
23 hundred dollars in the aggregate, make expenditures in
24 excess of five hundred dollars in the aggregate, or
25 incur indebtedness in excess of five hundred dollars
26 in the aggregate in a calendar year ~~for-the-purpose-of~~
27 supporting-or-opposing to expressly advocate the
28 nomination, election, or defeat of any candidate for
29 public office. In the case of political committees,
30 statements shall be made by the treasurer of the
31 committee and the chairperson.

32 Sec. 5. Section 56.5A, Code 1999, is amended to
33 read as follows:

34 56.5A CANDIDATE'S COMMITTEE.

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

43 2. A political committee shall not be established
44 to ~~support-or-oppose~~ expressly advocate the
45 nomination, election, or defeat of only one candidate
46 for office, except that a political committee may be
47 established to ~~support-or-oppose~~ expressly advocate
48 the passage or defeat of approval of a single judge
49 standing for retention.

50 Sec. 6. Section 56.6, subsection 1, paragraph d,

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1 Code 1999, is amended to read as follows:

2 d. Committees for municipal and school elective
3 offices and local ballot issues shall file their first
4 reports five days prior to any election in which the
5 name of the candidate or the local ballot issue which
6 they ~~support-or-oppose~~ expressly advocate appears on
7 the printed ballot and shall file their next report on
8 the first day of the month following the final
9 election in a calendar year in which the candidate's
10 name or the ballot issue appears on the ballot. A
11 committee ~~supporting-or-opposing~~ expressly advocating
12 the nomination, election, or defeat of a candidate for
13 a municipal or school elective office or the passage
14 or defeat of a local ballot issue shall also file
15 disclosure reports on the nineteenth day of January
16 and October of each year in which the candidate or
17 ballot issue does not appear on the ballot and on the
18 nineteenth day of January, May, and July of each year
19 in which the candidate or ballot issue appears on the
20 ballot, until the committee dissolves. These reports
21 shall be current to five days prior to the filing
22 deadline and are considered timely filed if mailed
23 bearing a United States postal service postmark on or
24 before the due date.

25 Sec. 7. Section 56.12A, unnumbered paragraph 1,
26 Code 1999, is amended to read as follows:

27 The state and the governing body of a county, city,
28 or other political subdivision of the state shall not
29 expend or permit the expenditure of public moneys for
30 political purposes, including ~~supporting-or-opposing~~
31 expressly advocating the passage or defeat of a ballot
32 issue.

33 Sec. 8. Section 56.13, subsections 1, 2, and 3,
34 Code 1999, are amended to read as follows:

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

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1 committee with the cost of the promotion at fair
2 market value. A copy of the notification shall be
3 sent to the board.

4 Any person who makes expenditures or incurs
5 indebtedness, other than incidental expenses incurred
6 in performing volunteer work, ~~in support or opposition~~
7 to expressly advocate the nomination, election, or
8 defeat of a candidate for public office shall notify
9 the appropriate committee and provide necessary
10 information for disclosure reports.

11 2. If a person, other than a political committee,
12 makes one or more expenditures in excess of five
13 hundred dollars in the aggregate, or incurs
14 indebtedness in excess of five hundred dollars in the
15 aggregate, in any one calendar year ~~for purposes of~~
16 supporting or opposing to expressly advocate the
17 passage or defeat of a ballot issue, the person shall
18 file a statement of activity within ten days of taking
19 the action exceeding the threshold. The statement
20 shall contain information identifying the person
21 filing the statement, identifying the ballot issue,
22 and indicating the position urged by the person with
23 regard to the ballot issue. The person shall file
24 reports indicating the dates on which the expenditures
25 or incurrence of indebtedness took place; a
26 description of the nature of the action taken which
27 resulted in the expenditures or debt; and the cost of
28 the promotion at fair market value. For a local
29 ballot issue, the reports shall be filed five days
30 prior to any election in which the ballot issue
31 appears and on the first day of the month following
32 the election, as well as on the nineteenth day of
33 January, May, and July of each year in which the
34 ballot issue appears on the ballot and on the
35 nineteenth day of January and October of each year in
36 which the ballot issue does not appear on the ballot.
37 For a statewide ballot issue, reports shall be filed
38 on the nineteenth day of January, May, and July of
39 each year. The reports shall be current to five days
40 prior to the filing deadline, and are considered
41 timely filed if mailed bearing a United States postal
42 service postmark on or before the due date. Filing
43 obligations shall cease when the person files a
44 statement of discontinuation indicating that the
45 person's financial activity ~~in support of or in~~
46 opposition to expressly advocate the passage or defeat
47 of the ballot issue has ceased. Statements and
48 reports shall be filed with the commissioner
49 responsible under section 47.2 for conducting the
50 election at which the issue is voted upon, except that

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1 reports on a statewide ballot issue shall be filed
2 with the board.

3 3. A person taking action involving the making of
4 an expenditure or incurrence of indebtedness in
5 ~~support-or-opposition~~ to expressly advocate the
6 passage or defeat of a ballot issue independently of a
7 political committee shall, within seventy-two hours of
8 taking the action, notify in writing any political
9 committee which advocates the same position with
10 regard to the ballot issue as the person taking the
11 action. The notification shall provide the political
12 committee with the cost of the promotion at fair
13 market value. A copy of the notification shall be
14 sent to the board. It shall be presumed that a
15 benefited committee approves the action if the
16 committee fails to file a statement of disavowal with
17 the commissioner or board and takes corrective action
18 within ten days of the action. Action approved by a
19 committee shall be reported as a contribution by the
20 committee.

21 Sec. 9. Section 56.14, subsection 1, paragraph a,
22 Code 1999, is amended to read as follows:

23 1. a. A person who causes the publication or
24 distribution of published material designed to ~~promote~~
25 ~~or-defeat~~ expressly advocate the nomination, ~~or~~
26 election, or defeat of a candidate for public office
27 or the passage or defeat of a constitutional amendment
28 or public measure shall include conspicuously on the
29 published material the identity and address of the
30 person responsible for the material. If the person
31 responsible is an organization, the name of one
32 officer of the organization shall appear on the
33 material. However, if the organization is a committee
34 which has filed a statement of organization under this
35 chapter, only the name of the committee is required to
36 be included on the published material. Published
37 material designed to ~~promote-or-defeat~~ expressly
38 advocate the nomination, ~~or~~ election, or defeat of a
39 candidate for public office or the passage or defeat
40 of a constitutional amendment or public measure which
41 contains language or depictions which a reasonable
42 person would understand as asserting that an entity
43 which is incorporated or is a registered committee had
44 authored the material shall, if the entity is not
45 incorporated or a registered committee, include
46 conspicuously on the published material a statement
47 that the apparent organization or committee is not
48 incorporated or a registered committee in addition to
49 the attribution statement required by this section.
50 For purposes of this section, "registered committee"

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1 means a committee which has an active statement of
2 organization filed under section 56.5.

3 Sec. 10. Section 56.15, subsections 1, 2, and 4,
4 Code 1999, are amended to read as follows:

5 1. Except as provided in subsections 3 and 4, it
6 is unlawful for an insurance company, savings and loan
7 association, bank, credit union, or corporation
8 organized pursuant to the laws of this state, the
9 United States, or any other state, territory, or
10 foreign country, whether for profit or not, or an
11 officer, agent, or representative acting for such
12 insurance company, savings and loan association, bank,
13 credit union, or corporation, to contribute any money,
14 property, labor, or thing of value, directly or
15 indirectly, to a committee, or ~~for the purpose of~~
16 influencing to expressly advocate that the vote of an
17 elector be used to nominate, elect, or defeat a
18 candidate for public office, except that such
19 resources may be so expended in connection with a
20 utility franchise election held pursuant to section
21 364.2, subsection 4, or a ballot issue. All such
22 expenditures are subject to the disclosure
23 requirements of this chapter.

24 2. Except as provided in subsection 3, it is
25 unlawful for a member of a committee, or its employee
26 or representative, except a ballot issue committee, or
27 for a candidate for office or the representative of
28 the candidate, to solicit, request, or knowingly
29 receive from an insurance company, savings and loan
30 association, bank, credit union, or corporation
31 organized pursuant to the laws of this state, the
32 United States, or any other state, territory, or
33 foreign country, whether for profit or not, or its
34 officer, agent, or representative, any money,
35 property, or thing of value belonging to the insurance
36 company, savings and loan association, bank, or
37 corporation for campaign expenses, or ~~for the purpose~~
38 of influencing to expressly advocate that the vote of
39 an elector be used to nominate, elect, or defeat a
40 candidate for public office. This section does not
41 restrain or abridge the freedom of the press or
42 prohibit the consideration and discussion in the press
43 of candidacies, nominations, public officers, or
44 public questions.

45 4. The restrictions imposed by this section
46 relative to making, soliciting or receiving
47 contributions shall not apply to a nonprofit
48 corporation or organization which uses those
49 contributions to encourage registration of voters and
50 participation in the political process, or to

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1 publicize public issues, or both, but does not use any
2 part of those contributions to ~~endorse-or-oppose~~
3 expressly advocate the nomination, election, or defeat
4 of any candidate for public office. A nonprofit
5 corporation or organization may use contributions
6 solicited or received to ~~support-or-oppose expressly~~
7 advocate the passage or defeat of ballot issues but
8 the expenditures shall be disclosed by the nonprofit
9 corporation or organization in the manner provided for
10 a permanent organization temporarily engaged in a
11 political activity under section 56.6.

12 This section does not prohibit a family farm
13 corporation, as defined in section 9H.1, from placing
14 a yard sign on agricultural land, and does not
15 prohibit the placement of yard signs, with the prior
16 written permission of the individual property owner,
17 on property rented or leased by a corporation from
18 private individuals, subject to the requirements of
19 section 56.14. This section also does not prohibit
20 the placement of a yard sign on residential property
21 that is owned by a corporation, but rented or leased
22 to a private individual, if the prior permission of
23 the renter or lessee is obtained.

24 Sec. 11. Section 56.15, Code 1999, is amended by
25 adding the following new subsection:

26 NEW SUBSECTION. 4A. For purposes of this section,
27 "committee" shall include statutory political
28 committees organized under chapter 43, and nonparty
29 political organizations organized under chapter 44.

30 Sec. 12. NEW SECTION. 56.15B DEDUCTING DUES FROM
31 PAY PROHIBITED.

32 It shall be a violation of this chapter for any
33 person, firm, association, labor organization,
34 financial institution, or corporation to deduct labor
35 organization dues, charges, fees, contributions, fines
36 or assessments from an employee's earnings, wages, or
37 compensation, unless the employer has first been
38 presented with an individual written order signed by
39 the employee, which written order shall be terminable
40 at any time by the employee giving at least thirty
41 days' written notice of such termination to the
42 employer. Violations of this section shall be
43 punishable according to the administrative procedures
44 to be followed by the ethics and campaign disclosure
45 board pursuant to chapter 68B.

46 Sec. 13. Section 56.22, subsection 2, Code 1999,
47 is amended to read as follows:

48 2. Funds distributed to statutory political
49 committees pursuant to this chapter shall not be used
50 to ~~support-or-oppose expressly~~ advocate the

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1 nomination, election, or defeat of any candidate.
2 Nothing in this subsection shall be construed to
3 prohibit a statutory political committee from using
4 such funds to pay expenses incurred in arranging and
5 holding a nominating convention."
6 2. Title page, by striking lines 2 through 6 and
7 inserting the following: "express advocacy of
8 candidates and ballot issues and requiring compliance
9 with labor union member contribution provisions."

By BILL FINK

S-3453 FILED APRIL 21, 1999
RULED OUT OF ORDER

(P. 1242)

H-4/22/99 State Gov
H-4/22/99 Do Pass

SENATE FILE 470
BY IVERSON

(COMPANION TO LSB 3023YH
BY SIEGRIST)

(AS AMENDED AND PASSED BY THE SENATE APRIL 21, 1999)

ALL New Language by the Senate

Passed Senate, Date ^(P.1418) 4-29-99 Passed House, Date ^(P.1835) 4/28/99
Vote: Ayes 44 Nays 6 Vote: Ayes 99 Nays 0
Approved 5/18/99

A BILL FOR

1 An Act relating to campaign finance disclosure, including the
2 study of campaign finance disclosure and related laws, by
3 regulating express advocacy of candidates and ballot issues,
4 requiring annual authorization for political representation
5 financed from deductions from wages, dues, and fees,
6 establishing a commission to study campaign finance disclosure
7 and related laws, providing and applying penalties, providing
8 an effective date and for applicability, and providing for
9 severability.

S.F. 470

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

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1 Section 1. Section 20.26, Code 1999, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. All contributions by or through
4 employee organizations shall also comply with the provisions
5 of section 56.15B.

6 Sec. 2. Section 56.2, Code 1999, is amended by adding the
7 following new subsections:

8 NEW SUBSECTION. 5A. "Clearly identified" means that a
9 communication contains an unambiguous reference to a
10 particular candidate or ballot issue, including but not
11 limited to one or more of the following:

12 a. Use of the name of the candidate or ballot issue.

13 b. Use of a photograph or drawing of the candidate, or the
14 use of a particular symbol associated with a specific ballot
15 issue.

16 c. Use of a candidate's initials, nickname, office, or
17 status as a candidate, or use of acronym, popular name, or
18 characterization of a ballot issue.

19 NEW SUBSECTION. 12A. "Express advocacy" or to "expressly
20 advocate" means communication that can be characterized
21 according to at least one of the following descriptions:

22 a. The communication is political speech made in the form
23 of a contribution.

