

**CHAPTER 163**  
**GOVERNMENT ETHICS**  
*H.F. 144*

**AN ACT** relating to government ethics, providing penalties, transition provisions, providing for retroactive applicability, and an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 68B.2, Code 1993, is amended to read as follows:  
**68B.2 DEFINITIONS.**

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

1. "Agency" means a department, division, board, commission, bureau, or office of the executive or legislative branch of state government, the office of attorney general, the state board of regents, community colleges, and the office of the governor, including a regulatory agency, or any political subdivision of the state, but does not include any agricultural commodity promotional board, which is subject to a producer referendum.

2. "Agency of state government" or "state agency" means a department, division, board, commission, bureau, or office of the executive or legislative branch of state government, the office of attorney general, the state board of regents, community colleges, and the office of the governor, including a regulatory agency, but does not include any agricultural commodity promotional board, which is subject to a producer referendum.

2A. "Board" means the Iowa ethics and campaign disclosure board.

2 3. "Candidate" means a candidate under chapter 56 but does not include any judge standing for retention in a judicial election.

3 4. "Candidate's committee" means the committee designated by ~~the~~ a candidate for a state, county, city, or school office, as provided under chapter 56, to receive contributions in excess of five hundred dollars in the aggregate, expend funds in excess of five hundred dollars in the aggregate, or incur indebtedness on behalf of the candidate in excess of five hundred dollars in the aggregate as follows:

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

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

5. "Client" means a private person or a state, federal, or local government entity that pays compensation to or designates an individual to be a lobbyist.

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

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

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

(1) Is or is seeking to be a party to any one or any combination of sales, purchases, leases, or contracts to, from, or with the agency in which the donee holds office or is employed.

(2) Is engaged in activities which are regulated or controlled by a regulatory agency in which the donee holds an office or is employed.

(3) Will be directly and substantially affected financially by the performance or nonperformance of the donee's official duty in a way that is greater than the effect on the public generally or on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region.

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

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

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

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

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

(4) An inheritance.

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

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

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

(8) Items of food and drink with a value of less than three dollars that are received from any one donor during one calendar day.

(9) Items or services solicited or given to a state, national, or regional organization in which the state of Iowa or a political subdivision of the state of Iowa is a member.

(10) Items or services received as part of a regularly scheduled event that is part of a conference, seminar, or other meeting that is sponsored and directed by any state, national, or regional organization in which the state of Iowa or a political subdivision of the state of Iowa is a member.

c. For purposes of determining the value of an item given or received, an individual who gives an item on behalf of more than one person shall not divide the value of the item by the number of persons on whose behalf the item is given and the value of an item received shall be the value actually received by the donee.

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

(1) Is or is seeking to be a party to any one or any combination of sales, purchases, leases, or contracts to, from, or with the agency in which the public official or public employee serves or is employed.

(2) Is engaged in activities which are regulated or controlled by a regulatory agency in which the public official holds an office or the public employee is employed.

(3) Will be directly and substantially affected financially by the performance or nonperformance of the donee's official duty in a way that is greater than the effect on the public generally or on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region.

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

b. "Honorarium" does not include any of the following:

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

(2) A nonmonetary gift or series of nonmonetary gifts donated within thirty days to a public body, a bona fide educational or charitable organization, or the department of general services as provided in section 68B.22, subsection 3.

(3) A payment made to a public official or public employee for services rendered as part of a bona fide private business, trade, or profession in which the public official or public employee is engaged if the payment is commensurate with the actual services rendered and is not being made because of the person's status as a public official or public employee, but, rather, because of some special expertise or other qualification.

8 10. "Immediate family members" means the spouse and minor dependent children of a public official or public employee.

9 11. "Legislative employee" means a permanent full-time official or employee of the general assembly but does not include members of the general assembly.

10 12. a. "Lobbyist" means a person an individual who, by acting directly, does any of the following:

(1) ~~Is paid~~ Receives compensation for encouraging to encourage the passage, defeat, approval, veto, or modification of legislation or regulation, or for influencing the decision of, a rule, or an executive order by the members of the general assembly, a state agency, or any statewide elected official.

(2) ~~Represents on a regular basis~~ Is a designated representative of an organization which has as one of its purposes the encouragement of the passage, defeat, approval, veto, or modification of legislation or regulation, or the influencing of a decision of the members of, a rule, or an executive order before the general assembly, a state agency, or any statewide elected official.

(3) ~~Is~~ Represents the position of a federal, state, or local government official or employee who represents the official position of the official or employee's agency and who encourages, in which the person serves or is employed as the designated representative, for purposes of encouraging the passage, defeat, approval, veto, or modification of legislation, or regulation, or the influencing of decision of the a rule, or an executive order by members of the general assembly, a state agency, or the office of the governor any statewide elected official.

(4) Makes expenditures of more than one thousand dollars in a calendar year, other than to pay compensation to an individual who provides the services specified under subparagraph (1) or to communicate with only the members of the general assembly who represent the district in which the individual resides, to communicate in person with members of the general assembly, a state agency, or any statewide elected official for purposes of encouraging the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order.

b. "Lobbyist" does not mean:

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

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

(3) The governor and lieutenant governor of the state of Iowa, all other statewide All federal, state, and local elected officials, and elected federal officials while performing the duties and responsibilities of office.

(4) Persons whose activities are limited to formal appearances to give testimony or provide information or assistance at public sessions of committees of the general assembly or at public hearings of state agencies and whose appearances as a result of testifying, are recorded in the records of the committee or agency or who are giving testimony or providing information or assistance at the request of public officials or employees.

(5) A person who appears or communicates as a lawyer licensed to practice law in this state representing a client before any agency or in a contested case proceeding under chapter 17A.

(6) Members of legislative the staff of the United States congress or the Iowa general assembly.

(7) (6) Agency officials and employees who influence the decisions of while they are engaged in activities within the agency in which they serve or are employed or with another agency with which the official's or employee's agency is involved in a collaborative project.

(7) An individual who is a member, director, trustee, officer, or committee member of a business, trade, labor, farm, professional, religious, education, or charitable association, foundation, or organization who either is not paid compensation or is not specifically designated as provided in paragraph "a", subparagraph (1) or (2).

(q) Persons whose activities are limited to submitting data, views, or arguments in writing, or requesting an opportunity to make an oral presentation under section 17A.4, subsection 1.

~~11~~ 13. "Local employee" means a person employed by a political subdivision of this state.

~~12~~ 14. "Local official" means an officeholder of a political subdivision of this state.

~~13~~ 15. "Member of the general assembly" means an individual duly elected to the senate or the house of representatives of the state of Iowa.

14 16. "Official" means an officer of the state of Iowa receiving a salary or per diem whether elected or appointed or whether serving full-time or part-time but does not include officers or employees of political subdivisions of the state. "Official" includes but is not limited to supervisory personnel, members and employees of the governor's office, members of other statewide elected offices, and members of state agencies and all statewide elected officials, the executive or administrative head or heads of an agency of state government, the deputy executive or administrative head or heads of an agency of state government, members of boards or commissions as defined under section 7E.4, and heads of the major subunits of departments or independent state agencies whose positions involve a substantial exercise of administrative discretion or the expenditure of public funds as defined under rules of the board adopted in consultation with the department or agency and pursuant to chapter 17A. "Official" does not include officers or employees of political subdivisions of the state, members of the general assembly, legislative employees, or officers or employees of the judicial branch of government who are not members or employees of the office of attorney general, members of state government entities which are or exercise the same type of authority that is exercised by councils or committees as defined under section 7E.4, or members of any agricultural commodity promotional board, if the board is subject to a producer referendum.

