



HF 2469 – Statewide Elected Officials’ Communications, State Expenditure Restrictions Before an Election (LSB5210HV)

Analyst: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov

Fiscal Note Version – New

Description

[House File 2469](#) prohibits statewide elected officials, including the Governor, Lieutenant Governor, Secretary of State, Treasurer of State, Auditor of State, Attorney General, Secretary of Agriculture, members of the General Assembly, and local officials, from expending public moneys or moneys held in a trust controlled by the State or a political subdivision on a designated communication or designated exhibit expenditure.

Background

[House File 2469](#) defines several terms to clarify applicability and exclusion provisions, including:

- “Designated communication” is defined as and includes public advertisements or promotions delivered through a paid direct mailing, paid radio communication, or paid television communication if such advertisement or promotion bears the written name, likeness, or voice of a statewide elected official, member of the General Assembly, or local official.
- “Designated exhibit expenditures” is defined as and includes a billboard, placard, banner, table skirt, sign, display, or other physical structure in excess of 150 square inches placed or displayed within or upon a defined physical booth space located at a fairground or grounds defined in Iowa Code section [174.1](#) and bearing the written name, likeness, or voice of a statewide elected official, member of the General Assembly, or local official.

The Bill excludes the following items from the list of designated communications and designated exhibit expenditures: a report, record, letter, memorandum, document, envelope, cover sheet, certificate, constituent correspondence, routine ministerial material, and ceremonial material bearing the name, official logo, or official letterhead of the office of a statewide elected official, provided that such item is used or generated in the course of an elected official’s duties. Also excluded from the list are the depiction of the Great Seal of Iowa through a medium approved by the Governor; official press releases or press advisories issued by the office of a statewide elected official; a publication, piece of literature, or other communication medium related to the proclamation of a state of public disorder by the Governor; and payments made by a statewide elected official to fair management in order to reserve space for a booth or display area at a fair event.

Any individual who willfully violates the provisions of [HF 2469](#) is subject to a civil penalty up to the amount of moneys withdrawn from a public account, private trust fund as defined in Iowa Code section [8.2](#), or trust fund controlled by a political subdivision of the State used to fund the designated communication or designated exhibit expenditure. Penalties will be determined and assessed by the Iowa Ethics and Campaign Disclosure Board (IECD) and paid into the account from which the moneys were withdrawn. The IECD may also determine or assess additional criminal or civil penalties pursuant to Iowa Code section [68A.701](#) or otherwise established pursuant to Iowa Code section [68B.32A](#).

Assumptions

- The Bill, as currently written, does not provide specific exclusion provisions for the certification stickers the Department of Agriculture and Land Stewardship (IDALS) places on commercial gas pumps statewide. These stickers bear the name of the current Secretary of Agriculture and certify that the pump has been inspected for commercial use. According to the IDALS, these stickers do not fall under the exclusion of “routine ministerial material” and would have to be removed, redesigned, and redistributed statewide.
- Additionally, the IDALS has identified that [HF 2469](#) does not provide specific exclusion provisions for the certification stickers placed on commercial scales by the Department’s Weights and Measures Bureau. These stickers bear the name of the current Secretary of Agriculture and are placed on counter and grocery store meat scales, livestock scales, and truck and railroad weighing stations. According to the IDALS, these stickers do not fall under the exclusion of “routine ministerial material” and would have to be removed, redesigned, and redistributed statewide.
- The IDALS estimates it would take 10 individuals approximately two months to redesign and replace the estimated 73,300 stickers located on licensed devices statewide. Additionally, the IDALS would likely need to reimburse travel and mileage costs resulting from replacing weight scale and gas pump stickers on every licensed device across the State.
- It is likely that other State agencies that participate in various forms of advertising or promotions utilizing the name, likeness, or voice of a statewide elected official may need to implement public policy changes to implement the designated communication and designated exhibit expenditure restrictions pursuant to [HF 2469](#). Such public policy changes may include the restructuring of current promotional materials or, ultimately, the cessation of the distribution of such materials.

Fiscal Impact

The IDALS estimates a cost of approximately \$2,100 for replacing and printing new gas pump and various weight scale stickers to accommodate the proposed restrictions on designated communications and designated exhibit expenditures. Additionally, IDALS also inspects weight scales at the Iowa State Fair. Replacing weight scale stickers used at the State Fair is estimated to result in an additional cost of \$500. Labor associated with replacing these stickers is estimated to take two months and cost a total of \$130,570. As gas pump stickers will need to be replaced statewide, the IDALS estimates travel reimbursement cost for 47,000 miles at \$0.39 cents per mile, totaling approximately \$18,330. Total costs for sticker materials, labor costs, and travel reimbursements are listed in **Table 1** below.

Table 1: IDALS Fiscal Impact, [House File 2469](#)

<u>Goods/Services</u>	<u>Cost</u>
Replacement Materials	
Stickers, Commercial Use	\$ 2,100
Stickers, State Fair Use	500
Total	\$ 2,600
Travel Reimbursements	\$ 18,330
Labor	130,570
Total	\$ 151,500

Source: Iowa Department of Agriculture and Land Stewardship

As stated in the assumptions above, some State agencies may need to make public policy changes to implement the communication and exhibit expenditures restrictions related to their participation in various forms of advertising and promotion bearing the name, likeness, or voice of a statewide elected official, including those utilized on booths, tables, or other displays at the Iowa State Fair. Agencies and departments may incur additional costs resulting from the redesign of such materials or displays, or from the investment of extra staff time. The fiscal impact associated with such costs is expected to be minimal.

Sources

Department of Agriculture and Land Stewardship
Office of the Attorney General
Treasurer of State
Legislative Services Agency

/s/ Holly M. Lyons

March 6, 2018

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