24 b. In advocating the election or defeat of one or more
25 clearly identified candidates or the passage or defeat of one
26 or more clearly identified ballot issues, the communication
27 includes explicit words that unambiguously indicate that the
28 communication is recommending or supporting a particular
29 outcome in the election with regard to any clearly identified
30 candidate or ballot issue.

31 c. When taken as a whole and with limited reference to
32 external events such as the proximity to the election, the
33 communication could only be interpreted by a reasonable person
34 as supporting or recommending the election, passage, or defeat
35 of one or more clearly identified candidates or ballot issues

1 because both of the following conditions are met:

2 (1) The communication, as it relates to the election or
3 defeat of the candidate or ballot issue, is unmistakable,
4 unambiguous, and suggestive of only one meaning.

5 (2) Reasonable minds could not differ as to whether the
6 communication encourages action to nominate, elect, approve,
7 or defeat one or more clearly identified candidates or a
8 ballot issue or whether the communication encourages some
9 other kind of action.

10 Sec. 3. Section 56.2, subsections 16 and 17, Code 1999,
11 are amended to read as follows:

12 16. "Political committee" means a either of the following:

13 a. A committee, but not a candidate's committee, which
14 that accepts contributions in excess of five hundred dollars
15 in the aggregate, makes expenditures in excess of five hundred
16 dollars in the aggregate, or incurs indebtedness in excess of
17 five hundred dollars in the aggregate in any one calendar year
18 for-the-purpose-of-supporting-or-opposing to expressly
19 advocate the nomination, election, or defeat of a candidate
20 for public office, or for-the-purpose-of-supporting-or
21 opposing to expressly advocate the passage or defeat of a
22 ballot issue;-"political-committee"-also-means-an.

23 b. An association, lodge, society, cooperative, union,
24 fraternity, sorority, educational institution, civic
25 organization, labor organization, religious organization, or
26 professional organization which that accepts contributions in
27 excess of five hundred dollars in the aggregate, makes
28 expenditures in excess of five hundred dollars in the
29 aggregate, or incurs indebtedness in excess of five hundred
30 dollars in the aggregate in any one calendar year for-the
31 purpose-of-supporting-or-opposing to expressly advocate the
32 nomination, election, or defeat of a candidate for public
33 office, or for-the-purpose-of-supporting-or-opposing to
34 expressly advocate the passage or defeat of a ballot issue.

35 "Political-committee"-also-includes-a-committee-which-accepts

1 contributions-in-excess-of-five-hundred-dollars-in-the
2 aggregate, makes expenditures-in-excess-of-five-hundred
3 dollars-in-the-aggregate, or incurs indebtedness-in-excess-of
4 five-hundred-dollars-in-the-aggregate-in-a-calendar-year-to
5 cause-the-publication-or-broadcasting-of-material-in-which-the
6 public-policy-positions-or-voting-record-of-an-identifiable
7 candidate-is-discussed-and-in-which-a-reasonable-person-could
8 find-commentary-favorable-or-unfavorable-to-those-public
9 policy-positions-or-voting-record.

10 17. "Political purpose" or "political purposes" means the
11 support-or-opposition express advocacy of a candidate or
12 ballot issue.

13 Sec. 4. Section 56.4, unnumbered paragraphs 2 and 3, Code
14 1999, are amended to read as follows:

15 Political committees supporting-or-opposing expressly
16 advocating the nomination, election, or defeat of candidates
17 for both federal office and any elected office created by law
18 or the Constitution of the state of Iowa shall file statements
19 and reports with the board in addition to any federal reports
20 required to be filed with the board. However, a political
21 committee which is registered and filing full disclosure
22 reports of all financial activities with the federal election
23 commission may file verified statements as provided in section
24 56.5.

25 Political committees supporting-or-opposing expressly
26 advocating the nomination, election, or defeat of candidates
27 or the passage or defeat of ballot issues for statewide
28 elections and for county, municipal or school elections may
29 file all activity on one report with the board and shall send
30 a copy to the commissioner responsible under section 47.2 for
31 conducting the election.

32 Sec. 5. Section 56.5, subsection 2, paragraph f, Code
33 1999, is amended to read as follows:

34 f. A signed statement by the treasurer of the committee
35 and the candidate, in the case of a candidate's committee,

1 which shall verify that they are aware of the requirement to
2 file disclosure reports if the committee, the committee
3 officers, the candidate, or both the committee officers and
4 the candidate receive contributions in excess of five hundred
5 dollars in the aggregate, make expenditures in excess of five
6 hundred dollars in the aggregate, or incur indebtedness in
7 excess of five hundred dollars in the aggregate in a calendar
8 ~~year for the purpose of supporting or opposing~~ to expressly
9 advocate the nomination, election, or defeat of any candidate
10 for public office. In the case of political committees,
11 statements shall be made by the treasurer of the committee and
12 the chairperson.

13 Sec. 6. Section 56.5A, Code 1999, is amended to read as
14 follows:

15 56.5A CANDIDATE'S COMMITTEE.

16 1. Each candidate for state, county, city, or school
17 office shall organize one, and only one, candidate's committee
18 for a specific office sought when the candidate receives
19 contributions in excess of five hundred dollars in the
20 aggregate, makes expenditures in excess of five hundred
21 dollars in the aggregate, or incurs indebtedness in excess of
22 five hundred dollars in the aggregate in a calendar year.

23 2. A political committee shall not be established to
24 ~~support or oppose~~ expressly advocate the nomination, election,
25 or defeat of only one candidate for office, except that a
26 political committee may be established to ~~support or oppose~~
27 expressly advocate the passage or defeat of approval of a
28 single judge standing for retention.

29 Sec. 7. Section 56.6, subsection 1, paragraph d, Code
30 1999, is amended to read as follows:

31 d. Committees for municipal and school elective offices
32 and local ballot issues shall file their first reports five
33 days prior to any election in which the name of the candidate
34 or the local ballot issue which they ~~support or oppose~~
35 expressly advocate appears on the printed ballot and shall

1 file their next report on the first day of the month following
2 the final election in a calendar year in which the candidate's
3 name or the ballot issue appears on the ballot. A committee
4 ~~supporting or opposing~~ expressly advocating the nomination,
5 election, or defeat of a candidate for a municipal or school
6 elective office or the passage or defeat of a local ballot
7 issue shall also file disclosure reports on the nineteenth day
8 of January and October of each year in which the candidate or
9 ballot issue does not appear on the ballot and on the
10 nineteenth day of January, May, and July of each year in which
11 the candidate or ballot issue appears on the ballot, until the
12 committee dissolves. These reports shall be current to five
13 days prior to the filing deadline and are considered timely
14 filed if mailed bearing a United States postal service
15 postmark on or before the due date.

16 Sec. 8. Section 56.12A, unnumbered paragraph 1, Code 1999,
17 is amended to read as follows:

18 The state and the governing body of a county, city, or
19 other political subdivision of the state shall not expend or
20 permit the expenditure of public moneys for political
21 purposes, including ~~supporting or opposing~~ expressly
22 advocating the passage or defeat of a ballot issue.

23 Sec. 9. Section 56.13, subsections 1, 2, and 3, Code 1999,
24 are amended to read as follows:

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

1 committee shall notify that candidate's committee in writing
2 within twenty-four hours of taking the action. The
3 notification shall provide that candidate's committee with the
4 cost of the promotion at fair market value. A copy of the
5 notification shall be sent to the board.

6 Any person who makes expenditures or incurs indebtedness,
7 other than incidental expenses incurred in performing
8 volunteer work, ~~in support or opposition~~ to expressly advocate
9 the nomination, election, or defeat of a candidate for public
10 office shall notify the appropriate committee and provide
11 necessary information for disclosure reports.

12 2. If a person, other than a political committee, makes
13 one or more expenditures in excess of five hundred dollars in
14 the aggregate, or incurs indebtedness in excess of five
15 hundred dollars in the aggregate, in any one calendar year for
16 ~~purposes of supporting or opposing~~ to expressly advocate the
17 passage or defeat of a ballot issue, the person shall file a
18 statement of activity within ten days of taking the action
19 exceeding the threshold. The statement shall contain
20 information identifying the person filing the statement,
21 identifying the ballot issue, and indicating the position
22 urged by the person with regard to the ballot issue. The
23 person shall file reports indicating the dates on which the
24 expenditures or incurrence of indebtedness took place; a
25 description of the nature of the action taken which resulted
26 in the expenditures or debt; and the cost of the promotion at
27 fair market value. For a local ballot issue, the reports
28 shall be filed five days prior to any election in which the
29 ballot issue appears and on the first day of the month
30 following the election, as well as on the nineteenth day of
31 January, May, and July of each year in which the ballot issue
32 appears on the ballot and on the nineteenth day of January and
33 October of each year in which the ballot issue does not appear
34 on the ballot. For a statewide ballot issue, reports shall be
35 filed on the nineteenth day of January, May, and July of each

1 year. The reports shall be current to five days prior to the
2 filing deadline, and are considered timely filed if mailed
3 bearing a United States postal service postmark on or before
4 the due date. Filing obligations shall cease when the person
5 files a statement of discontinuation indicating that the
6 person's financial activity ~~in-support-of-or-in-opposition~~ to
7 expressly advocate the passage or defeat of the ballot issue
8 has ceased. Statements and reports shall be filed with the
9 commissioner responsible under section 47.2 for conducting the
10 election at which the issue is voted upon, except that reports
11 on a statewide ballot issue shall be filed with the board.

12 3. A person taking action involving the making of an
13 expenditure or incurrence of indebtedness ~~in-support-or~~
14 opposition to expressly advocate the passage or defeat of a
15 ballot issue independently of a political committee shall,
16 within seventy-two hours of taking the action, notify in
17 writing any political committee which advocates the same
18 position with regard to the ballot issue as the person taking
19 the action. The notification shall provide the political
20 committee with the cost of the promotion at fair market value.
21 A copy of the notification shall be sent to the board. It
22 shall be presumed that a benefited committee approves the
23 action if the committee fails to file a statement of disavowal
24 with the commissioner or board and takes corrective action
25 within ten days of the action. Action approved by a committee
26 shall be reported as a contribution by the committee.

27 Sec. 10. Section 56.14, subsection 1, paragraph a, Code
28 1999, is amended to read as follows:

29 a. A person who causes the publication or distribution of
30 published material designed to ~~promote-or-defeat~~ expressly
31 advocate the nomination, or election, or defeat of a candidate
32 for public office or the passage or defeat of a constitutional
33 amendment or public measure shall include conspicuously on the
34 published material the identity and address of the person
35 responsible for the material. If the person responsible is an

1 organization, the name of one officer of the organization
2 shall appear on the material. However, if the organization is
3 a committee which has filed a statement of organization under
4 this chapter, only the name of the committee is required to be
5 included on the published material. Published material
6 designed to ~~promote or defeat~~ expressly advocate the
7 nomination, or election, or defeat of a candidate for public
8 office or the passage or defeat of a constitutional amendment
9 or public measure which contains language or depictions which
10 a reasonable person would understand as asserting that an
11 entity which is incorporated or is a registered committee had
12 authored the material shall, if the entity is not incorporated
13 or a registered committee, include conspicuously on the
14 published material a statement that the apparent organization
15 or committee is not incorporated or a registered committee in
16 addition to the attribution statement required by this
17 section. For purposes of this section, "registered committee"
18 means a committee which has an active statement of
19 organization filed under section 56.5.

20 Sec. 11. Section 56.15, subsections 1, 2, and 4, Code
21 1999, are amended to read as follows:

22 1. Except as provided in subsections 3 and 4, it is
23 unlawful for an insurance company, savings and loan
24 association, bank, credit union, or corporation organized
25 pursuant to the laws of this state, the United States, or any
26 other state, territory, or foreign country, whether for profit
27 or not, or an officer, agent, or representative acting for
28 such insurance company, savings and loan association, bank,
29 credit union, or corporation, to contribute any money,
30 property, labor, or thing of value, directly or indirectly, to
31 a committee, or ~~for the purpose of influencing~~ to expressly
32 advocate that the vote of an elector be used to nominate,
33 elect, or defeat a candidate for public office, except that
34 such resources may be so expended in connection with a utility
35 franchise election held pursuant to section 364.2, subsection

1 4, or a ballot issue. All such expenditures are subject to
2 the disclosure requirements of this chapter.

3 2. Except as provided in subsection 3, it is unlawful for
4 a member of a committee, or its employee or representative,
5 except a ballot issue committee, or for a candidate for office
6 or the representative of the candidate, to solicit, request,
7 or knowingly receive from an insurance company, savings and
8 loan association, bank, credit union, or corporation organized
9 pursuant to the laws of this state, the United States, or any
10 other state, territory, or foreign country, whether for profit
11 or not, or its officer, agent, or representative, any money,
12 property, or thing of value belonging to the insurance
13 company, savings and loan association, bank, or corporation
14 for campaign expenses, or ~~for the purpose of influencing to~~
15 expressly advocate that the vote of an elector be used to
16 nominate, elect, or defeat a candidate for public office.

17 This section does not restrain or abridge the freedom of the
18 press or prohibit the consideration and discussion in the
19 press of candidacies, nominations, public officers, or public
20 questions.

21 4. The restrictions imposed by this section relative to
22 making, soliciting or receiving contributions shall not apply
23 to a nonprofit corporation or organization which uses those
24 contributions to encourage registration of voters and
25 participation in the political process, or to publicize public
26 issues, or both, but does not use any part of those
27 contributions to ~~endorse or oppose~~ expressly advocate the
28 nomination, election, or defeat of any candidate for public
29 office. A nonprofit corporation or organization may use
30 contributions solicited or received to ~~support or oppose~~
31 expressly advocate the passage or defeat of ballot issues but
32 the expenditures shall be disclosed by the nonprofit
33 corporation or organization in the manner provided for a
34 permanent organization temporarily engaged in a political
35 activity under section 56.6.