15 17. "Person" means, without limitation, any individual, corporation, business trust, estate, trust, partnership or association, labor union, or any other legal entity.

16 18. "Public disclosure" means a written report filed by a person as required by this chapter or required by rules adopted and issued pursuant to this chapter.

17 19. "Public employee" means state employees, legislative employees, and local employees.

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

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

20 22. "Regulatory agency" means the department of agriculture and land stewardship, department of employment services, department of commerce, Iowa department of public health, department of public safety, department of education, state board of regents, department of human services, department of revenue and finance, department of inspections and appeals, department of personnel, public employment relations board, state department of transportation, civil rights commission, department of public defense, and department of natural resources.

23. "Restricted donor" means a person who is in any of the following categories:

a. Is or is seeking to be a party to any one or any combination of sales, purchases, leases, or contracts to, from, or with the agency in which the donee holds office or is employed.

b. Will personally be, or is the agent of a person who will be, directly and substantially affected financially by the performance or nonperformance of the donee's official duty in a way that is greater than the effect on the public generally or on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region.

c. Is personally, or is the agent of a person who is, the subject of or party to a matter which is pending before a subunit of a regulatory agency and over which the donee has discretionary authority as part of the donee's official duties or employment within the regulatory agency subunit.

d. Is a lobbyist or a client of a lobbyist with respect to matters within the donee's jurisdiction.

21 24. "State employee" means a person who is not an official and is a paid employee of the state of Iowa and does not include an independent contractor, an employee of the judicial department who is not an employee of the office of attorney general, a legislative employee, or an employee of a political subdivision of the state, or an employee of any agricultural commodity promotional board, if the board is subject to a producer referendum. "State employee" includes but is not limited to all clerical personnel.

25. "Statewide elected official" means the governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, secretary of agriculture, and attorney general of the state of Iowa.

**Sec. 2. NEW SECTION. 68B.2A CONFLICTS OF INTEREST.**

1. Any person who serves or is employed by the state or a political subdivision of the state shall not engage in any outside employment or activity which is in conflict with the person's official duties and responsibilities. In determining whether particular outside employment or activity creates an unacceptable conflict of interest, situations in which an unacceptable conflict shall be deemed to exist shall include, but not to be limited to, any of the following:

a. The outside employment or activity involves the use of the state's or the political subdivision's time, facilities, equipment, and supplies or the use of the state or political subdivision badge, uniform, business card, or other evidences of office or employment to give the person or member of the person's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the general public. This paragraph does not apply to off-duty peace officers who provide private duty security or fire fighters or basic or advanced emergency medical care providers certified under chapter 147 or 147A who provide private duty fire safety or emergency medical services while carrying their badge or wearing their official uniform, provided that the person has secured the prior approval of the agency or political subdivision in which the person is regularly employed to engage in the activity. For purposes of this subsection, a person is not "similarly situated" merely by being or being related to a person who serves or is employed by the state or a political subdivision of the state.

b. The outside employment or activity involves the receipt of, promise of, or acceptance of money or other consideration by the person, or a member of the person's immediate family, from anyone other than the state or the political subdivision for the performance of any act that the person would be required or expected to perform as a part of the person's regular duties or during the hours during which the person performs service or work for the state or political subdivision of the state.

c. The outside employment or activity is subject to the official control, inspection, review, audit, or enforcement authority of the person, during the performance of the person's duties of office or employment.

2. If the outside employment or activity is employment or activity described in subsection 1, paragraph "a" or "b", the person shall immediately cease the employment or activity. If the outside employment or activity is employment or activity described in subsection 1, paragraph "c", or constitutes any other unacceptable conflict of interest, unless otherwise provided by law, the person shall take one of the following courses of action:

a. Cease the outside employment or activity.

b. Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. For purposes of this paragraph, "official action" or "official duty" includes, but is not limited to, participating in any vote, taking affirmative action to influence any vote, granting any license or permit, determining the facts or law in a contested case or rule making proceeding, conducting any inspection, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity.

3. Unless otherwise specifically provided the requirements of this section shall be in addition to, and shall not supersede, any other rights or remedies provided by law.

**Sec. 3. Section 68B.3, subsection 1, Code 1993, is amended to read as follows:**

1. An official, a state employee, a member of the general assembly, or a legislative employee shall not sell, in any one occurrence, any goods or services having a value in excess of five hundred two thousand dollars to any state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding. This subsection shall not apply to the publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated pursuant to law for the publication of legal propositions or notices and for which rates are fixed pursuant to law. This subsection shall also not apply to sales of services by persons subject to the requirements of this section to state executive branch

agencies or subunits of departments or independent agencies as defined under section 7E.4 that are not the subunit of the department or independent agency in which the person serves or is employed or are not a subunit of a department or independent agency with which the person has substantial and regular contact as part of the person's duties.

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

Sec. 4. Section 68B.5A, Code 1993, is amended to read as follows:

**68B.5A TWO-YEAR BAN ON CERTAIN LOBBYING ACTIVITIES AFTER SERVICE.**

1. A person who serves as a statewide elected official, the executive or administrative head of an agency of state government, the deputy executive or administrative head of an agency of state government, or a member of the general assembly shall not act as a lobbyist during the time in which the person serves or is employed by the state unless the person is designated, by the agency in which the person serves or is employed, to represent the official position of the agency.

1A. The head of a major subunit of a department or independent state agency, full-time employee of an office of a statewide elected official, or a legislative employee, whose position involves a substantial exercise of administrative discretion or the expenditure of public funds, shall not, during the time in which the person serves or is employed by the state, act as a lobbyist before the agency in which the person is employed or before state agencies, officials, or employees with whom the person has substantial or regular contact as part of the person's duties, unless the person is designated, by the agency in which the person serves or is employed, to represent the official position of the agency.

1B. A state or legislative employee, who is not subject to the requirements of subsection 1A shall not act as a lobbyist in relation to any particular case, proceeding, or application with respect to which the person is directly concerned and personally participates as part of the person's employment, unless the person is designated, by the agency in which the person is employed, to represent the official position of the agency.

1 2. A person who has served as an official, state employee, member of the general assembly, or legislative employee who is subject to the requirements of subsection 1 shall not within two years after the termination of service or employment become a lobbyist.

3. The head of a major subunit of a department or independent state agency, full-time employee of an office of a statewide elected official, or a legislative employee whose position involves a substantial exercise of administrative discretion or the expenditure of public funds, shall not, within two years after termination of employment, become a lobbyist before the agency in which the person was employed or before state agencies or officials or employees with whom the person had substantial and regular contact as part of the person's former duties.

3A. A state or legislative employee, who is not subject to the requirements of subsection 1A shall not, within two years after termination of employment, act as a lobbyist in relation to any particular case, proceeding, or application with respect to which the person was directly concerned and personally participated as part of the person's employment.

2 4. This section shall not apply to a person who is a former official, state employee, member of the general assembly, or legislative employee who, within two years of leaving service or employment with the state, is elected to, appointed to, or employed by another office of the state, or to an office of a political subdivision of the state, or the federal government and appears or communicates on behalf or as part of the duties of that office or employment.

