

SENATE/HOUSE FILE _____
BY (PROPOSED ETHICS AND
CAMPAIGN DISCLOSURE BOARD
BILL)

A BILL FOR

1 An Act relating to campaign contributions by certain business
2 entities and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 68A.503, subsections 1, 2, 3, and 7, Code
2 2020, are amended to read as follows:

3 1. Except as provided in subsections 3, 4, 5, and 6, an
4 insurance company, savings association, bank, credit union,
5 limited liability company, limited liability partnership,
6 cooperative association, or corporation shall not make a
7 monetary or in-kind contribution to a candidate or committee
8 except for a ballot issue committee.

9 2. Except as provided in subsection 3, a candidate or
10 committee, except for a ballot issue committee, shall not
11 receive a monetary or in-kind contribution from an insurance
12 company, savings association, bank, credit union, limited
13 liability company, limited liability partnership, cooperative
14 association, or corporation.

15 3. An insurance company, savings association, bank,
16 credit union, limited liability company, limited liability
17 partnership, cooperative association, or corporation may
18 use money, property, labor, or any other thing of value of
19 the entity for the purposes of soliciting its stockholders,
20 administrative officers, professional employees, and members
21 for contributions to a political committee sponsored by that
22 entity and for financing the administration of a political
23 committee sponsored by that entity. The entity's employees to
24 whom the foregoing authority does not extend may voluntarily
25 contribute to such a political committee but shall not be
26 solicited for contributions. A candidate or committee may
27 solicit, request, and receive money, property, labor, and any
28 other thing of value from a political committee sponsored by
29 an insurance company, savings association, bank, credit union,
30 limited liability company, limited liability partnership,
31 cooperative association, or corporation as permitted by this
32 subsection.

33 7. For purposes of this section:
34 a. "Cooperative association" means a for-profit or nonprofit
35 cooperative association organized pursuant to the laws of this

1 state, the United States, or any other state, territory, or
2 foreign country.

3 b. "~~corporation~~ "Corporation" means a for-profit or
4 nonprofit corporation organized pursuant to the laws of this
5 state, the United States, or any other state, territory, or
6 foreign country.

7 c. "Limited liability company" means a for-profit or
8 nonprofit limited liability company organized pursuant to the
9 laws of this state, the United States, or any other state,
10 territory, or foreign country.

11 d. "Limited liability partnership" means a for-profit or
12 nonprofit limited liability partnership organized pursuant to
13 the laws of this state, the United States, or any other state,
14 territory, or foreign country.

15 Sec. 2. Section 68A.503, subsection 4, unnumbered paragraph
16 1, Code 2020, is amended to read as follows:

17 The prohibitions in subsections 1 and 2 shall not apply to
18 an insurance company, savings association, bank, credit union,
19 limited liability company, limited liability partnership,
20 cooperative association, or corporation engaged in any of the
21 following activities:

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill relates to campaign contributions by certain
26 entities. The bill adds limited liability companies, limited
27 liability partnerships, and cooperative associations to the
28 list of entities prohibited from making campaign contributions
29 under most circumstances and the list of entities from which
30 candidates and committees shall not accept contributions.
31 The bill also defines "limited liability company", "limited
32 liability partnership", and "cooperative association".

33 Current law prohibits contributions from insurance
34 companies, savings associations, banks, credit unions, and
35 corporations. Such an entity may use resources to solicit

1 stockholders, administrative officers, professional employees,
2 and members for contributions to and administration of a
3 political committee sponsored by that entity. Candidates
4 and committees may accept contributions from such political
5 committees.

6 A person who violates a provision of Code chapter 68A
7 is subject to civil penalties imposed by the Iowa ethics
8 and campaign disclosure board, including remedial action, a
9 reprimand, and a civil penalty up to \$2,000. In addition, a
10 person who willfully violates a provision of Code chapter 68A
11 is guilty of a serious misdemeanor. A serious misdemeanor is
12 punishable by confinement for no more than one year and a fine
13 of at least \$315 but not more than \$1,875.