1 This section does not prohibit a family farm corporation,
2 as defined in section 9H.1, from placing a yard sign on
3 agricultural land, and does not prohibit the placement of yard
4 signs, with the prior written permission of the individual
5 property owner, on property rented or leased by a corporation
6 from private individuals, subject to the requirements of
7 section 56.14. This section also does not prohibit the
8 placement of a yard sign on residential property that is owned
9 by a corporation, but rented or leased to a private
10 individual, if the prior permission of the renter or lessee is
11 obtained.

12 Sec. 12. Section 56.15, Code 1999, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 4A. For purposes of this section,
15 "committee" shall include statutory political committees
16 organized under chapter 43, and nonparty political
17 organizations organized under chapter 44.

18 Sec. 13. NEW SECTION. 56.15B CONTRIBUTIONS FROM NEGATIVE
19 CHECK-OFF PLANS PROHIBITED.

20 1. As used in this section, unless the context otherwise
21 requires:

22 a. "Legislative objective" means action related to the
23 passage, defeat, approval, veto, or modification of
24 legislation, a rule, or an executive order, or another
25 official action by the members of the general assembly, a
26 state agency, or another elected or appointed official or body
27 of officials.

28 b. "Negative check-off plan" means a plan under which an
29 individual is deemed to have agreed to a payment, deduction,
30 or allocation of moneys, or a series of payments, deductions,
31 or allocations of moneys, by means of the individual's
32 inaction or failure to object to such payment, deduction, or
33 allocation of moneys.

34 c. "Voluntary" means an action or choice freely made by an
35 individual that is evidenced by a written authorization

1 executed on at least an annual basis on a document that
2 includes only the signature indicating agreement and a
3 conspicuous disclosure in plain language, written in at least
4 twelve point type, that includes the following information:

5 (1) An explanation regarding the kind of payment or
6 regular deduction the individual is authorizing.

7 (2) The entity that will be receiving the moneys.

8 (3) The fact that such moneys may be used for political
9 purposes or legislative objectives.

10 (4) A statement that such authorization is purely
11 voluntary, that the individual has the right to inquire
12 regarding the exact political purposes or legislative
13 objectives for which the moneys may be used, and that no
14 actions can be taken against an individual who does not sign
15 such an authorization because of the refusal to sign.

16 2. A person shall not solicit or receive moneys for any
17 political purpose or legislative objective from an individual
18 in the course of the person's business, vocation, occupation,
19 charity, fellowship, or other group or organizational activity
20 unless the moneys have been voluntarily contributed, given, or
21 otherwise authorized by the individual.

22 a. A violation of this subsection is a fraudulent practice
23 under section 714.8.

24 b. A payment, deduction, or allocation of moneys made
25 pursuant to a negative check-off plan shall not be considered
26 to have been voluntarily made by an individual. A negative
27 check-off plan is void as against public policy.

28 c. This subsection shall not apply to payments,
29 deductions, or allocations of moneys required by federal law,
30 by state tax laws, or by court order or other court-approved
31 agreement or decree.

32 3. A person other than a candidate, candidate's committee,
33 or political committee shall not knowingly receive or use
34 funds collected in violation of subsection 2 for any political
35 purpose or legislative objective.

1 4. A candidate, candidate's committee, or political
2 committee shall not knowingly receive or use moneys collected
3 in violation of subsection 2.

4 Sec. 14. Section 56.22, subsection 2, Code 1999, is
5 amended to read as follows:

6 2. Funds distributed to statutory political committees
7 pursuant to this chapter shall not be used to ~~support or~~
8 oppose expressly advocate the nomination, election, or defeat
9 of any candidate. Nothing in this subsection shall be
10 construed to prohibit a statutory political committee from
11 using such funds to pay expenses incurred in arranging and
12 holding a nominating convention.

13 Sec. 15. Section 731.5, Code 1999, is amended by adding
14 the following new unnumbered paragraph:

15 NEW UNNUMBERED PARAGRAPH. All deductions from an
16 employee's earnings, wages, or compensation shall also comply
17 with the provisions of section 56.15B.

18 Sec. 16. SEVERABILITY. If any section of this Act, or any
19 portion of any section of this Act, is found unconstitutional
20 or otherwise unenforceable by a court, the remaining sections
21 and portions of sections shall be given effect to the fullest
22 extent possible.

23 Sec. 17. APPLICABILITY AND EFFECTIVE DATE. Section 13 of
24 this Act, enacting new section 56.15B, being deemed of
25 immediate importance, takes effect upon enactment, and shall
26 apply to any deduction or allocation of moneys related to or
27 conducted in conjunction with annual dues assessment and
28 billing for the entity's next annual dues cycle, or other
29 annual contribution or allocation cycle, but in any event
30 shall apply to all actual deductions by all affected entities
31 that occur on or after July 1, 1999, regardless of when the
32 annual dues are assessed or billed or the contribution is
33 otherwise allocated or solicited.

34 Sec. 18. CAMPAIGN FINANCE COMMISSION. A campaign finance
35 commission is established to study campaign finance disclosure

1 and related laws and to recommend reforms in these laws,
2 according to the following:

3 1. APPOINTMENT. The commission shall be composed of six
4 members, bipartisan and gender-balanced in accordance with
5 sections 69.16 and 69.16A, and appointed as follows:

6 a. Two members shall be the state chairs of each of the
7 political parties, as defined in section 43.2, or their
8 designees.

9 b. Four members shall be jointly appointed by the majority
10 and minority leaders of the senate and house. These members
11 shall be appointed from nonpartisan organizations which have
12 researched, studied, and advocated the issue of political
13 campaign finance reform for fifteen years or more, or who are
14 specially qualified to serve on the commission because of
15 training or experience.

16 c. The commission shall elect a chair and vice chair at
17 its first meetings.

18 2. TERMS. The members of the commission shall serve for
19 the life of the commission.

20 3. VACANCIES. A vacancy in the commission shall be filled
21 in the manner in which the original appointment was made.

22 Sec. 19. POWERS AND DUTIES OF THE COMMISSION.

23 1. HEARINGS. The commission may hold hearings which shall
24 be open and announced in advance to the public, take
25 testimony, and receive evidence as the commission considers
26 appropriate. Activities of the commission shall be held in
27 accordance with chapter 21.

28 The commission shall hold at least one hearing in each
29 congressional district within the state specifically to obtain
30 public input on the issue of campaign finance reform.

31 2. QUORUM. Four members of the commission shall
32 constitute a quorum, but a lesser number may hold hearings.

33 3. REPORT. Not later than December 15, 1999, the
34 commission shall submit to the general assembly a report of
35 the activities of the commission, together with a draft of

1 legislation recommended by the commission to reform the
2 campaign finance disclosure and related laws for consideration
3 by the general assembly in the year 2000 according to the
4 provisions of this Act.

5 4. MATTERS TO BE CONSIDERED. In holding hearings and
6 preparing the report required under subsection 3, the
7 commission shall consider all issues related to the reform of
8 campaign finance disclosure and related laws. The commission
9 may secure directly from any department or agency such
10 information as the commission considers necessary, and the
11 department or agency shall promptly furnish such information
12 to the commission.

13 5. STAFFING. Assistance shall be provided to the
14 commission by the central nonpartisan legislative staff
15 bureaus. The commission may utilize the services of the
16 legislative service bureau in formulating a draft of
17 legislation. The attorney general's office and the ethics and
18 campaign disclosure board shall serve as consultants, and
19 advise the commission as necessary.

20 Sec. 20. ASSIGNMENT OF LEGISLATION. The legislation
21 drafted by the commission shall be filed with each chamber on
22 the first day of the legislative session beginning in the year
23 2000, and immediately assigned to the committee on state
24 government in each chamber.

25 Sec. 21. TERMINATION. The commission shall cease to exist
26 one month after the submission of its report under section 19
27 of this Act.

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SENATE FILE 470

H-1814

1 Amend Senate File 470, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 10, line 13, by striking the word
4 "subsection" and inserting the following:
5 "subsections".

6 2. Page 10, by inserting before line 14 the
7 following:

8 "NEW SUBSECTION. 3A. In addition to the other
9 disclosure requirements of this chapter, a committee
10 organized and operated by an insurance company,
11 savings and loan association, bank, credit union, or
12 corporation pursuant to subsection 3 shall disclose
13 any political purposes or legislative objectives, as
14 defined in subsection 56.15B, to be supported by
15 moneys solicited or contributed. A committee shall
16 also comply, to the extent applicable, with the
17 authorization provisions of section 56.15B when
18 soliciting, requesting, or otherwise receiving moneys
19 pursuant to subsection 3. Whether or not section
20 56.15B is applicable, the committee shall obtain a
21 separate signed acknowledgment from the contributor
22 that the committee has disclosed its political
23 purposes and legislative objectives prior to accepting
24 the contribution."

25 3. Page 12, by inserting after line 12 the
26 following:

27 "Sec. ____. NEW SECTION. 490.1623 OTHER NOTICES.

28 A corporation subject to this chapter that
29 organizes and operates a political committee pursuant
30 to chapter 56 shall comply with the disclosure
31 provisions, including disclosures to stockholders,
32 officers, and members, required by section 56.15.

33 Sec. ____. NEW SECTION. 491.70 NOTICES TO
34 STOCKHOLDERS AND OTHERS.

35 A corporation subject to this chapter that
36 organizes and operates a political committee pursuant
37 to chapter 56 shall comply with the disclosure
38 provisions, including disclosures to stockholders,
39 officers, and members, required by section 56.15.

40 Sec. ____. NEW SECTION. 495.7 NOTICES TO
41 STOCKHOLDERS AND OTHERS.

42 A corporation subject to this chapter that
43 organizes and operates a political committee pursuant
44 to chapter 56 shall comply with the disclosure
45 provisions, including disclosures to stockholders,
46 officers, and members, required by section 56.15.

47 Sec. ____. NEW SECTION. 496B.21 NOTICES TO
48 STOCKHOLDERS AND OTHERS.

49 A corporation subject to this chapter that
50 organizes and operates a political committee pursuant

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1 to chapter 56 shall comply with the disclosure
2 provisions, including disclosures to stockholders,
3 officers, and members, required by section 56.15.

4 Sec. ____ . NEW SECTION. 496C.23 NOTICES TO
5 STOCKHOLDERS AND OTHERS.

6 A corporation subject to this chapter that
7 organizes and operates a political committee pursuant
8 to chapter 56 shall comply with the disclosure
9 provisions, including disclosures to stockholders,
10 officers, and members, required by section 56.15.

11 Sec. ____ . NEW SECTION. 501.714 NOTICES TO
12 STOCKHOLDERS AND OTHERS.

13 A corporation subject to this chapter that
14 organizes and operates a political committee pursuant
15 to chapter 56 shall comply with the disclosure
16 provisions, including disclosures to stockholders,
17 officers, and members, required by section 56.15.

18 Sec. ____ . NEW SECTION. 504A.102 NOTICES TO
19 STOCKHOLDERS AND OTHERS.

20 A corporation subject to this chapter that
21 organizes and operates a political committee pursuant
22 to chapter 56 shall comply with the disclosure
23 provisions, including disclosures to stockholders,
24 officers, and members, required by section 56.15.

25 Sec. ____ . NEW SECTION. 506.13 NOTICES TO
26 STOCKHOLDERS AND OTHERS.

27 A company subject to this chapter that organizes
28 and operates a political committee pursuant to chapter
29 56 shall comply with the disclosure provisions,
30 including disclosures to stockholders, officers, and
31 members, required by section 56.15.

32 Sec. ____ . NEW SECTION. 508.40 NOTICES TO
33 STOCKHOLDERS AND OTHERS.

34 A company subject to this chapter that organizes
35 and operates a political committee pursuant to chapter
36 56 shall comply with the disclosure provisions,
37 including disclosures to stockholders, officers, and
38 members, required by section 56.15.

39 Sec. ____ . NEW SECTION. 508B.16 NOTICES TO
40 STOCKHOLDERS AND OTHERS.

41 A company subject to this chapter that organizes
42 and operates a political committee pursuant to chapter
43 56 shall comply with the disclosure provisions,
44 including disclosures to stockholders, officers, and
45 members, required by section 56.15.

46 Sec. ____ . NEW SECTION. 515G.16 NOTICES TO
47 STOCKHOLDERS AND OTHERS.

48 A company subject to this chapter that organizes
49 and operates a political committee pursuant to chapter
50 56 shall comply with the disclosure provisions,

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1 including disclosures to stockholders, officers, and
2 members, required by section 56.15.

3 Sec. ____ . NEW SECTION. 518.24 NOTICES TO
4 STOCKHOLDERS AND OTHERS.

5 A company subject to this chapter that organizes
6 and operates a political committee pursuant to chapter
7 56 shall comply with the disclosure provisions,
8 including disclosures to stockholders, officers, and
9 members, required by section 56.15.

10 Sec. ____ . NEW SECTION. 518A.45 NOTICES TO
11 STOCKHOLDERS AND OTHERS.

12 A company subject to this chapter that organizes
13 and operates a political committee pursuant to chapter
14 56 shall comply with the disclosure provisions,
15 including disclosures to stockholders, officers, and
16 members, required by section 56.15.