Sec. 5. Section 68B.6, Code 1993, is amended to read as follows:

**68B.6 SERVICES AGAINST STATE PROHIBITED.**

1. No official All statewide elected officials, the executive or administrative head or heads of an agency of state government, the deputy executive or administrative head or heads of an agency of state government, the heads of the major subunits of departments or independent state agencies whose positions involve a substantial exercise of administrative discretion or the expenditure of public funds as defined under rules of the board, in consultation

with the department or agency, under chapter 17A, state ~~employee employees~~, or legislative ~~employee employees~~ shall not receive, directly or indirectly, or enter into any express or implied agreement for, ~~express or implied~~, for any compensation, in whatever form, for the appearance or rendition of services by that person or another against the interest of the state in relation to any case, proceeding, application, or other matter before any state agency, any court of the state of Iowa, any federal court, or any federal bureau, agency, commission or department.

2. A person who is an official, but who is not subject to the requirements of subsection 1, shall not receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation, in whatever form, for the appearance or rendition of services by that person or another against the interest of the state in relation to any case, proceeding, application, or other matter before the subunit of a department or independent agency in which the person serves, is employed, or with which the person has substantial and regular contact as part of the person's duties.

Sec. 6. Section 68B.22, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

**68B.22 GIFTS ACCEPTED OR RECEIVED.**

1. Except as otherwise provided in this section, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor. A public official, public employee, candidate, or the person's immediate family member shall not solicit any gift or series of gifts from a restricted donor at any time.

2. Except as otherwise provided in this section, a restricted donor shall not, directly or indirectly, offer or make a gift or a series of gifts to a public official, public employee, or candidate. Except as otherwise provided in this section, a restricted donor shall not, directly or indirectly, join with one or more other restricted donors to offer or make a gift or a series of gifts to a public official, public employee, or candidate.

3. A restricted donor may give, and a public official, public employee, or candidate, or the person's immediate family member, may accept an otherwise prohibited nonmonetary gift or a series of otherwise prohibited nonmonetary gifts and not be in violation of this section if the nonmonetary gift or series of nonmonetary gifts is donated within thirty days to a public body, the department of general services, or a bona fide educational or charitable organization, if no part of the net earnings of the educational or charitable organization inures to the benefit of any private stockholder or other individual. All such items donated to the department of general services shall be disposed of by assignment to state agencies for official use or by public sale.

4. Notwithstanding subsections 1 and 2, the following gifts may be received by public officials, public employees, candidates, or members of the immediate family of public officials, public employees, or candidates:

a. Contributions to a candidate or a candidate's committee.

b. Informational material relevant to a public official's or public employee's official functions, such as books, pamphlets, reports, documents, periodicals, or other information that is recorded in a written, audio, or visual format.

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

d. An inheritance.

e. Anything available or distributed free of charge to members of the general public without regard to the official status of the recipient.

f. Items received from a bona fide charitable, professional, educational, or business organization to which the donee belongs as a dues paying member, if the items are given to all members of the organization without regard to individual members' status or positions held outside of the organization and if the dues paid are not inconsequential when compared to the items received.

g. Actual expenses of a donee for food, beverages, registration, travel, and lodging for a meeting, which is given in return for participation in a panel or speaking engagement at the meeting when the expenses relate directly to the day or days on which the donee has participation or presentation responsibilities.

h. Plaques or items of negligible resale value which are given as recognition for the public services of the recipient.

i. Nonmonetary items with a value of three dollars or less that are received from any one donor during one calendar day.

j. Items or services solicited by or given to, for purposes of a business or educational conference, seminar, or other meeting, a state, national, or regional government organization in which the state of Iowa or a political subdivision of the state is a member, or solicited by or given for the same purposes to state, national, or regional government organizations whose memberships and officers are primarily composed of state or local government officials or employees.

k. Items or services received by members or representatives of members at a regularly scheduled event that is part of a business or educational conference, seminar, or other meeting that is sponsored and directed by any state, national, or regional government organization in which the state of Iowa or a political subdivision of the state is a member, or received at such an event by members or representatives of members of state, national, or regional government organizations whose memberships and officers are primarily composed of state or local government officials or employees.

l. Funeral flowers or memorials to a church or nonprofit organization.

m. Gifts which are given to a public official or public employee for the public official's or public employee's wedding or twenty-fifth or fiftieth wedding anniversary.

n. Payment of salary or expenses by a person's employer or the firm in which the person is a member for the cost of attending a meeting of a subunit of an agency when the person whose expenses are being paid serves on a board, commission, committee, council, or other subunit of the agency and the person is not entitled to receive compensation or reimbursement of expenses from the state or a political subdivision of the state for attending the meeting.

o. Gifts of food, beverages, travel, or lodging received by a public official or public employee if all of the following apply:

(1) The public official or public employee is officially representing an agency in a delegation whose sole purpose is to attract a specific new business to locate in the state, encourage expansion or retention of an existing business already established in the state, or to develop markets for Iowa businesses or products.

(2) The donor of the gift is not the business or businesses being contacted. However, food or beverages provided by the business or businesses being contacted which are consumed during the meeting are not a gift under section 68B.2, subsection 8, or this section.

(3) The public official or public employee plays a significant role in the presentation to the business or businesses on behalf of the public official's or public employee's agency.

p. Gifts other than food, beverages, travel, and lodging received by a public official or public employee which are received from a person who is a citizen of a country other than the United States and is given during a ceremonial presentation or as a result of a custom of the other country and is of personal value only to the donee.

5. For purposes of determining the value of an item given or received, an individual who gives an item on behalf of more than one person shall not divide the value of the item by the number of persons on whose behalf the item is given and the value of an item received shall be the value actually received by the donee.

6. A gift shall not be considered to be received by a public official or public employee if the state is the donee of the gift and the public official or public employee is required to receive the gift on behalf of the state as part of the performance of the person's duties of office or employment.



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

8. An organization or association which has as one of its purposes the encouragement of the passage, defeat, introduction, or modification of legislation shall not give and a member of the general assembly shall not receive food, beverages, registration, or scheduled entertainment with a per person value in excess of three dollars.

Sec. 7. Section 68B.23, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

**68B.23 HONORARIA — BANNED.**

1. Except as provided in subsection 2, a public official or public employee shall not seek or accept an honorarium from a restricted donor.

2. A public official or public employee may accept an honorarium from any person under the following circumstances:

a. The honorarium consists of payment of actual expenses of a donee for registration, food, beverages, travel, and lodging paid in return for participation in a panel or speaking engagement at a meeting when the expenses relate directly to the day or days on which the recipient has participation or presentation responsibilities.

b. The honorarium consists of a nonmonetary item or series of nonmonetary items that the public official or public employee donates within thirty days to a public body, a bona fide educational or charitable organization, or the department of general services as provided in section 68B.22, subsection 3.

c. The honorarium consists of a payment made to a public official or public employee for services rendered as part of a bona fide private business, trade, or profession in which the public official or public employee is engaged if the payment is commensurate with the actual services rendered and is not being made because of the person's status as a public official or public employee, but, rather, because of some special expertise or other qualification.

Sec. 8. Section 68B.24, Code 1993, is amended to read as follows:

**68B.24 LOANS — RECEIPT FROM LOBBYISTS PROHIBITED.**

1. An official, member of the general assembly, state employee, legislative employee, or candidate for state office shall not, directly or indirectly, seek or accept a loan or series of loans from a person who is a lobbyist.

2. A lobbyist shall not, directly or indirectly, offer or make a loan or series of loans to an official, member of the general assembly, state employee, legislative employee, or candidate for state office. A lobbyist shall also not, directly or indirectly, join with one or more persons to offer or make a loan or series of loans to an official, member of the general assembly, state employee, legislative employee, or candidate for state office.

3. This section shall not apply to loans made in the ordinary course of business. For purposes of this section, a loan is "made in the ordinary course of business" when it is made by a person who is regularly engaged in a business that makes loans to members of the general public and the finance charges and other terms of the loan are the same or substantially similar to the finance charges and loan terms that are available to members of the general public.

Sec. 9. Section 68B.25, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

**68B.25 ADDITIONAL PENALTY.**

In addition to any penalty contained in any other provision of law, a person who knowingly and intentionally violates a provision of sections 68B.2A through 68B.7, sections 68B.22 through 68B.24, or sections 68B.35 through 68B.38 is guilty of a serious misdemeanor and may be reprimanded, suspended, or dismissed from the person's position or otherwise sanctioned.

Sec. 10. Section 68B.26, Code 1993, is amended to read as follows:

**68B.26 ACTIONS COMMENCED.**

Actions against public officials or public employees to enforce the provisions of this chapter may be commenced by the filing of a complaint with the county attorney by any legal resident of the state of Iowa who is eighteen years of age or more at the time of commencing the action or by the attorney general. Complaints regarding conduct of local officials or local employees which violates this chapter shall be filed with the county attorney in the county where the accused resides.

Sec. 11. Section 68B.31, subsection 4, Code 1993, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** The ethics committee may employ independent legal counsel to assist the committee in carrying out the committee's duties under this chapter. Payment of costs for the independent legal counsel shall be made from funds appropriated pursuant to section 2.12.

Sec. 12. Section 68B.31, subsections 6, 8, and 9, Code 1993, are amended to read as follows:

6. The ethics committee shall promptly notify any party alleged to have committed a violation of the code of ethics, rules governing lobbyists, or this chapter of the filing of a complaint by causing a copy of the complaint to be served or personally delivered to the party charged, unless service is waived by the party charged, and shall review a the complaint to determine if the complaint meets the requirements for formal sufficiency. If the complaint is deficient as to form, the complaint shall be returned to the complainant with a statement of the nature of the deficiency and the party charged in the complaint shall be notified that the complaint has been returned. If a complaint, previously found to be deficient as to form, is refiled in different form, the party charged in the complaint shall be provided with a copy of the new document in the same manner as provided for service of the initial complaint. Any amendments to a complaint that are filed with the committee shall also be served or personally delivered, unless service is waived, to the party charged in the complaint. If the complaint is sufficient as to form, the ethics committee shall review the complaint to determine whether the complaint states a valid charge which may be investigated. A valid complaint must allege all of the following:

a. Facts, that if true, establish a violation of a provision of this chapter, the rules governing lobbyists, or the code of ethics for which penalties or other remedies are provided.

b. That the conduct providing the basis for the complaint occurred within three years of the filing of the complaint.

c. That the party charged with a violation is a party subject to the jurisdiction of the ethics committee.

8. If a hearing on the complaint is ordered the ethics committee shall receive all admissible evidence, determine any factual or legal issues presented during the hearing, and make findings of fact based upon evidence received. Hearings shall be conducted in the manner prescribed in section 17A.12. The rules of evidence applicable under section 17A.14 shall also apply in hearings before the ethics committee. ~~A preponderance of clear~~ Clear and convincing evidence shall be required to support a finding that the member of the general assembly or lobbyist before the general assembly has committed a violation of this chapter. Parties to a complaint may, subject to the approval of the ethics committee, negotiate for settlement of disputes that are before the ethics committee. Terms of any negotiated settlements shall be publicly recorded. If a complaint is filed or initiated less than ninety days before the election for a state office, for which the person named in the complaint is the incumbent officeholder, the ethics committee shall, if possible, set the hearing at the earliest available date so as to allow the issue to be resolved before the election. An extension of time for a hearing may be granted when both parties mutually agree on an alternate date for the hearing. The ethics committee shall make every effort to hear all ethics complaints within three months of the date that the complaints are filed. However, after three months from the date of the filing of the complaint,

extensions of time for purposes of preparing for hearing may only be granted by the ethics committee when the party charged in the complaint with the ethics violation consents to an extension. If the party charged does not consent to an extension, the ethics committee shall not grant any extensions of time for preparation prior to hearing. All complaints alleging a violation of this chapter or the code of ethics shall be heard within nine months of the filing of the complaint. Final dispositions of violations, which the ethics committee have found to have been established by a preponderance of clear and convincing evidence, shall be made within thirty days of the conclusion of the hearing on the complaint.

9. The ethics committee of each house shall maintain recommend rules for adoption by the respective house relating to the confidentiality of a complaint unless either the complainant or the alleged violator publicly discloses or information which has been filed or provided to the committee. Rules adopted shall provide for initial confidentiality of a complaint, unless the complaint has been publicly disclosed, and shall permit the ethics committee to treat some or all of the contents of a complaint or other information as confidential if the committee finds that the criteria established under section 22.7, subsection 18, for keeping certain information confidential, are met. If the existence of a complaint or a preliminary investigation. The is made public, the ethics committee, upon such a disclosure by the complainant or the alleged violator, may shall publicly confirm the existence of the complaint or preliminary inquiry and, in the ethics committee's discretion, make public the complaint or investigation and any documents which were issued to either any party to the complaint or investigation. However, this subsection shall not prevent the committee from furnishing the complaint or other information to the appropriate law enforcement authorities at any time. Upon commencement of a hearing on a complaint, all investigative material shall be made available to the subject of the hearing and any material that is introduced at the hearing shall be public information.

Sec. 13. Section 68B.31, subsection 11, Code 1993, is amended to read as follows:

11. Violation of a provision of this chapter or rules adopted relating to ethical conduct may result in censure, reprimand, or other sanctions as determined by a majority of the member's house. However, a member may be suspended or expelled and the member's salary forfeited only if directed by a two-thirds vote of the member's house. A suspension, expulsion, or forfeiture of salary shall be for the duration specified in the directing resolution. ~~However, it shall not extend beyond the end of the general assembly during which the violation occurred.~~ Violation of a rule relating to lobbyists and lobbying activities may result in censure, reprimand, or other sanctions as determined by a majority of the members of the house in which the violation occurred. However, a lobbyist may be suspended from lobbying activities for the duration provided in the directing resolution only if directed by a two-thirds vote of the house in which the violation occurred.

Sec. 14. Section 68B.32, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

**68B.32 INDEPENDENT ETHICS AND CAMPAIGN DISCLOSURE BOARD — ESTABLISHED.**

1. An Iowa ethics and campaign disclosure board is established as an independent agency. Effective January 1, 1994, the board shall administer this chapter and set standards for, investigate complaints relating to, and monitor the ethics of officials, employees, lobbyists, and candidates for office in the executive branch of state government. The board shall also administer and set standards for, investigate complaints relating to, and monitor the campaign finance practices of candidates for public office. The board shall consist of six members and shall be balanced as to political affiliation as provided in section 69.16. The members shall be appointed by the governor, subject to confirmation by the senate.

2. Members shall serve staggered six-year terms beginning and ending as provided in section 69.19. Any vacancy on the board shall be filled by appointment for the unexpired portion of the term, within ninety days of the vacancy and in accordance with the procedures for regular appointments. A member of the board may be reappointed to serve additional terms on the board. Members may be removed in the manner provided in chapter 69.

3. The board shall annually elect one member to serve as the chairperson of the board and one member to serve as vice chairperson. The vice chairperson shall act as the chairperson in the absence or disability of the chairperson or in the event of a vacancy in that office.

4. Members of the board shall receive a per diem as specified in section 7E.6 while conducting business of the board, and payment of actual and necessary expenses incurred in the performance of their duties. Members of the board shall file statements of financial interest under section 68B.35.