17 Sec. ____ . NEW SECTION. 521A.15 NOTICES TO
18 STOCKHOLDERS AND OTHERS.

19 A company subject to this chapter that organizes
20 and operates a political committee pursuant to chapter
21 56 shall comply with the disclosure provisions,
22 including disclosures to stockholders, officers, and
23 members, required by section 56.15.

24 Sec. ____ . Section 524.2001, Code 1999, is amended
25 by adding the following new unnumbered paragraph:

26 NEW UNNUMBERED PARAGRAPH. A bank that organizes
27 and operates a political committee pursuant to chapter
28 56 shall comply with the disclosure provisions,
29 including disclosures to stockholders, officers, and
30 members, required by section 56.15.

31 Sec. ____ . NEW SECTION. 533.68 NOTICES TO
32 STOCKHOLDERS AND OTHERS.

33 A credit union subject to this chapter that
34 organizes and operates a political committee pursuant
35 to chapter 56 shall comply with the disclosure
36 provisions, including disclosures to stockholders,
37 officers, and members, required by section 56.15.

38 Sec. ____ . NEW SECTION. 534.520 NOTICES TO
39 STOCKHOLDERS AND OTHERS.

40 A savings and loan association subject to this
41 chapter that organizes and operates a political
42 committee pursuant to chapter 56 shall comply with the
43 disclosure provisions, including disclosures to
44 stockholders, officers, and members, required by
45 section 56.15."

46 4. By renumbering as necessary.

By JOCHUM of Dubuque

H-1814 FILED APRIL 26, 1999

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4/28/99

SENATE FILE 470

H-1830

1 Amend Senate File 470, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 3, by striking lines 13 through 31 and
4 inserting the following:

5 "Sec. _____. Section 56.4, Code 1999, is amended to
6 read as follows:

7 56.4 REPORTS FILED WITH BOARD OR COMMISSIONER.

8 1. All statements and reports required to be filed
9 under this chapter for a state office shall be filed
10 with the board. All statements and reports required
11 to be filed under this chapter for a county, city, or
12 school office shall be filed with the commissioner.
13 Statements and reports on a ballot issue shall be
14 filed with the commissioner responsible under section
15 47.2 for conducting the election at which the issue is
16 voted upon, except that statements and reports on a
17 statewide ballot issue shall be filed with the board.
18 Copies of any reports filed with a commissioner shall
19 be provided by the commissioner to the board on its
20 request. State statutory political committees shall
21 file all statements and reports with the board. All
22 other statutory political committees shall file the
23 statements and reports with the commissioner with a
24 copy sent to the board. The board shall retain
25 statements and reports filed with the board for at
26 least five years from the date of the election in
27 which the committee is involved, or at least five
28 years from the certified date of dissolution of the
29 committee, whichever date is later. The commissioner
30 shall retain statements and reports filed with the
31 commissioner for at least three years from the date of
32 the election in which the committee is involved, or at
33 least three years from the certified date of
34 dissolution of the committee, whichever date is later.

35 2. Political committees supporting or opposing
36 expressly advocating the nomination, election, or
37 defeat of candidates for both federal office and any
38 elected office created by law or the Constitution of
39 the state of Iowa shall file statements and reports
40 with the board in addition to any federal reports
41 required to be filed with the board. However, a
42 political committee which is registered and filing
43 full disclosure reports of all financial activities
44 with the federal election commission may file verified
45 statements as provided in section 56.5.

46 3. Political committees supporting or opposing
47 expressly advocating the nomination, election, or
48 defeat of candidates or the passage or defeat of
49 ballot issues for statewide elections and for county,
50 municipal or school elections may file all activity on

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1 one report with the board and shall send a copy to the
2 commissioner responsible under section 47.2 for
3 conducting the election.

4 4. Political committees formed by an insurance
5 company, savings and loan association, bank, credit
6 union, or corporation pursuant to section 56.15 shall
7 annually file with the board a copy of the annual
8 report to contributors, required by section 56.15, by
9 January 15 of each year. The data contained in the
10 report shall be current through December 31 of the
11 preceding year."

12 2. Page 10, line 13, by striking the word
13 "subsection" and inserting the following:
14 "subsections".

15 3. Page 10, by inserting before line 14 the
16 following:

17 "NEW SUBSECTION. 3A. In addition to the other
18 disclosure requirements of this chapter, a committee
19 organized and operated by an insurance company,
20 savings and loan association, bank, credit union, or
21 corporation pursuant to subsection 3 shall disclose
22 any political purposes or legislative objectives, as
23 defined in subsection 56.15B, to be supported by
24 moneys solicited or contributed. A committee shall
25 also comply, to the extent applicable, with the
26 authorization provisions of section 56.15B when
27 soliciting, requesting, or otherwise receiving moneys
28 pursuant to subsection 3. Whether or not section
29 56.15B is applicable, the committee shall obtain a
30 separate signed acknowledgment from the contributor
31 that the committee has disclosed its political
32 purposes and legislative objectives prior to accepting
33 the contribution."

34 4. Page 12, by inserting after line 12 the
35 following:

36 "Sec. ____ . NEW SECTION. 490.1623 OTHER NOTICES.

37 A corporation subject to this chapter that
38 organizes and operates a political committee pursuant
39 to chapter 56 shall comply with the disclosure
40 provisions, including disclosures to stockholders,
41 officers, and members, required by section 56.15.

42 Sec. ____ . NEW SECTION. 491.70 NOTICES TO
43 STOCKHOLDERS AND OTHERS.

44 A corporation subject to this chapter that
45 organizes and operates a political committee pursuant
46 to chapter 56 shall comply with the disclosure
47 provisions, including disclosures to stockholders,
48 officers, and members, required by section 56.15.

49 Sec. ____ . NEW SECTION. 495.7 NOTICES TO
50 STOCKHOLDERS AND OTHERS.

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1 A corporation subject to this chapter that
2 organizes and operates a political committee pursuant
3 to chapter 56 shall comply with the disclosure
4 provisions, including disclosures to stockholders,
5 officers, and members, required by section 56.15.

6 Sec. ____ . NEW SECTION. 496B.21 NOTICES TO
7 STOCKHOLDERS AND OTHERS.

8 A corporation subject to this chapter that
9 organizes and operates a political committee pursuant
10 to chapter 56 shall comply with the disclosure
11 provisions, including disclosures to stockholders,
12 officers, and members, required by section 56.15.

13 Sec. ____ . NEW SECTION. 496C.23 NOTICES TO
14 STOCKHOLDERS AND OTHERS.

15 A corporation subject to this chapter that
16 organizes and operates a political committee pursuant
17 to chapter 56 shall comply with the disclosure
18 provisions, including disclosures to stockholders,
19 officers, and members, required by section 56.15.

20 Sec. ____ . NEW SECTION. 501.714 NOTICES TO
21 STOCKHOLDERS AND OTHERS.

22 A corporation subject to this chapter that
23 organizes and operates a political committee pursuant
24 to chapter 56 shall comply with the disclosure
25 provisions, including disclosures to stockholders,
26 officers, and members, required by section 56.15.

27 Sec. ____ . NEW SECTION. 504A.102 NOTICES TO
28 STOCKHOLDERS AND OTHERS.

29 A corporation subject to this chapter that
30 organizes and operates a political committee pursuant
31 to chapter 56 shall comply with the disclosure
32 provisions, including disclosures to stockholders,
33 officers, and members, required by section 56.15.

34 Sec. ____ . NEW SECTION. 506.13 NOTICES TO
35 STOCKHOLDERS AND OTHERS.

36 A company subject to this chapter that organizes
37 and operates a political committee pursuant to chapter
38 56 shall comply with the disclosure provisions,
39 including disclosures to stockholders, officers, and
40 members, required by section 56.15.

41 Sec. ____ . NEW SECTION. 508.40 NOTICES TO
42 STOCKHOLDERS AND OTHERS.

43 A company subject to this chapter that organizes
44 and operates a political committee pursuant to chapter
45 56 shall comply with the disclosure provisions,
46 including disclosures to stockholders, officers, and
47 members, required by section 56.15.

48 Sec. ____ . NEW SECTION. 508B.16 NOTICES TO
49 STOCKHOLDERS AND OTHERS.

50 A company subject to this chapter that organizes

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1 and operates a political committee pursuant to chapter
2 56 shall comply with the disclosure provisions,
3 including disclosures to stockholders, officers, and
4 members, required by section 56.15.

5 Sec. ____ . NEW SECTION. 515G.16 NOTICES TO
6 STOCKHOLDERS AND OTHERS.

7 A company subject to this chapter that organizes
8 and operates a political committee pursuant to chapter
9 56 shall comply with the disclosure provisions,
10 including disclosures to stockholders, officers, and
11 members, required by section 56.15.

12 Sec. ____ . NEW SECTION. 518.24 NOTICES TO
13 STOCKHOLDERS AND OTHERS.

14 A company subject to this chapter that organizes
15 and operates a political committee pursuant to chapter
16 56 shall comply with the disclosure provisions,
17 including disclosures to stockholders, officers, and
18 members, required by section 56.15.

19 Sec. ____ . NEW SECTION. 518A.45 NOTICES TO
20 STOCKHOLDERS AND OTHERS.

21 A company subject to this chapter that organizes
22 and operates a political committee pursuant to chapter
23 56 shall comply with the disclosure provisions,
24 including disclosures to stockholders, officers, and
25 members, required by section 56.15.

26 Sec. ____ . NEW SECTION. 521A.15 NOTICES TO
27 STOCKHOLDERS AND OTHERS.

28 A company subject to this chapter that organizes
29 and operates a political committee pursuant to chapter
30 56 shall comply with the disclosure provisions,
31 including disclosures to stockholders, officers, and
32 members, required by section 56.15.

33 Sec. ____ . Section 524.2001, Code 1999, is amended
34 by adding the following new unnumbered paragraph:

35 NEW UNNUMBERED PARAGRAPH. A bank that organizes
36 and operates a political committee pursuant to chapter
37 56 shall comply with the disclosure provisions,
38 including disclosures to stockholders, officers, and
39 members, required by section 56.15.

40 Sec. ____ . NEW SECTION. 533.68 NOTICES TO
41 STOCKHOLDERS AND OTHERS.

42 A credit union subject to this chapter that
43 organizes and operates a political committee pursuant
44 to chapter 56 shall comply with the disclosure
45 provisions, including disclosures to stockholders,
46 officers, and members, required by section 56.15.

47 Sec. ____ . NEW SECTION. 534.520 NOTICES TO
48 STOCKHOLDERS AND OTHERS.

49 A savings and loan association subject to this
50 chapter that organizes and operates a political

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committee pursuant to chapter 56 shall comply with the disclosure provisions, including disclosures to stockholders, officers, and members, required by section 56.15."

5. By renumbering as necessary.

By FALLON of Polk

H-1830 FILED APRIL 26, 1999

o/o 4/28/99

SENATE FILE 470

H-1831

1 Amend Senate File 470, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 4, by inserting before line 29 the
4 following:

5 "Sec. 101. NEW SECTION. 56.5B LIMITATIONS ON
6 CONTRIBUTIONS.

7 1. An individual shall not make contributions
8 that, during any election campaign cycle, in the
9 aggregate exceed the following:

10 a. Two thousand dollars to any candidate or
11 candidate's committee for a statewide office.

12 b. Five hundred dollars to any candidate or
13 candidate's committee for the Iowa senate.

14 c. Two hundred fifty dollars to any candidate or
15 candidate's committee for the Iowa house of
representatives.

17 2. A candidate or candidate's committee shall not
18 knowingly accept any contribution in violation of this
19 section.

20 3. For purposes of this section:

21 a. "Election campaign cycle" means the period of
22 time between any general or special election
23 commencing on the day following the previous election
24 for that office and continuing through election day.

25 b. "Statewide office" means the office of any of
26 the state officers listed in section 39.9."

27 2. Title page, line 2, by striking the word "by"
28 and inserting the following: "and contribution
29 limits, by limiting certain contributions,".

30 3. By renumbering as necessary.

By FALLON of Polk

H-1831 FILED APRIL 26, 1999

o/o
4/28/99

SENATE FILE 470

H-1824

- 1 Amend Senate File 470, as amended, passed, and
- 2 reprinted by the Senate as follows:
- 3 1. Page 1, by striking lines 1 through 5.
- 4 2. By striking page 10, line 18, through page 12,
- 5 line 3.
- 6 3. Page 12, by striking lines 13 through 17.
- 7 4. Page 12, by striking lines 23 through 33 and
- 8 inserting the following:
- 9 "Sec. ____ . EFFECTIVE DATE. This Act, being deemed
- 10 of immediate importance, takes effect upon enactment."
- 11 5. Title page, by striking lines 4 and 5.
- 12 6. Title page, line 8, by striking the words "and
- 13 for applicability".
- 14 7. By renumbering as necessary.

By LARKIN of Lee
JOCHUM of Dubuque

H-1824 FILED APRIL 26, 1999

o/o
4/28/99

SENATE FILE 470

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1 Amend Senate File 470, as amended, passed, and
2 reprinted by the Senate, as follows:

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

5 "Section 1. Section 56.2, Code 1999, is amended by
6 adding the following new subsections:

7 NEW SUBSECTION. 5A. "Clearly identified" means
8 that a communication contains an unambiguous reference
9 to a particular candidate or ballot issue, including
10 but not limited to one or more of the following:

11 a. Use of the name of the candidate or ballot
12 issue.

13 b. Use of a photograph or drawing of the
14 candidate, or the use of a particular symbol
15 associated with a specific ballot issue.