5. The board shall employ a full-time executive secretary who shall be the board's chief administrative officer. The board shall employ or contract for the employment of legal counsel notwithstanding section 13.7, and any other personnel as may be necessary to carry out the duties of the board. The board's legal counsel shall be the chief legal officer of the board, and shall advise the board on all legal matters relating to the administration of this chapter and chapter 56. The state may be represented by the board's legal counsel in any civil action regarding the enforcement of this chapter or chapter 56, or, at the board's request, the state may be represented by the office of the attorney general. Notwithstanding section 19A.3, all of the board's employees, except for the executive secretary and legal counsel, shall be employed subject to the merit system provisions of chapter 19A.

Sec. 15. NEW SECTION. 68B.32A DUTIES OF THE BOARD.

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

1. Adopt rules pursuant to chapter 17A and conduct hearings under sections 68B.32B and 68B.32C and chapter 17A, as necessary to carry out the purposes of this chapter and chapter 56.

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

3. Review the contents of all campaign finance disclosure reports and statements filed with the board and promptly advise each person or committee of errors found. The board may verify information contained in the reports with other parties to assure accurate disclosure. The board may also verify information by requesting that a candidate or committee produce copies of receipts, bills, logbooks, or other memoranda of reimbursements of expenses to a candidate for expenses incurred during a campaign. The board, upon its own motion, may initiate action and conduct a hearing relating to requirements under chapter 56. The board may require a county commissioner of elections to periodically file summary reports with the board.

4. Receive and file registration and reporting from lobbyists of the executive branch of state government, client disclosure from clients of lobbyists of the executive branch of state government, and personal financial disclosure information from officials and employees in the executive branch of state government who are required to file personal financial disclosure information under this chapter. The board, upon its own motion, may initiate action and conduct a hearing relating to reporting requirements under this chapter.

5. Prepare and publish a manual setting forth examples of approved uniform systems of accounts and approved methods of disclosure for use by persons required to file statements and reports under this chapter and chapter 56. The board shall also prepare and publish other educational materials, and any other reports or materials deemed appropriate by the board. The board shall annually provide all officials and state employees with notification of the contents of this chapter and chapter 56 by distributing copies of educational materials to associations that represent the interests of the various governmental entities for dissemination to their membership.

6. Assure that the statements and reports which have been filed in accordance with this chapter and chapter 56 are available for public inspection and copying during the regular office hours of the office in which they are filed and not later than by the end of the day during which a report or statement was received. Rules adopted relating to public inspection and copying of statements and reports may include a charge for any copying and mailing of the reports and statements, shall provide for the mailing of copies upon the request of any person and upon prior receipt of payment of the costs by the board, and shall prohibit the use of the

information copied from reports and statements for soliciting contributions or for any commercial purpose by any person other than statutory political committees.

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

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

9. Determine, in case of dispute, at what time a person has become a candidate.

10. Preserve copies of reports and statements filed with the board for a period of five years from the date of receipt.

11. Establish a procedure for requesting and issuing formal and informal board opinions to local officials and employees and to persons subject to the authority of the board under this chapter or chapter 56. Advice contained in formal board opinions shall, if followed, constitute a defense to a complaint filed with the board alleging a violation of this chapter, chapter 56, or rules of the board that is based on the same facts and circumstances.

12. Establish rules relating to ethical conduct for persons holding a state office in the executive branch of state government, including candidates, and for employees of the executive branch of state government and regulations governing the conduct of lobbyists of the executive branch of state government, including but not limited to conflicts of interest, abuse of office, misuse of public property, use of confidential information, participation in matters in which an official or state employee, has a financial interest, and rejection of improper offers.

13. Impose penalties upon, or refer matters relating to, persons who discharge any employee, or who otherwise discriminate in employment against any employee, for the filing of a complaint with, or the disclosure of information to, the board if the employee has filed the complaint or made the disclosure in good faith.

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

#### Sec. 16. NEW SECTION. 68B.32B COMPLAINT PROCEDURES.

1. Any person may file a complaint alleging that a candidate, committee, person holding a state office in the executive branch of state government, employee of the executive branch of state government, or other person has committed a violation of this chapter or chapter 56 or rules adopted by the board. The board shall prescribe and provide forms for this purpose. A complaint must include the name and address of the complainant, a statement of the facts believed to be true that form the basis of the complaint, including the sources of information and approximate dates of the acts alleged, and a certification by the complainant under penalty of perjury that the facts stated to be true are true to the best of the complainant's knowledge.

2. The board staff shall review the complaint to determine if the complaint is sufficient as to form. If the complaint is deficient as to form, the complaint shall be returned to the complainant with a statement of the deficiency and an explanation describing how the deficiency may be cured. If the complaint is sufficient as to form, the complaint shall be referred for legal review.

3. Unless the chairperson of the board concludes that immediate notification would prejudice a preliminary investigation or subject the complainant to an unreasonable risk, the board shall mail a copy of the complaint to the subject of the complaint within three working days of the acceptance of the complaint. If a determination is made by the chairperson not to mail a copy of the complaint to the subject of the complaint within the three working days time period, the board shall approve and establish the time and conditions under which the subject will be informed of the filing and contents of the complaint.

4. Upon completion of legal review, the chairperson of the board shall be advised whether, in the opinion of the legal advisor, the complaint states an allegation which is legally sufficient. A legally sufficient allegation must allege all of the following:

a. Facts that would establish a violation of a provision of this chapter, chapter 56, or rules adopted by the board.

b. Facts that would establish that the conduct providing the basis for the complaint occurred within three years of the complaint.

c. Facts that would establish that the subject of the complaint is a party subject to the jurisdiction of the board.

5. After receiving an evaluation of the legal sufficiency of the complaint, the chairperson shall refer the complaint to the board for a formal determination by the board of the legal sufficiency of the allegations contained in the complaint.

6. If the board determines that none of the allegations contained in the complaint are legally sufficient, the complaint shall be dismissed. The complainant shall be sent a notice of dismissal stating the reason or reasons for the dismissal. If a copy of the complaint was sent to the subject of the complaint, a copy of the notice shall be sent to the subject of the complaint. If the board determines that any allegation contained in the complaint is legally sufficient, the complaint shall be referred to the board staff for investigation of any legally sufficient allegations.

7. Notwithstanding subsections 1 through 6, the board may, on its own motion and without the filing of a complaint by another person, initiate investigations into matters that the board believes may be subject to the board's jurisdiction. This section does not preclude persons from providing information to the board for possible board-initiated investigation instead of filing a complaint.

8. The purpose of an investigation by the board's staff is to determine whether there is probable cause to believe that there has been a violation of this chapter or of rules adopted by the board. To facilitate the conduct of investigations, the board may issue and seek enforcement of subpoenas requiring the attendance and testimony of witnesses and subpoenas requiring the production of books, papers, records, and other real evidence relating to the matter under investigation. Upon the request of the board, an appropriate county attorney or the attorney general shall assist the staff of the board in its investigation.

9. If the board determines on the basis of an investigation by board staff that there is probable cause to believe the existence of facts that would establish a violation of this chapter, or of rules adopted by the board, the board may issue a statement of charges and notice of a contested case proceeding to the complainant and to the person who is the subject of the complaint, in the manner provided for the issuance of statements of charges under chapter 17A. If the board determines on the basis of an investigation by staff that there is no probable cause to believe that a violation has occurred, the board shall close the investigation, dismiss any related complaint, and the subject of the complaint shall be notified of the dismissal. If the investigation originated from a complaint filed by a person other than the board, the person making the complaint shall also be notified of the dismissal.