16 c. Use of a candidate's initials, nickname,
17 office, or status as a candidate, or use of acronym,
18 popular name, or characterization of a ballot issue.

19 NEW SUBSECTION. 12A. "Express advocacy" or to
20 "expressly advocate" means communication that can be
21 characterized according to at least one of the
22 following descriptions:

23 a. The communication is political speech made in
24 the form of a contribution.

25 b. In advocating the election or defeat of one or
26 more clearly identified candidates or the passage or
27 defeat of one or more clearly identified ballot
28 issues, the communication includes explicit words that
29 unambiguously indicate that the communication is
30 recommending or supporting a particular outcome in the
31 election with regard to any clearly identified
32 candidate or ballot issue.

33 c. When taken as a whole and with limited
34 reference to external events such as the proximity to
35 the election, the communication could only be
36 interpreted by a reasonable person as supporting or
37 recommending the election, passage, or defeat of one
38 or more clearly identified candidates or ballot issues
39 because both of the following conditions are met:

40 (1) The communication, as it relates to the
41 election or defeat of the candidate or ballot issue,
42 is unmistakable, unambiguous, and suggestive of only
43 one meaning.

44 (2) Reasonable minds could not differ as to
45 whether the communication encourages action to
46 nominate, elect, approve, or defeat one or more
47 clearly identified candidates or a ballot issue or
48 whether the communication encourages some other kind
49 of action.

Sec. 2. Section 56.2, subsections 16 and 17, Code

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1 1999, are amended to read as follows:

2 16. "Political committee" means a either of the
3 following:

4 a. A committee, but not a candidate's committee,
5 which that accepts contributions in excess of five
6 hundred dollars in the aggregate, makes expenditures
7 in excess of five hundred dollars in the aggregate, or
8 incurs indebtedness in excess of five hundred dollars
9 in the aggregate in any one calendar year ~~for the~~
10 ~~purpose of supporting or opposing to expressly~~
11 ~~advocate the nomination, election, or defeat of a~~
12 ~~candidate for public office, or for the purpose of~~
13 ~~supporting or opposing to expressly advocate the~~
14 ~~passage or defeat of a ballot issue;~~ "political
15 committee" ~~also means an.~~

16 b. An association, lodge, society, cooperative,
17 union, fraternity, sorority, educational institution,
18 civic organization, labor organization, religious
19 organization, or professional organization which that
20 accepts contributions in excess of five hundred
21 dollars in the aggregate, makes expenditures in excess
22 of five hundred dollars in the aggregate, or incurs
23 indebtedness in excess of five hundred dollars in the
24 aggregate in any one calendar year ~~for the purpose of~~
25 ~~supporting or opposing to expressly advocate the~~
26 ~~nomination, election, or defeat of a candidate for~~
27 ~~public office, or for the purpose of supporting or~~
28 ~~opposing to expressly advocate the passage or defeat~~
29 ~~of a ballot issue. "Political committee" also~~
30 ~~includes a committee which accepts contributions in~~
31 ~~excess of five hundred dollars in the aggregate, makes~~
32 ~~expenditures in excess of five hundred dollars in the~~
33 ~~aggregate, or incurs indebtedness in excess of five~~
34 ~~hundred dollars in the aggregate in a calendar year to~~
35 ~~cause the publication or broadcasting of material in~~
36 ~~which the public policy positions or voting record of~~
37 ~~an identifiable candidate is discussed and in which a~~
38 ~~reasonable person could find commentary favorable or~~
39 ~~unfavorable to those public policy positions or voting~~
40 ~~record.~~

41 17. "Political purpose" or "political purposes"
42 means the support or opposition express advocacy of a
43 candidate or ballot issue.

44 Sec. 3. Section 56.4, unnumbered paragraphs 2 and
45 3, Code 1999, are amended to read as follows:

46 Political committees supporting or opposing
47 expressly advocating the nomination, election, or
48 defeat of candidates for both federal office and any
49 elected office created by law or the Constitution of
50 the state of Iowa shall file statements and reports

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1 with the board in addition to any federal reports
2 required to be filed with the board. However, a
3 political committee which is registered and filing
4 full disclosure reports of all financial activities
5 with the federal election commission may file verified
6 statements as provided in section 56.5.

7 ~~Political committees supporting or opposing~~
8 ~~expressly advocating the nomination, election, or~~
9 ~~defeat of candidates or the passage or defeat of~~
10 ballot issues for statewide elections and for county,
11 municipal or school elections may file all activity on
12 one report with the board and shall send a copy to the
13 commissioner responsible under section 47.2 for
14 conducting the election.

15 Sec. 4. Section 56.5, subsection 2, paragraph f,
16 Code 1999, is amended to read as follows:

17 f. A signed statement by the treasurer of the
18 committee and the candidate, in the case of a
19 candidate's committee, which shall verify that they
20 are aware of the requirement to file disclosure
21 reports if the committee, the committee officers, the
22 candidate, or both the committee officers and the
23 candidate receive contributions in excess of five
24 hundred dollars in the aggregate, make expenditures in
25 excess of five hundred dollars in the aggregate, or
26 incur indebtedness in excess of five hundred dollars
27 in the aggregate in a calendar year ~~for the purpose of~~
28 ~~supporting or opposing to expressly advocate the~~
29 ~~nomination, election, or defeat of any candidate for~~
30 public office. In the case of political committees,
31 statements shall be made by the treasurer of the
32 committee and the chairperson.

33 Sec. 5. Section 56.5A, Code 1999, is amended to
34 read as follows:

35 56.5A CANDIDATE'S COMMITTEE.

36 1. Each candidate for state, county, city, or
37 school office shall organize one, and only one,
38 candidate's committee for a specific office sought
39 when the candidate receives contributions in excess of
40 five hundred dollars in the aggregate, makes
41 expenditures in excess of five hundred dollars in the
42 aggregate, or incurs indebtedness in excess of five
43 hundred dollars in the aggregate in a calendar year.

44 2. A political committee shall not be established
45 to ~~support or oppose~~ expressly advocate the
46 ~~nomination, election, or defeat of only one candidate~~
47 for office, except that a political committee may be
48 established to ~~support or oppose~~ expressly advocate
49 the passage or defeat of approval of a single judge
50 standing for retention.

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1 Sec. 6. Section 56.6, subsection 1, paragraph d,
2 Code 1999, is amended to read as follows:
3 d. Committees for municipal and school elective
4 offices and local ballot issues shall file their first
5 reports five days prior to any election in which the
6 name of the candidate or the local ballot issue which
7 they ~~support or oppose~~ expressly advocate appears on
8 the printed ballot and shall file their next report on
9 the first day of the month following the final
10 election in a calendar year in which the candidate's
11 name or the ballot issue appears on the ballot. A
12 committee ~~supporting or opposing~~ expressly advocating
13 the nomination, election, or defeat of a candidate for
14 a municipal or school elective office or the passage
15 or defeat of a local ballot issue shall also file
16 disclosure reports on the nineteenth day of January
17 and October of each year in which the candidate or
18 ballot issue does not appear on the ballot and on the
19 nineteenth day of January, May, and July of each year
20 in which the candidate or ballot issue appears on the
21 ballot, until the committee dissolves. These reports
22 shall be current to five days prior to the filing
23 deadline and are considered timely filed if mailed
24 bearing a United States postal service postmark on or
25 before the due date.

26 Sec. 7. Section 56.12A, unnumbered paragraph 1,
27 Code 1999, is amended to read as follows:

28 The state and the governing body of a county, city,
29 or other political subdivision of the state shall not
30 expend or permit the expenditure of public moneys for
31 political purposes, including ~~supporting or opposing~~
32 expressly advocating the passage or defeat of a ballot
33 issue.

34 Sec. 8. Section 56.13, subsections 1, 2, and 3,
35 Code 1999, are amended to read as follows:

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

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

5 Any person who makes expenditures or incurs
6 indebtedness, other than incidental expenses incurred
7 in performing volunteer work, ~~in support or opposition~~
8 to expressly advocate the nomination, election, or
9 defeat of a candidate for public office shall notify
10 the appropriate committee and provide necessary
11 information for disclosure reports.

12 2. If a person, other than a political committee,
13 makes one or more expenditures in excess of five
14 hundred dollars in the aggregate, or incurs
15 indebtedness in excess of five hundred dollars in the
16 aggregate, in any one calendar year ~~for purposes of~~
17 supporting or opposing to expressly advocate the
18 passage or defeat of a ballot issue, the person shall
19 file a statement of activity within ten days of taking
20 the action exceeding the threshold. The statement
21 shall contain information identifying the person
22 filing the statement, identifying the ballot issue,
23 and indicating the position urged by the person with
24 regard to the ballot issue. The person shall file
25 reports indicating the dates on which the expenditures
26 or incurrence of indebtedness took place; a
27 description of the nature of the action taken which
28 resulted in the expenditures or debt; and the cost of
29 the promotion at fair market value. For a local
30 ballot issue, the reports shall be filed five days
31 prior to any election in which the ballot issue
32 appears and on the first day of the month following
33 the election, as well as on the nineteenth day of
34 January, May, and July of each year in which the
35 ballot issue appears on the ballot and on the
36 nineteenth day of January and October of each year in
37 which the ballot issue does not appear on the ballot.
38 For a statewide ballot issue, reports shall be filed
39 on the nineteenth day of January, May, and July of
40 each year. The reports shall be current to five days
41 prior to the filing deadline, and are considered
42 timely filed if mailed bearing a United States postal
43 service postmark on or before the due date. Filing
44 obligations shall cease when the person files a
45 statement of discontinuation indicating that the
46 person's financial activity ~~in support of or in~~
47 opposition to expressly advocate the passage or defeat
48 of the ballot issue has ceased. Statements and
49 reports shall be filed with the commissioner
50 responsible under section 47.2 for conducting the

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1 election at which the issue is voted upon, except that
2 reports on a statewide ballot issue shall be filed
3 with the board.

4 3. A person taking action involving the making of
5 an expenditure or incurrence of indebtedness in
6 ~~support or opposition~~ to expressly advocate the
7 passage or defeat of a ballot issue independently of a
8 political committee shall, within seventy-two hours of
9 taking the action, notify in writing any political
10 committee which advocates the same position with
11 regard to the ballot issue as the person taking the
12 action. The notification shall provide the political
13 committee with the cost of the promotion at fair
14 market value. A copy of the notification shall be
15 sent to the board. It shall be presumed that a
16 benefited committee approves the action if the
17 committee fails to file a statement of disavowal with
18 the commissioner or board and takes corrective action
19 within ten days of the action. Action approved by a
20 committee shall be reported as a contribution by the
21 committee.

22 Sec. 9. Section 56.14, subsection 1, paragraph a,
23 Code 1999, is amended to read as follows:

24 1. a. A person who causes the publication or
25 distribution of published material designed to ~~promote~~
26 ~~or defeat~~ expressly advocate the nomination, or
27 election, or defeat of a candidate for public office
28 or the passage or defeat of a constitutional amendment
29 or public measure shall include conspicuously on the
30 published material the identity and address of the
31 person responsible for the material. If the person
32 responsible is an organization, the name of one
33 officer of the organization shall appear on the
34 material. However, if the organization is a committee
35 which has filed a statement of organization under this
36 chapter, only the name of the committee is required to
37 be included on the published material. Published
38 material designed to ~~promote or defeat~~ expressly
39 advocate the nomination, or election, or defeat of a
40 candidate for public office or the passage or defeat
41 of a constitutional amendment or public measure which
42 contains language or depictions which a reasonable
43 person would understand as asserting that an entity
44 which is incorporated or is a registered committee had
45 authored the material shall, if the entity is not
46 incorporated or a registered committee, include
47 conspicuously on the published material a statement
48 that the apparent organization or committee is not
49 incorporated or a registered committee in addition to
50 the attribution statement required by this section.

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1 For purposes of this section, "registered committee"
2 means a committee which has an active statement of
3 organization filed under section 56.5.

4 Sec. 10. Section 56.15, subsections 1, 2, and 4,
5 Code 1999, are amended to read as follows:

6 1. Except as provided in subsections 3 and 4, it
7 is unlawful for an insurance company, savings and loan
8 association, bank, credit union, or corporation
9 organized pursuant to the laws of this state, the
10 United States, or any other state, territory, or
11 foreign country, whether for profit or not, or an
12 officer, agent, or representative acting for such
13 insurance company, savings and loan association, bank,
14 credit union, or corporation, to contribute any money,
15 property, labor, or thing of value, directly or
16 indirectly, to a committee, or ~~for-the-purpose-of~~
17 influencing to expressly advocate that the vote of an
18 elector be used to nominate, elect, or defeat a
19 candidate for public office, except that such
20 resources may be so expended in connection with a
21 utility franchise election held pursuant to section
22 364.2, subsection 4, or a ballot issue. All such
23 expenditures are subject to the disclosure
24 requirements of this chapter.

25 2. Except as provided in subsection 3, it is
26 unlawful for a member of a committee, or its employee
27 or representative, except a ballot issue committee, or
28 for a candidate for office or the representative of
29 the candidate, to solicit, request, or knowingly
30 receive from an insurance company, savings and loan
31 association, bank, credit union, or corporation
32 organized pursuant to the laws of this state, the
33 United States, or any other state, territory, or
34 foreign country, whether for profit or not, or its
35 officer, agent, or representative, any money,
36 property, or thing of value belonging to the insurance
37 company, savings and loan association, bank, or
38 corporation for campaign expenses, or ~~for-the-purpose~~
39 of-influencing to expressly advocate that the vote of
40 an elector be used to nominate, elect, or defeat a
41 candidate for public office. This section does not
42 restrain or abridge the freedom of the press or
43 prohibit the consideration and discussion in the press
44 of candidacies, nominations, public officers, or
45 public questions.

46 4. The restrictions imposed by this section
47 relative to making, soliciting or receiving
48 contributions shall not apply to a nonprofit
49 corporation or organization which uses those
50 contributions to encourage registration of voters and

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1 participation in the political process, or to
2 publicize public issues, or both, but does not use any
3 part of those contributions to ~~endorse or oppose~~
4 expressly advocate the nomination, election, or defeat
5 of any candidate for public office. A nonprofit
6 corporation or organization may use contributions
7 solicited or received to ~~support or oppose expressly~~
8 advocate the passage or defeat of ballot issues but
9 the expenditures shall be disclosed by the nonprofit
10 corporation or organization in the manner provided for
11 a permanent organization temporarily engaged in a
12 political activity under section 56.6.

13 This section does not prohibit a family farm
14 corporation, as defined in section 9H.1, from placing
15 a yard sign on agricultural land, and does not
16 prohibit the placement of yard signs, with the prior
17 written permission of the individual property owner,
18 on property rented or leased by a corporation from
19 private individuals, subject to the requirements of
20 section 56.14. This section also does not prohibit
21 the placement of a yard sign on residential property
22 that is owned by a corporation, but rented or leased
23 to a private individual, if the prior permission of
24 the renter or lessee is obtained.

25 Sec. 11. Section 56.15, Code 1999, is amended by
26 adding the following new subsection:

27 NEW SUBSECTION. 4A. For purposes of this section,
28 "committee" shall include statutory political
29 committees organized under chapter 43, and nonparty
30 political organizations organized under chapter 44.

31 Sec. 12. Section 56.22, subsection 2, Code 1999,
32 is amended to read as follows:

33 2. Funds distributed to statutory political
34 committees pursuant to this chapter shall not be used
35 to ~~support or oppose expressly advocate~~ the
36 nomination, election, or defeat of any candidate.
37 Nothing in this subsection shall be construed to
38 prohibit a statutory political committee from using
39 such funds to pay expenses incurred in arranging and
40 holding a nominating convention.

41 Sec. 13. CAMPAIGN FINANCE COMMISSION. A campaign
42 finance commission is established to study campaign
43 finance disclosure and related laws and to recommend
44 reforms in these laws, according to the following:

45 1. APPOINTMENT. The commission shall be composed
46 of six members, bipartisan and gender-balanced in
47 accordance with sections 69.16 and 69.16A, and
48 appointed as follows:

49 a. Two members shall be the state chairs of each
50 of the political parties, as defined in section 43.2,

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or their designees.

2 b. Four members shall be jointly appointed by the
3 majority and minority leaders of the senate and house.
4 These members shall be appointed from nonpartisan
5 organizations which have researched, studied, and
6 advocated the issue of political campaign finance
7 reform for fifteen years or more, or who are specially
8 qualified to serve on the commission because of
9 training or experience.

10 c. The commission shall elect a chair and vice
11 chair at its first meetings.

12 2. TERMS. The members of the commission shall
13 serve for the life of the commission.

14 3. VACANCIES. A vacancy in the commission shall
15 be filled in the manner in which the original
16 appointment was made.

17 Sec. 14. POWERS AND DUTIES OF THE COMMISSION.

18 1. HEARINGS. The commission may hold hearings
19 which shall be open and announced in advance to the
20 public, take testimony, and receive evidence as the
21 commission considers appropriate. Activities of the
22 commission shall be held in accordance with chapter
23 21.

24 The commission shall hold at least one hearing in
25 each congressional district within the state
26 specifically to obtain public input on the issue of
27 campaign finance reform.

28 2. QUORUM. Four members of the commission shall
29 constitute a quorum, but a lesser number may hold
30 hearings.

31 3. REPORT. Not later than December 15, 1999, the
32 commission shall submit to the general assembly a
33 report of the activities of the commission, together
34 with a draft of legislation recommended by the
35 commission to reform the campaign finance disclosure
36 and related laws for consideration by the general
37 assembly in the year 2000 according to the provisions
38 of this Act.

39 4. MATTERS TO BE CONSIDERED. In holding hearings
40 and preparing the report required under subsection 3,
41 the commission shall consider all issues related to
42 the reform of campaign finance disclosure and related
43 laws. The commission may secure directly from any
44 department or agency such information as the
45 commission considers necessary, and the department or
46 agency shall promptly furnish such information to the
47 commission.

48 5. STAFFING. Assistance shall be provided to the
49 commission by the central nonpartisan legislative
50 staff bureaus. The commission may utilize the

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1 services of the legislative service bureau in
2 formulating a draft of legislation. The attorney
3 general's office and the ethics and campaign
4 disclosure board shall serve as consultants, and
5 advise the commission as necessary.

6 Sec. 15. ASSIGNMENT OF LEGISLATION. The
7 legislation drafted by the commission shall be filed
8 with each chamber on the first day of the legislative
9 session beginning in the year 2000, and immediately
10 assigned to the committee on state government in each
11 chamber.

12 Sec. 16. TERMINATION. The commission shall cease
13 to exist one month after the submission of its report.

14 Sec. 17. EFFECTIVE DATE. This Act, being deemed
15 of immediate importance, takes effect upon enactment.

16 Sec. 18. SEVERABILITY. If any section of this
17 Act, or any portion of any section of this Act, is
18 found unconstitutional or otherwise unenforceable by a
19 court, the remaining sections and portions of sections
20 shall be given effect to the fullest extent possible."

21 2. Title page, by striking lines 4 and 5.

22 3. Title page, line 8, by striking the words
23 "applicability, and providing for".

By LARKIN of Lee

TAYLOR of Linn

JOCHUM of Dubuque

WITT of Black Hawk

H-1847 FILED APRIL 27, 1999

Adopted

4/28/99

(P. 1834)

HOUSE AMENDMENT TO
SENATE FILE 470

S-3547

1 Amend Senate File 470, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. By striking everything after the enacting
4 clause and inserting the following:
5 "Section 1. Section 56.2, Code 1999, is amended by
6 adding the following new subsections:
7 NEW SUBSECTION. 5A. "Clearly identified" means
8 that a communication contains an unambiguous reference
9 to a particular candidate or ballot issue, including
10 but not limited to one or more of the following:
11 a. Use of the name of the candidate or ballot
12 issue.
13 b. Use of a photograph or drawing of the
14 candidate, or the use of a particular symbol
15 associated with a specific ballot issue.
16 c. Use of a candidate's initials, nickname,
17 office, or status as a candidate, or use of acronym,
18 popular name, or characterization of a ballot issue.
19 NEW SUBSECTION. 12A. "Express advocacy" or to
20 "expressly advocate" means communication that can be
21 characterized according to at least one of the
22 following descriptions:
23 a. The communication is political speech made in
24 the form of a contribution.
25 b. In advocating the election or defeat of one or
26 more clearly identified candidates or the passage or
27 defeat of one or more clearly identified ballot
28 issues, the communication includes explicit words that
29 unambiguously indicate that the communication is
30 recommending or supporting a particular outcome in the
31 election with regard to any clearly identified
32 candidate or ballot issue.
33 c. When taken as a whole and with limited
34 reference to external events such as the proximity to
35 the election, the communication could only be
36 interpreted by a reasonable person as supporting or
37 recommending the election, passage, or defeat of one
38 or more clearly identified candidates or ballot issues
39 because both of the following conditions are met:
40 (1) The communication, as it relates to the
41 election or defeat of the candidate or ballot issue,
42 is unmistakable, unambiguous, and suggestive of only
43 one meaning.
44 (2) Reasonable minds could not differ as to
45 whether the communication encourages action to
46 nominate, elect, approve, or defeat one or more
47 clearly identified candidates or a ballot issue or
48 whether the communication encourages some other kind
49 of action.
50 Sec. 2. Section 56.2, subsections 16 and 17, Code

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1 1999, are amended to read as follows:

2 16. "Political committee" means a either of the
3 following:

4 a. A committee, but not a candidate's committee,
5 which that accepts contributions in excess of five
6 hundred dollars in the aggregate, makes expenditures
7 in excess of five hundred dollars in the aggregate, or
8 incurs indebtedness in excess of five hundred dollars
9 in the aggregate in any one calendar year ~~for the~~
10 ~~purpose of supporting or opposing to expressly~~
11 ~~advocate the nomination, election, or defeat of a~~
12 ~~candidate for public office, or for the purpose of~~
13 ~~supporting or opposing to expressly advocate the~~
14 ~~passage or defeat of a ballot issue; "political~~
15 ~~committee" also means an.~~

16 b. An association, lodge, society, cooperative,
17 union, fraternity, sorority, educational institution,
18 civic organization, labor organization, religious
19 organization, or professional organization which that
20 accepts contributions in excess of five hundred
21 dollars in the aggregate, makes expenditures in excess
22 of five hundred dollars in the aggregate, or incurs
23 indebtedness in excess of five hundred dollars in the
24 aggregate in any one calendar year ~~for the purpose of~~
25 ~~supporting or opposing to expressly advocate the~~
26 ~~nomination, election, or defeat of a candidate for~~
27 ~~public office, or for the purpose of supporting or~~
28 ~~opposing to expressly advocate the passage or defeat~~
29 ~~of a ballot issue. "Political committee" also~~
30 ~~includes a committee which accepts contributions in~~
31 ~~excess of five hundred dollars in the aggregate, makes~~
32 ~~expenditures in excess of five hundred dollars in the~~
33 ~~aggregate, or incurs indebtedness in excess of five~~
34 ~~hundred dollars in the aggregate in a calendar year to~~
35 ~~cause the publication or broadcasting of material in~~
36 ~~which the public policy positions or voting record of~~
37 ~~an identifiable candidate is discussed and in which a~~
38 ~~reasonable person could find commentary favorable or~~
39 ~~unfavorable to those public policy positions or voting~~
40 ~~record.~~

41 17. "Political purpose" or "political purposes"
42 means the support or opposition express advocacy of a
43 candidate or ballot issue.

44 Sec. 3. Section 56.4, unnumbered paragraphs 2 and
45 3, Code 1999, are amended to read as follows:

46 Political committees supporting or opposing
47 expressly advocating the nomination, election, or
48 defeat of candidates for both federal office and any
49 elected office created by law or the Constitution of
50 the state of Iowa shall file statements and reports

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1 with the board in addition to any federal reports
2 required to be filed with the board. However, a
3 political committee which is registered and filing
4 full disclosure reports of all financial activities
5 with the federal election commission may file verified
6 statements as provided in section 56.5.

7 ~~Political committees supporting or opposing~~
8 expressly advocating the nomination, election, or
9 defeat of candidates or the passage or defeat of
10 ballot issues for statewide elections and for county,
11 municipal or school elections may file all activity on
12 one report with the board and shall send a copy to the
13 commissioner responsible under section 47.2 for
14 conducting the election.

15 Sec. 4. Section 56.5, subsection 2, paragraph f,
16 Code 1999, is amended to read as follows:

17 f. A signed statement by the treasurer of the
18 committee and the candidate, in the case of a
19 candidate's committee, which shall verify that they
20 are aware of the requirement to file disclosure
21 reports if the committee, the committee officers, the
22 candidate, or both the committee officers and the
23 candidate receive contributions in excess of five
24 hundred dollars in the aggregate, make expenditures in
25 excess of five hundred dollars in the aggregate, or
26 incur indebtedness in excess of five hundred dollars
27 in the aggregate in a calendar year ~~for the purpose of~~
28 supporting or opposing to expressly advocate the
29 nomination, election, or defeat of any candidate for
30 public office. In the case of political committees,
31 statements shall be made by the treasurer of the
32 committee and the chairperson.

33 Sec. 5. Section 56.5A, Code 1999, is amended to
34 read as follows:

35 56.5A CANDIDATE'S COMMITTEE.

36 1. Each candidate for state, county, city, or
37 school office shall organize one, and only one,
38 candidate's committee for a specific office sought
39 when the candidate receives contributions in excess of
40 five hundred dollars in the aggregate, makes
41 expenditures in excess of five hundred dollars in the
42 aggregate, or incurs indebtedness in excess of five
43 hundred dollars in the aggregate in a calendar year.

44 2. A political committee shall not be established
45 to ~~support or oppose~~ expressly advocate the
46 nomination, election, or defeat of only one candidate
47 for office, except that a political committee may be
48 established to support or oppose expressly advocate
49 the passage or defeat of approval of a single judge
50 standing for retention.

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1 Sec. 6. Section 56.6, subsection 1, paragraph d,
2 Code 1999, is amended to read as follows:

3 d. Committees for municipal and school elective
4 offices and local ballot issues shall file their first
5 reports five days prior to any election in which the
6 name of the candidate or the local ballot issue which
7 they ~~support-or-oppose~~ expressly advocate appears on
8 the printed ballot and shall file their next report on
9 the first day of the month following the final
10 election in a calendar year in which the candidate's
11 name or the ballot issue appears on the ballot. A
12 committee ~~supporting-or-opposing~~ expressly advocating
13 the nomination, election, or defeat of a candidate for
14 a municipal or school elective office or the passage
15 or defeat of a local ballot issue shall also file
16 disclosure reports on the nineteenth day of January
17 and October of each year in which the candidate or
18 ballot issue does not appear on the ballot and on the
19 nineteenth day of January, May, and July of each year
20 in which the candidate or ballot issue appears on the
21 ballot, until the committee dissolves. These reports
22 shall be current to five days prior to the filing
23 deadline and are considered timely filed if mailed
24 bearing a United States postal service postmark on or
25 before the due date.