10. At any stage during the investigation or after the initiation of a contested case proceeding, the board may approve a settlement regarding an alleged violation. Terms of a settlement shall be reduced to writing and be available for public inspection. An informal settlement may provide for any remedy specified in section 68B.32D. However, the board shall not approve a settlement unless the board determines that the terms of the settlement are in the public interest and are consistent with the purposes of this chapter and rules of the board. In addition, the board may authorize board staff to seek informal voluntary compliance in routine matters brought to the attention of the board or its staff.

11. A complaint shall be a public record, but some or all of the contents may be treated as confidential under section 22.7, subsection 18, to the extent necessary under subsection 3.

Information informally reported to the board and board staff which results in a board-initiated investigation shall be a public record but may be treated as confidential information consistent with the provisions of section 22.7, subsection 18. If the complainant, the person who provides information to the board, or the person who is the subject of an investigation publicly discloses the existence of an investigation, the board may publicly confirm the existence of the disclosed formal complaint or investigation and, in the board's discretion, make the complaint or the informal referral public, as well as any other documents that were issued by the board to any party to the investigation. However, investigative materials may be furnished to the appropriate law enforcement authorities by the board at any time. Upon the commencement of a contested case proceeding by the board, all investigative material relating to that proceeding shall be made available to the subject of the proceeding. The entire record of any contested case proceeding initiated under this section shall be a public record.

12. Board records used to achieve voluntary compliance to resolve discrepancies and deficiencies shall not be confidential unless otherwise required by law.

**Sec. 17. NEW SECTION. 68B.32C CONTESTED CASE PROCEEDINGS.**

1. Contested case proceedings initiated as a result of the issuance of a statement of charges pursuant to section 68B.32B, subsection 9, shall be conducted in accordance with the requirements of chapter 17A. Clear and convincing evidence shall be required to support a finding that a person has violated this chapter or any rules adopted by the board pursuant to this chapter. A preponderance of the evidence shall be required to support a finding that a person has violated chapter 56 or any rules adopted by the board pursuant to chapter 56. The case in support of the statement of charges shall be presented at the hearing by one of the board's attorneys or staff unless, upon the request of the board, the charges are prosecuted by another legal counsel designated by the attorney general. A person making a complaint under section 68B.32B, subsection 1, is not a party to contested case proceedings conducted relating to allegations contained in the complaint.

2. Hearings held pursuant to this chapter shall be heard by a quorum of the board, unless the board designates a board member or an administrative law judge to preside at the hearing. If a quorum of the board does not preside at the hearing, the board member or administrative law judge shall make a proposed decision. The board or presiding board member may be assisted by an administrative law judge in the conduct of the hearing and the preparation of a decision.

3. Upon a finding by the board that the party charged has violated this chapter or rules adopted by the board, the board may impose any penalty provided for by section 68B.32D. Upon a final decision of the board finding that the party charged has not violated this chapter or the rules of the board, the complaint shall be dismissed and the party charged and the original complainant, if any, shall be notified.

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

5. The board shall adopt rules, pursuant to chapter 17A, establishing procedures to implement this section.

**Sec. 18. NEW SECTION. 68B.32D PENALTIES – RECOMMENDED ACTIONS.**

1. The board, after a hearing and upon a finding that a violation of this chapter, chapter 56, or rules adopted by the board has occurred, may do one or more of the following:

- a. Issue an order requiring the violator to cease and desist from the violation found.
- b. Issue an order requiring the violator to take any remedial action deemed appropriate by the board.
- c. Issue an order requiring the violator to file any report, statement or other information as required by this chapter, chapter 56, or rules adopted by the board.
- d. Publicly reprimand the violator for violations of this chapter, chapter 56, or rules adopted by the board in writing and provide a copy of the reprimand to the violator's appointing authority.

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

f. If the violation is a violation of this chapter or rules adopted by the board pursuant to this chapter and the violator is an elected official of the executive branch of state government, other than an official who can only be removed by impeachment, make a written recommendation to the attorney general or the appropriate county attorney that an action for removal from office be initiated pursuant to chapter 66.

g. If the violation is a violation of this chapter or rules adopted by the board pursuant to this chapter and the violator is a lobbyist of the executive branch of state government, censure, reprimand, or impose other sanctions deemed appropriate by the board. A lobbyist may also be suspended from lobbying activities if the board finds that suspension is an appropriate sanction for the violation committed.

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

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

2. At any stage during an investigation or during the board's review of routine compliance matters, the board may resolve the matter by admonishment to the alleged violator or by any other means not specified in subsection 1 as a posthearing remedy.

3. If a person fails to comply with an order of the board under subsection 1, paragraphs "a", "b", "c", or "h", the board may petition the district court having jurisdiction for an order for enforcement of the order of the board. The enforcement proceeding shall be conducted as provided in section 68B.33.

Sec. 19. Section 68B.33, Code 1993, is amended to read as follows:

**68B.33 JUDICIAL REVIEW — ENFORCEMENT.**

Judicial review of the actions of the ~~executive council board~~ may be sought in accordance with chapter 17A. Judicial enforcement of orders of the ~~executive council board~~ may be sought in accordance with chapter 17A.

Sec. 20. Section 68B.34, Code 1993, is amended to read as follows:

**68B.34 INVESTIGATION BY INDEPENDENT SPECIAL COUNSEL — PROBABLE CAUSE.**

The purpose of an investigation by the independent special counsel is to determine whether there is probable cause to proceed with an adjudicatory hearing on the matter. In conducting investigations and holding hearings, the independent special counsel may require by subpoena the attendance and testimony of witnesses and may subpoena books, papers, records, and any other real evidence relating to the matter before the independent special counsel. The independent special counsel shall have the additional authority provided in section 17A.13. If the independent special counsel determines at any stage in the proceedings that take place prior to hearing that the complaint is without merit, the independent special counsel shall report that determination to the appropriate ethics committee ~~or the executive council~~ and the complaint shall be dismissed and the complainant and the party charged shall be notified. If, after investigation, the independent special counsel determines evidence exists which, if proven, would support a finding of a violation of this chapter, a finding of probable cause shall be made and reported to the ethics committee ~~or executive council~~, and a hearing shall be ordered by the ethics committee as provided in section 68B.31 ~~or by the executive council as provided in section 68B.32~~. Independent special counsel investigations are not meetings of a governmental body within the meaning of chapter 21, and records and information obtained by independent special counsel during investigations are confidential until disclosed to a legislative ethics committee under section 68B.31.

Sec. 21. Section 68B.35, Code 1993, is amended by striking the section and inserting in lieu thereof the following:



**68B.35 PERSONAL FINANCIAL DISCLOSURE — CERTAIN OFFICIALS, MEMBERS OF THE GENERAL ASSEMBLY, AND CANDIDATES.**

1. The persons specified in subsection 2, shall file a financial statement at times and in the manner provided in this section that contains all of the following:

a. A list of each business, occupation, or profession in which the person is engaged and the nature of that business, occupation, or profession, unless already apparent.

b. A list of any other sources of income if the source produces more than one thousand dollars annually in gross income. Such sources of income listed pursuant to this paragraph may be listed under any of the following categories, or under any other categories as may be established by rule:

(1) Securities.

(2) Instruments of financial institutions.

(3) Trusts.

(4) Real estate.

(5) Retirement systems.

(6) Other income categories specified in state and federal income tax regulations.

2. The financial statement required by this section shall be filed by the following persons:

a. Any statewide elected official.

b. The executive or administrative head or heads of any agency of state government.

c. The deputy executive or administrative head or heads of an agency of state government.

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

e. Members of the banking board, the ethics and campaign disclosure board, the credit union review board, the economic development board, the employment appeal board, the environmental protection commission, the health facilities council, the Iowa business investment corporation board of directors, the Iowa finance authority, the Iowa product development corporation, the Iowa public employees' retirement system investment board, the lottery board, the natural resource commission, the board of parole, the petroleum underground storage tank fund board, the public employment relations board, the state racing and gaming commission, the state board of regents, the tax review board, the transportation commission, the office of consumer advocate, the utilities board, and any full-time members of other boards and commissions as defined under section 7E.4 who receive an annual salary for their service on the board or commission.

f. Members of the general assembly.

g. Candidates for state office.

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

3. The board in consultation with each executive department or independent agency, shall adopt rules pursuant to chapter 17A to implement the requirements of this section that provide for the time and manner for the filing of financial statements by persons in the department or independent agency.

4. The ethics committee of each house of the general assembly shall recommend rules for adoption by each house for the time and manner for the filing of financial statements by members or employees of the particular house. The legislative council shall adopt rules for the time and manner for the filing of financial statements by legislative employees of the central legislative staff agencies. The rules shall provide for the filing of the financial statements with either the chief clerk of the house, the secretary of the senate, or other appropriate person or body.

5. A candidate for statewide office shall file a financial statement with the ethics and campaign disclosure board, a candidate for the office of state representative shall file a financial

statement with the chief clerk of the house of representatives, and a candidate for the office of state senator shall file a financial statement with the secretary of the senate concerning the year preceding the year in which the election is to be held and concerning so much of the year in which the election is to be held as has elapsed by the date specified in section 43.11 for the filing of nomination papers for state office. The statement shall be filed no later than thirty days after the date on which a person is required to file nomination papers for state office under section 43.11. The ethics and campaign disclosure board shall adopt rules pursuant to chapter 17A providing for the filing of the financial statements with the board and for the deposit, retention, and availability of the financial statements. The ethics committees of the house of representatives and the senate shall recommend rules for adoption by the respective house providing for the filing of the financial statements with the chief clerk of the house or the secretary of the senate and for the deposit, retention, and availability of the financial statements.

**Sec. 22. NEW SECTION. 68B.35B PERSONAL FINANCIAL DISCLOSURE STATEMENTS OF STATE OFFICIALS AND EMPLOYEES.**

Personal financial disclosure statements filed with the board, chief clerk of the house, and the secretary of the senate shall be forwarded to the secretary of state for the recording of the information through electronic means. The board and the general assembly shall execute agreements with the secretary of state which provide for public access to and copying of the information, and include a site in the board offices for public viewing and copying of information, contained in personal financial disclosure statements filed with the board, the chief clerk of the house, and the secretary of the senate.

**Sec. 23. Section 68B.36, subsections 1 and 3, Code 1993, are amended to read as follows:**

1. All lobbyists shall, on or before the day their lobbying activity begins, register by filing a lobbyist's registration statement at times and in the manner provided in this section. Lobbyists engaged in lobbying activities before the general assembly shall file the statement with the chief clerk of the house of representatives or the secretary of the senate. Lobbyists engaged in lobbying activities before the office of the governor or any state agency shall file the statement with the ~~executive council or with the agency before which the lobbyist is engaged in lobbying activities~~ board. The chief clerk of the house and the secretary of the senate shall provide appropriate registration forms to lobbyists before the general assembly. The ~~executive council~~ board shall prescribe appropriate registration forms for lobbyists before the office of the governor and state agencies. ~~Persons receiving registration statement filings from lobbyists in the office of the governor and state agencies shall forward a copy of the statements to the executive council.~~

3. For persons registered to lobby before the general assembly, registration expires upon the commencement of the next regular session of the general assembly, except that the chief clerk of the house and the secretary of the senate may adopt and implement a reasonable preregistration procedure in advance of each regular session during which persons may register for that session and the following legislative interim. For persons registered to lobby before the office of the governor or a state agency, registration expires upon the commencement of a new calendar year. The ~~executive council~~ board may adopt and implement a reasonable preregistration procedure in advance of each new calendar year during which persons may register for that year.

**Sec. 24. Section 68B.37, Code 1993, is amended by striking the section and inserting in lieu thereof the following:**

**68B.37 LOBBYIST REPORTING.**

1. A lobbyist before the general assembly shall file with the general assembly, on forms prescribed by each house of the general assembly, a report disclosing all of the following:

a. The lobbyist's clients.

b. Campaign contributions made by the lobbyist during calendar months during the reporting period when the general assembly is not in session.

c. The recipient of the campaign contributions.

d. Expenditures made by the lobbyist for the purposes of providing the services enumerated under section 68B.2, subsection 12, paragraph "a".

For purposes of this subsection, "expenditures" do not include expenditures made by any organization for publishing a newsletter or other informational release for its members.

2. A lobbyist before a state agency or the office of the governor shall file with the board, on forms prescribed by the board, a report disclosing the same items described in subsection 1.

3. The reports by lobbyists before the general assembly shall be filed not later than twenty-five days following any month in which the general assembly is in session and thereafter on or before July 31 and October 31. The monthly report filed by a lobbyist before the general assembly in January shall contain information for the preceding calendar quarter or parts thereof during which the person was engaged in lobbying. Reports filed by lobbyists before a state agency shall be filed on or before April 30, July 31, October 31, and January 31, for the preceding calendar quarter or parts thereof during which the person was engaged in lobbying. If a person cancels the person's lobbyist registration at any time during the calendar year, the reports required by this section are due on the dates required by this section or fifteen days after cancellation, whichever is earlier. The report due January 31 shall include all reportable items for the preceding calendar year in addition to containing the quarterly reportable items. A lobbyist who cancels the person's lobbyist registration before January 1 of a year shall file a report listing all reportable items for the year in which the cancellation was filed. A lobbyist who cancels the person's lobbyist registration between January 1 and January 15 of a year shall file a report listing all reportable items for the preceding year and so much of the month of January as has expired at the time of cancellation. However, if a lobbyist is a person who is designated to represent the interest of an organization as defined in section 68B.2, subsection 12, paragraph "a", subparagraph (2), but is not paid compensation for that representation and does not expend more than one thousand dollars as provided in section 68B.2, subsection 12, paragraph "a", subparagraph (4), the lobbyist shall only be required to file the report specified in this section once annually, which shall be performed at the time of filing the person's lobbyist registration form or forms.

Sec. 25. Section 68B.38, Code 1993, is amended to read as follows:

**68B.38 LOBBYIST'S CLIENT REPORTING.**

1. No Beginning in 1994, no later than January 31 and July 31 of each year, unless no payments are made, a lobbyist's client shall file with the general assembly or the executive council board a report that contains information on all salaries, fees, and retainers paid by the lobbyist's client to the lobbyist for lobbying purposes during the preceding six calendar months. Reports by lobbyists' clients shall be filed with the same entity with which the lobbyist filed the lobbyist's report and registration.

2. The report due January 31 shall include a cumulative total of all lobbying expenditures salaries, fees, retainers, and reimbursements of expenses paid to the lobbyist for lobbying activities during the preceding calendar year. The secretary of the senate, chief clerk of the house, and the board shall develop forms to implement this section.