26 Sec. 7. Section 56.12A, unnumbered paragraph 1,
27 Code 1999, is amended to read as follows:

28 The state and the governing body of a county, city,
29 or other political subdivision of the state shall not
30 expend or permit the expenditure of public moneys for
31 political purposes, including ~~supporting-or-opposing~~
32 expressly advocating the passage or defeat of a ballot
33 issue.

34 Sec. 8. Section 56.13, subsections 1, 2, and 3,
35 Code 1999, are amended to read as follows:

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

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

5 Any person who makes expenditures or incurs
6 indebtedness, other than incidental expenses incurred
7 in performing volunteer work, ~~in-support-or-opposition~~
8 to expressly advocate the nomination, election, or
9 defeat of a candidate for public office shall notify
10 the appropriate committee and provide necessary
11 information for disclosure reports.

12 2. If a person, other than a political committee,
13 makes one or more expenditures in excess of five
14 hundred dollars in the aggregate, or incurs
15 indebtedness in excess of five hundred dollars in the
16 aggregate, in any one calendar year ~~for-purposes-of~~
17 supporting-or-opposing to expressly advocate the
18 passage or defeat of a ballot issue, the person shall
19 file a statement of activity within ten days of taking
20 the action exceeding the threshold. The statement
21 shall contain information identifying the person
22 filing the statement, identifying the ballot issue,
23 and indicating the position urged by the person with
24 regard to the ballot issue. The person shall file
25 reports indicating the dates on which the expenditures
26 or incurrance of indebtedness took place; a
27 description of the nature of the action taken which
28 resulted in the expenditures or debt; and the cost of
29 the promotion at fair market value. For a local
30 ballot issue, the reports shall be filed five days
31 prior to any election in which the ballot issue
32 appears and on the first day of the month following
33 the election, as well as on the nineteenth day of
34 January, May, and July of each year in which the
35 ballot issue appears on the ballot and on the
36 nineteenth day of January and October of each year in
37 which the ballot issue does not appear on the ballot.
38 For a statewide ballot issue, reports shall be filed
39 on the nineteenth day of January, May, and July of
40 each year. The reports shall be current to five days
41 prior to the filing deadline, and are considered
42 timely filed if mailed bearing a United States postal
43 service postmark on or before the due date. Filing
44 obligations shall cease when the person files a
45 statement of discontinuation indicating that the
46 person's financial activity ~~in-support-of-or-in~~
47 opposition to expressly advocate the passage or defeat
48 of the ballot issue has ceased. Statements and
49 reports shall be filed with the commissioner
50 responsible under section 47.2 for conducting the

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1 election at which the issue is voted upon, except that
2 reports on a statewide ballot issue shall be filed
3 with the board.

4 3. A person taking action involving the making of
5 an expenditure or incurrence of indebtedness in
6 support-or-opposition to expressly advocate the
7 passage or defeat of a ballot issue independently of a
8 political committee shall, within seventy-two hours of
9 taking the action, notify in writing any political
10 committee which advocates the same position with
11 regard to the ballot issue as the person taking the
12 action. The notification shall provide the political
13 committee with the cost of the promotion at fair
14 market value. A copy of the notification shall be
15 sent to the board. It shall be presumed that a
16 benefited committee approves the action if the
17 committee fails to file a statement of disavowal with
18 the commissioner or board and takes corrective action
19 within ten days of the action. Action approved by a
20 committee shall be reported as a contribution by the
21 committee.

22 Sec. 9. Section 56.14, subsection 1, paragraph a,
23 Code 1999, is amended to read as follows:

24 1. a. A person who causes the publication or
25 distribution of published material designed to promote
26 or-defeat expressly advocate the nomination, or
27 election, or defeat of a candidate for public office
28 or the passage or defeat of a constitutional amendment
29 or public measure shall include conspicuously on the
30 published material the identity and address of the
31 person responsible for the material. If the person
32 responsible is an organization, the name of one
33 officer of the organization shall appear on the
34 material. However, if the organization is a committee
35 which has filed a statement of organization under this
36 chapter, only the name of the committee is required to
37 be included on the published material. Published
38 material designed to promote-or-defeat expressly
39 advocate the nomination, or election, or defeat of a
40 candidate for public office or the passage or defeat
41 of a constitutional amendment or public measure which
42 contains language or depictions which a reasonable
43 person would understand as asserting that an entity
44 which is incorporated or is a registered committee had
45 authored the material shall, if the entity is not
46 incorporated or a registered committee, include
47 conspicuously on the published material a statement
48 that the apparent organization or committee is not
49 incorporated or a registered committee in addition to
50 the attribution statement required by this section.

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1 For purposes of this section, "registered committee"
2 means a committee which has an active statement of
3 organization filed under section 56.5.

4 Sec. 10. Section 56.15, subsections 1, 2, and 4,
5 Code 1999, are amended to read as follows:

6 1. Except as provided in subsections 3 and 4, it
7 is unlawful for an insurance company, savings and loan
8 association, bank, credit union, or corporation
9 organized pursuant to the laws of this state, the
10 United States, or any other state, territory, or
11 foreign country, whether for profit or not, or an
12 officer, agent, or representative acting for such
13 insurance company, savings and loan association, bank,
14 credit union, or corporation, to contribute any money,
15 property, labor, or thing of value, directly or
16 indirectly, to a committee, or ~~for-the-purpose-of~~
17 influencing to expressly advocate that the vote of an
18 elector be used to nominate, elect, or defeat a
19 candidate for public office, except that such
20 resources may be so expended in connection with a
21 utility franchise election held pursuant to section
22 364.2, subsection 4, or a ballot issue. All such
23 expenditures are subject to the disclosure
24 requirements of this chapter.

25 2. Except as provided in subsection 3, it is
26 unlawful for a member of a committee, or its employee
27 or representative, except a ballot issue committee, or
28 for a candidate for office or the representative of
29 the candidate, to solicit, request, or knowingly
30 receive from an insurance company, savings and loan
31 association, bank, credit union, or corporation
32 organized pursuant to the laws of this state, the
33 United States, or any other state, territory, or
34 foreign country, whether for profit or not, or its
35 officer, agent, or representative, any money,
36 property, or thing of value belonging to the insurance
37 company, savings and loan association, bank, or
38 corporation for campaign expenses, or ~~for-the-purpose~~
39 of-influencing to expressly advocate that the vote of
40 an elector be used to nominate, elect, or defeat a
41 candidate for public office. This section does not
42 restrain or abridge the freedom of the press or
43 prohibit the consideration and discussion in the press
44 of candidacies, nominations, public officers, or
45 public questions.

46 4. The restrictions imposed by this section
47 relative to making, soliciting or receiving
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49 corporation or organization which uses those
50 contributions to encourage registration of voters and

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1 participation in the political process, or to
2 publicize public issues, or both, but does not use any
3 part of those contributions to ~~endorse or oppose~~
4 expressly advocate the nomination, election, or defeat
5 of any candidate for public office. A nonprofit
6 corporation or organization may use contributions
7 solicited or received to ~~support or oppose~~ expressly
8 advocate the passage or defeat of ballot issues but
9 the expenditures shall be disclosed by the nonprofit
10 corporation or organization in the manner provided for
11 a permanent organization temporarily engaged in a
12 political activity under section 56.6.

13 This section does not prohibit a family farm
14 corporation, as defined in section 9H.1, from placing
15 a yard sign on agricultural land, and does not
16 prohibit the placement of yard signs, with the prior
17 written permission of the individual property owner,
18 on property rented or leased by a corporation from
19 private individuals, subject to the requirements of
20 section 56.14. This section also does not prohibit
21 the placement of a yard sign on residential property
22 that is owned by a corporation, but rented or leased
23 to a private individual, if the prior permission of
24 the renter or lessee is obtained.

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39 such funds to pay expenses incurred in arranging and
40 holding a nominating convention.

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42 finance commission is established to study campaign
43 finance disclosure and related laws and to recommend
44 reforms in these laws, according to the following:

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46 of six members, bipartisan and gender-balanced in
47 accordance with sections 69.16 and 69.16A, and
48 appointed as follows:

49 a. Two members shall be the state chairs of each
50 of the political parties, as defined in section 43.2,

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1 or their designees.

2 b. Four members shall be jointly appointed by the
3 majority and minority leaders of the senate and house.
4 These members shall be appointed from nonpartisan
5 organizations which have researched, studied, and
6 advocated the issue of political campaign finance
7 reform for fifteen years or more, or who are specially
8 qualified to serve on the commission because of
9 training or experience.

10 c. The commission shall elect a chair and vice
11 chair at its first meetings.

12 2. TERMS. The members of the commission shall
13 serve for the life of the commission.

14 3. VACANCIES. A vacancy in the commission shall
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19 which shall be open and announced in advance to the
20 public, take testimony, and receive evidence as the
21 commission considers appropriate. Activities of the
22 commission shall be held in accordance with chapter
23 21.

24 The commission shall hold at least one hearing in
25 each congressional district within the state
26 specifically to obtain public input on the issue of
27 campaign finance reform.

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29 constitute a quorum, but a lesser number may hold
30 hearings.

31 3. REPORT. Not later than December 15, 1999, the
32 commission shall submit to the general assembly a
33 report of the activities of the commission, together
34 with a draft of legislation recommended by the
35 commission to reform the campaign finance disclosure
36 and related laws for consideration by the general
37 assembly in the year 2000 according to the provisions
38 of this Act.

39 4. MATTERS TO BE CONSIDERED. In holding hearings
40 and preparing the report required under subsection 3,
41 the commission shall consider all issues related to
42 the reform of campaign finance disclosure and related
43 laws. The commission may secure directly from any
44 department or agency such information as the
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46 agency shall promptly furnish such information to the
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1 services of the legislative service bureau in
2 formulating a draft of legislation. The attorney
3 general's office and the ethics and campaign
4 disclosure board shall serve as consultants, and
5 advise the commission as necessary.

6 Sec. 15. ASSIGNMENT OF LEGISLATION. The
7 legislation drafted by the commission shall be filed
8 with each chamber on the first day of the legislative
9 session beginning in the year 2000, and immediately
10 assigned to the committee on state government in each
11 chamber.

12 Sec. 16. TERMINATION. The commission shall cease
13 to exist one month after the submission of its report.

14 Sec. 17. EFFECTIVE DATE. This Act, being deemed
15 of immediate importance, takes effect upon enactment.

16 Sec. 18. SEVERABILITY. If any section of this
17 Act, or any portion of any section of this Act, is
18 found unconstitutional or otherwise unenforceable by a
19 court, the remaining sections and portions of sections
20 shall be given effect to the fullest extent possible."

21 2. Title page, by striking lines 4 and 5.

22 3. Title page, line 8, by striking the words
23 "applicability, and providing for".

RECEIVED FROM THE HOUSE

S-3547 FILED APRIL 28, 1999

Senate Concerned
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(P. 1418)

AN ACT

RELATING TO CAMPAIGN FINANCE DISCLOSURE, INCLUDING THE STUDY OF CAMPAIGN FINANCE DISCLOSURE AND RELATED LAWS, BY REGULATING EXPRESS ADVOCACY OF CANDIDATES AND BALLOT ISSUES, ESTABLISHING A COMMISSION TO STUDY CAMPAIGN FINANCE DISCLOSURE AND RELATED LAWS, PROVIDING AND APPLYING PENALTIES, PROVIDING AN EFFECTIVE DATE AND FOR SEVERABILITY.

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

Section 1. Section 56.2, Code 1999, is amended by adding the following new subsections:

NEW SUBSECTION. 5A. "Clearly identified" means that a communication contains an unambiguous reference to a particular candidate or ballot issue, including but not limited to one or more of the following:

- a. Use of the name of the candidate or ballot issue.
- b. Use of a photograph or drawing of the candidate, or the use of a particular symbol associated with a specific ballot issue.
- c. Use of a candidate's initials, nickname, office, or status as a candidate, or use of acronym, popular name, or characterization of a ballot issue.

NEW SUBSECTION. 12A. "Express advocacy" or to "expressly advocate" means communication that can be characterized according to at least one of the following descriptions:

- a. The communication is political speech made in the form of a contribution.
- b. In advocating the election or defeat of one or more clearly identified candidates or the passage or defeat of one

or more clearly identified ballot issues, the communication includes explicit words that unambiguously indicate that the communication is recommending or supporting a particular outcome in the election with regard to any clearly identified candidate or ballot issue.

c. When taken as a whole and with limited reference to external events such as the proximity to the election, the communication could only be interpreted by a reasonable person as supporting or recommending the election, passage, or defeat of one or more clearly identified candidates or ballot issues because both of the following conditions are met:

(1) The communication, as it relates to the election or defeat of the candidate or ballot issue, is unmistakable, unambiguous, and suggestive of only one meaning.

(2) Reasonable minds could not differ as to whether the communication encourages action to nominate, elect, approve, or defeat one or more clearly identified candidates or a ballot issue or whether the communication encourages some other kind of action.