Sec. 26. Section 68B.39, Code 1993, is amended to read as follows:

**68B.39 SUPREME COURT RULES.**

The supreme court of this state shall prescribe rules by January 1, 1993, establishing a code of ethics for officials and employees of the judicial department of this state, and the immediate family members of the officials and employees. Rules prescribed under this paragraph shall include provisions relating to the receipt or acceptance of gifts and honoraria, interests in public contracts, services against the state, and financial disclosure which are substantially similar to the requirements of this chapter.

The supreme court of this state shall also prescribe rules which relate to activities by officials and employees of the judicial department which constitute conflicts of interest.

Sec. 27. Section 22.7, Code 1993, is amended by adding the following new subsection:  
NEW SUBSECTION. 29. Records and information obtained or held by independent special counsel during the course of an investigation conducted pursuant to section 68B.34. Information that is disclosed to a legislative ethics committee subsequent to a determination of probable cause by independent special counsel and made pursuant to sections 68B.31 or 68B.32 is not a confidential record unless otherwise provided by law.

Sec. 28. Section 56.2, Code 1993, is amended by adding the following new subsection:  
NEW SUBSECTION. 1A. "Board" means the Iowa ethics and campaign finance board established under section 68B.32.

Sec. 29. Section 56.2, subsection 4, Code 1993, is amended to read as follows:

4. "Candidate's committee" means the committee designated by the candidate for a state, county, city, or school office to receive contributions in excess of five hundred dollars in the aggregate, expend funds in excess of five hundred dollars in the aggregate, or incur indebtedness on behalf of the candidate in excess of five hundred dollars in the aggregate as follows:

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

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

Sec. 30. Section 56.2, subsection 11, Code 1993, is amended to read as follows:

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

Sec. 31. Section 56.5, subsections 3 and 5, Code 1993, are amended to read as follows:

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

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

Sec. 32. Section 331.756, subsection 15, Code 1993, is amended to read as follows:

15. Review the report and recommendations of the campaign finance disclosure commission independent ethics and campaign finance board and proceed to institute the recommended actions or advise the commission board that prosecution is not merited as provided in section 56.11, subsection 4 68B.32C.

Sec. 33. Sections 56.4, 56.6, 56.13, 56.20, and 56.23, Code 1993, are amended by striking the word "commission" or "campaign finance disclosure commission" and inserting the following: "commission board" or "campaign finance disclosure commission board".

Sec. 34. Section 56.42, subsection 1, Code 1993, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Contributions to another candidate's committee when the candidate for whom both committees are formed is the same person.

Sec. 35. TRANSITION — INTENT — RETROACTIVE APPLICATION — EFFECTIVE DATE.

1. The provisions of section 4.13 shall apply to this Act except as follows:

a. Requirements relating to registration that are under chapter 68B prior to but not after the effective date of this Act are void and any registrations made pursuant to those requirements shall be given no effect as if never made. Registrations made pursuant to chapter 68B prior to the effective date of this Act, which are consistent with the requirements of this Act shall be in full force and effect, as if made pursuant to the requirements of this Act.

b. Requirements relating to financial disclosure that are imposed under chapter 68B prior to but not after the effective date of this Act are void retroactive to January 1, 1993. Financial disclosures made prior to the effective date of this Act, which are consistent with the requirements of this Act shall be deemed to be in full force and effect, as if made pursuant to the requirements of this Act.

c. Notwithstanding section 68B.5A, subsection 1, as amended by this Act, persons who are lobbyists as of the effective date of this Act, and whose positions in state government are in violation of subsection 1 of section 68B.5A as amended by this Act, may remain in those positions until July 1, 1994.

d. Section 8 of this Act, which amends section 68B.24, shall apply retroactively to any loans made on or after January 1, 1993. Any loans made during the period commencing January 1, 1993, and ending on the effective date of this Act, which are consistent with the requirements of section 8 of this Act shall not be in violation of the requirements of section 68B.24.

e. The portion of section 1 of this Act, amending subsection 16 of section 68B.2 to exclude members of councils or committees as defined under section 7E.4 from the definition of official, shall apply retroactively to January 1, 1993, to exclude those persons from the requirements placed upon officials.

2. Persons who served as governor's appointees to state government entities which are or exercise the same type of authority that is exercised by councils or committees as defined under section 7E.4, prior to January 1, 1993, and who resigned from those positions prior to the effective date of this Act, may be reappointed by the governor, without senate confirmation, to complete the unexpired term resulting from the resignation, section 2.32 notwithstanding.

3. It is the intent of the general assembly that at least two members of the ethics and campaign disclosure board established in this Act be members of the campaign finance disclosure commission, established under section 56.9, immediately prior to the effective date of this Act. However, members of the campaign finance disclosure commission shall serve as members of the ethics and campaign disclosure board until the members of the new board are appointed. Employees of the campaign finance disclosure commission shall be retained as employees of the ethics and campaign disclosure board until such time as the board hires its own employees. Rules and procedures of the campaign finance disclosure commission shall remain in effect until amended or rescinded by the ethics and campaign disclosure board. Matters pending before the campaign finance disclosure commission shall, upon the dissolution of the commission and the creation of the board, be treated as if commenced initially before the ethics and campaign disclosure board and shall retain the same status that the matters had before the commission.

4. Notwithstanding section 68B.35, financial statements filed under section 68B.35 as amended in section 21 of this Act shall not be required to be filed until the rules provided under that section are adopted or prescribed by the entities required to establish rules. Disclosure statements filed during 1993, after the adoption or prescribing of rules under section 21 shall cover the period beginning with the effective date of this Act through December 31, 1993.

5. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 36. Sections 56.9, 56.10, and 56.11, Code 1993, are repealed.

Sec. 37. SEVERABILITY. If any provision of this Act or the application thereof to any person is invalid, the invalidity shall not affect the provisions or application of this Act which can be given effect without the invalid provisions or application, and to this end the provisions of this Act are severable.

Sec. 38. The Code editor shall change names in the Code, as necessary, which refer to the campaign finance disclosure commission to names which refer to the ethics and campaign disclosure board as established in this Act.

Approved May 28, 1993

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## CHAPTER 164

### USE OF ALTERED MOTOR VEHICLE LICENSE TO OBTAIN ALCOHOL

#### *H.F. 210*

**AN ACT** establishing a criminal offense and providing for a six-month suspension of the driver's license of a person under the age of twenty-one who uses an altered license to purchase alcohol.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 321.189, subsection 6, Code 1993, is amended to read as follows:

6. LICENSES ISSUED TO MINORS. A motor vehicle license issued to a person under twenty-one years of age shall be identical in form to any other motor vehicle license except that the word "~~minor~~" words "under twenty-one" shall appear prominently on the face of the license. Upon attaining the age of twenty-one, and upon payment of a one dollar fee, the person shall be entitled to a new motor vehicle license or nonoperator's identification card for the unexpired months of the motor vehicle license or card.

Sec. 2. Section 321.212, subsection 1, paragraph a, Code 1993, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** A suspension under section 321.210, subsection 1, paragraph "d", for a violation of section 321.216B shall not exceed six months. As soon as practicable after the period of suspension has expired, but not later than six months after the date of expiration, the department shall expunge information regarding the suspension from the person's driving record.

Sec. 3. **NEW SECTION. 321.216B USE OF MOTOR VEHICLE LICENSE BY UNDERAGE PERSON TO OBTAIN ALCOHOL.**

A person who is under the age of twenty-one, who alters or displays or has in the person's possession a fictitious or fraudulently altered motor vehicle license and who uses the license to violate or attempt to violate section 123.47 or 123.47A commits a simple misdemeanor. The court shall forward a copy of the conviction or order of adjudication under section 232.47 to the department.