Sec. 2. Section 56.2, subsections 16 and 17, Code 1999, are amended to read as follows:

16. "Political committee" means a either of the following:
a. A committee, but not a candidate's committee, which that accepts contributions in excess of five hundred dollars in the aggregate, makes expenditures in excess of five hundred dollars in the aggregate, or incurs indebtedness in excess of five hundred dollars in the aggregate in any one calendar year for-the-purpose-of-supporting-or-opposing to expressly advocate the nomination, election, or defeat of a candidate for public office, or for-the-purpose-of-supporting-or-opposing to expressly advocate the passage or defeat of a ballot issue;-political-committee"-also-means-an.

b. An association, lodge, society, cooperative, union, fraternity, sorority, educational institution, civic organization, labor organization, religious organization, or

professional organization which that accepts contributions in excess of five hundred dollars in the aggregate, makes expenditures in excess of five hundred dollars in the aggregate, or incurs indebtedness in excess of five hundred dollars in the aggregate in any one calendar year ~~for the purpose of supporting or opposing to expressly advocate the nomination, election, or defeat of~~ a candidate for public office, or ~~for the purpose of supporting or opposing to expressly advocate the passage or defeat of~~ a ballot issue. ~~"Political committee" also includes a committee which accepts contributions in excess of five hundred dollars in the aggregate, makes expenditures in excess of five hundred dollars in the aggregate, or incurs indebtedness in excess of five hundred dollars in the aggregate in a calendar year to cause the publication or broadcasting of material in which the public policy positions or voting record of an identifiable candidate is discussed and in which a reasonable person could find commentary favorable or unfavorable to those public policy positions or voting record.~~

17. "Political purpose" or "political purposes" means the support or opposition express advocacy of a candidate or ballot issue.

Sec. 3. Section 56.4, unnumbered paragraphs 2 and 3, Code 1999, are amended to read as follows:

Political committees ~~supporting or opposing~~ expressly advocating the nomination, election, or defeat of candidates for both federal office and any elected office created by law or the Constitution of the state of Iowa shall file statements and reports with the board in addition to any federal reports required to be filed with the board. However, a political committee which is registered and filing full disclosure reports of all financial activities with the federal election commission may file verified statements as provided in section 56.5.

Political committees ~~supporting or opposing~~ expressly advocating the nomination, election, or defeat of candidates or the passage or defeat of ballot issues for statewide elections and for county, municipal or school elections may file all activity on one report with the board and shall send a copy to the commissioner responsible under section 47.2 for conducting the election.

Sec. 4. Section 56.5, subsection 2, paragraph f, Code 1999, is amended to read as follows:

f. A signed statement by the treasurer of the committee and the candidate, in the case of a candidate's committee, which shall verify that they are aware of the requirement to file disclosure reports if the committee, the committee officers, the candidate, or both the committee officers and the candidate receive contributions in excess of five hundred dollars in the aggregate, make expenditures in excess of five hundred dollars in the aggregate, or incur indebtedness in excess of five hundred dollars in the aggregate in a calendar year ~~for the purpose of supporting or opposing to expressly advocate the nomination, election, or defeat of~~ any candidate for public office. In the case of political committees, statements shall be made by the treasurer of the committee and the chairperson.

Sec. 5. Section 56.5A, Code 1999, is amended to read as follows:

56.5A CANDIDATE'S COMMITTEE.

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

2. A political committee shall not be established to ~~support or oppose~~ expressly advocate the nomination, election,

or defeat of only one candidate for office, except that a political committee may be established to support-or-oppose expressly advocate the passage or defeat of approval of a single judge standing for retention.

Sec. 6. Section 56.6, subsection 1, paragraph d, Code 1999, is amended to read as follows:

d. Committees for municipal and school elective offices and local ballot issues shall file their first reports five days prior to any election in which the name of the candidate or the local ballot issue which they support-or-oppose expressly advocate appears on the printed ballot and shall file their next report on the first day of the month following the final election in a calendar year in which the candidate's name or the ballot issue appears on the ballot. A committee supporting-or-opposing expressly advocating the nomination, election, or defeat of a candidate for a municipal or school elective office or the passage or defeat of a local ballot issue shall also file disclosure reports on the nineteenth day of January and October of each year in which the candidate or ballot issue does not appear on the ballot and on the nineteenth day of January, May, and July of each year in which the candidate or ballot issue appears on the ballot, until the committee dissolves. These reports shall be current to five days prior to the filing deadline and are considered timely filed if mailed bearing a United States postal service postmark on or before the due date.

Sec. 7. Section 56.12A, unnumbered paragraph 1, Code 1999, is amended to read as follows:

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

Sec. 8. Section 56.13, subsections 1, 2, and 3, Code 1999, are amended to read as follows:

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

Any person who makes expenditures or incurs indebtedness, other than incidental expenses incurred in performing volunteer work, in-support-or-opposition to expressly advocate the nomination, election, or defeat of a candidate for public office shall notify the appropriate committee and provide necessary information for disclosure reports.

2. If a person, other than a political committee, makes one or more expenditures in excess of five hundred dollars in the aggregate, or incurs indebtedness in excess of five hundred dollars in the aggregate, in any one calendar year for purposes-of-supporting-or-opposing to expressly advocate the passage or defeat of a ballot issue, the person shall file a statement of activity within ten days of taking the action exceeding the threshold. The statement shall contain information identifying the person filing the statement, identifying the ballot issue, and indicating the position urged by the person with regard to the ballot issue. The person shall file reports indicating the dates on which the expenditures or incurrence of indebtedness took place; a

description of the nature of the action taken which resulted in the expenditures or debt; and the cost of the promotion at fair market value. For a local ballot issue, the reports shall be filed five days prior to any election in which the ballot issue appears and on the first day of the month following the election, as well as on the nineteenth day of January, May, and July of each year in which the ballot issue appears on the ballot and on the nineteenth day of January and October of each year in which the ballot issue does not appear on the ballot. For a statewide ballot issue, reports shall be filed on the nineteenth day of January, May, and July of each year. The reports shall be current to five days prior to the filing deadline, and are considered timely filed if mailed bearing a United States postal service postmark on or before the due date. Filing obligations shall cease when the person files a statement of discontinuation indicating that the person's financial activity in-support-of-or-in-opposition to expressly advocate the passage or defeat of the ballot issue has ceased. Statements and reports shall be filed with the commissioner responsible under section 47.2 for conducting the election at which the issue is voted upon, except that reports on a statewide ballot issue shall be filed with the board.

3. A person taking action involving the making of an expenditure or incurrence of indebtedness in-support-or-opposition to expressly advocate the passage or defeat of a ballot issue independently of a political committee shall, within seventy-two hours of taking the action, notify in writing any political committee which advocates the same position with regard to the ballot issue as the person taking the action. The notification shall provide the political committee with the cost of the promotion at fair market value. A copy of the notification shall be sent to the board. It shall be presumed that a benefited committee approves the action if the committee fails to file a statement of disavowal with the commissioner or board and takes corrective action

within ten days of the action. Action approved by a committee shall be reported as a contribution by the committee.

Sec. 9. Section 56.14, subsection 1, paragraph a, Code 1999, is amended to read as follows:

1. a. A person who causes the publication or distribution of published material designed to promote-or-defeat expressly advocate the nomination, or election, or defeat of a candidate for public office or the passage or defeat of a constitutional amendment or public measure shall include conspicuously on the published material the identity and address of the person responsible for the material. If the person responsible is an organization, the name of one officer of the organization shall appear on the material. However, if the organization is a committee which has filed a statement of organization under this chapter, only the name of the committee is required to be included on the published material. Published material designed to promote-or-defeat expressly advocate the nomination, or election, or defeat of a candidate for public office or the passage or defeat of a constitutional amendment or public measure which contains language or depictions which a reasonable person would understand as asserting that an entity which is incorporated or is a registered committee had authored the material shall, if the entity is not incorporated or a registered committee, include conspicuously on the published material a statement that the apparent organization or committee is not incorporated or a registered committee in addition to the attribution statement required by this section. For purposes of this section, "registered committee" means a committee which has an active statement of organization filed under section 56.5.

Sec. 10. Section 56.15, subsections 1, 2, and 4, Code 1999, are amended to read as follows:

1. Except as provided in subsections 3 and 4, it is unlawful for an insurance company, savings and loan association, bank, credit union, or corporation organized

pursuant to the laws of this state, the United States, or any other state, territory, or foreign country, whether for profit or not, or an officer, agent, or representative acting for such insurance company, savings and loan association, bank, credit union, or corporation, to contribute any money, property, labor, or thing of value, directly or indirectly, to a committee, or ~~for the purpose of influencing to expressly advocate that~~ the vote of an elector be used to nominate, elect, or defeat a candidate for public office, except that such resources may be so expended in connection with a utility franchise election held pursuant to section 364.2, subsection 4, or a ballot issue. All such expenditures are subject to the disclosure requirements of this chapter.

2. Except as provided in subsection 3, it is unlawful for a member of a committee, or its employee or representative, except a ballot issue committee, or for a candidate for office or the representative of the candidate, to solicit, request, or knowingly receive from an insurance company, savings and loan association, bank, credit union, or corporation organized pursuant to the laws of this state, the United States, or any other state, territory, or foreign country, whether for profit or not, or its officer, agent, or representative, any money, property, or thing of value belonging to the insurance company, savings and loan association, bank, or corporation for campaign expenses, or ~~for the purpose of influencing to expressly advocate that~~ the vote of an elector be used to nominate, elect, or defeat a candidate for public office.

This section does not restrain or abridge the freedom of the press or prohibit the consideration and discussion in the press of candidacies, nominations, public officers, or public questions.

4. The restrictions imposed by this section relative to making, soliciting or receiving contributions shall not apply to a nonprofit corporation or organization which uses those contributions to encourage registration of voters and

participation in the political process, or to publicize public issues, or both, but does not use any part of those contributions to ~~endorse or oppose~~ expressly advocate the nomination, election, or defeat of any candidate for public office. A nonprofit corporation or organization may use contributions solicited or received to ~~support or oppose~~ expressly advocate the passage or defeat of ballot issues but the expenditures shall be disclosed by the nonprofit corporation or organization in the manner provided for a permanent organization temporarily engaged in a political activity under section 56.6.

This section does not prohibit a family farm corporation, as defined in section 9H.1, from placing a yard sign on agricultural land, and does not prohibit the placement of yard signs, with the prior written permission of the individual property owner, on property rented or leased by a corporation from private individuals, subject to the requirements of section 56.14. This section also does not prohibit the placement of a yard sign on residential property that is owned by a corporation, but rented or leased to a private individual, if the prior permission of the renter or lessee is obtained.

Sec. 11. Section 56.15, Code 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. For purposes of this section, "committee" shall include statutory political committees organized under chapter 43, and nonparty political organizations organized under chapter 44.

Sec. 12. Section 56.22, subsection 2, Code 1999, is amended to read as follows:

2. Funds distributed to statutory political committees pursuant to this chapter shall not be used to ~~support or oppose~~ expressly advocate the nomination, election, or defeat of any candidate. Nothing in this subsection shall be construed to prohibit a statutory political committee from

using such funds to pay expenses incurred in arranging and holding a nominating convention.

Sec. 13. CAMPAIGN FINANCE COMMISSION. A campaign finance commission is established to study campaign finance disclosure and related laws and to recommend reforms in these laws, according to the following:

1. APPOINTMENT. The commission shall be composed of six members, bipartisan and gender-balanced in accordance with sections 69.16 and 69.16A, and appointed as follows:

a. Two members shall be the state chairs of each of the political parties, as defined in section 43.2, or their designees.

b. Four members shall be jointly appointed by the majority and minority leaders of the senate and house. These members shall be appointed from nonpartisan organizations which have researched, studied, and advocated the issue of political campaign finance reform for fifteen years or more, or who are specially qualified to serve on the commission because of training or experience.

c. The commission shall elect a chair and vice chair at its first meetings.

2. TERMS. The members of the commission shall serve for the life of the commission.

3. VACANCIES. A vacancy in the commission shall be filled in the manner in which the original appointment was made.

Sec. 14. POWERS AND DUTIES OF THE COMMISSION.

1. HEARINGS. The commission may hold hearings which shall be open and announced in advance to the public, take testimony, and receive evidence as the commission considers appropriate. Activities of the commission shall be held in accordance with chapter 21.

The commission shall hold at least one hearing in each congressional district within the state specifically to obtain public input on the issue of campaign finance reform.

2. QUORUM. Four members of the commission shall constitute a quorum, but a lesser number may hold hearings.

3. REPORT. Not later than December 15, 1999, the commission shall submit to the general assembly a report of the activities of the commission, together with a draft of legislation recommended by the commission to reform the campaign finance disclosure and related laws for consideration by the general assembly in the year 2000 according to the provisions of this Act.

4. MATTERS TO BE CONSIDERED. In holding hearings and preparing the report required under subsection 3, the commission shall consider all issues related to the reform of campaign finance disclosure and related laws. The commission may secure directly from any department or agency such information as the commission considers necessary, and the department or agency shall promptly furnish such information to the commission.

5. STAFFING. Assistance shall be provided to the commission by the central nonpartisan legislative staff bureaus. The commission may utilize the services of the legislative service bureau in formulating a draft of legislation. The attorney general's office and the ethics and campaign disclosure board shall serve as consultants, and advise the commission as necessary.

Sec. 15. ASSIGNMENT OF LEGISLATION. The legislation drafted by the commission shall be filed with each chamber on the first day of the legislative session beginning in the year 2000, and immediately assigned to the committee on state government in each chamber.

Sec. 16. TERMINATION. The commission shall cease to exist one month after the submission of its report.

Sec. 17. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 18. SEVERABILITY. If any section of this Act, or any portion of any section of this Act, is found unconstitutional

or otherwise unenforceable by a court, the remaining sections and portions of sections shall be given effect to the fullest extent possible.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 470, Seventy-eighth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved May 18, 1999

THOMAS J. VILSACK
Governor