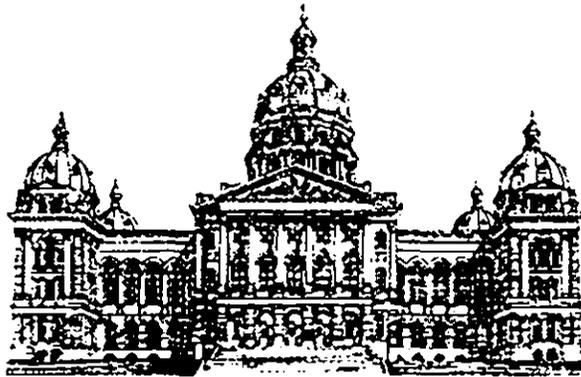


FINAL REPORT

**CAMPAIGN FINANCE LEGISLATIVE
COMMISSION**



Presented to the
LEGISLATIVE COUNCIL
and the
IOWA GENERAL ASSEMBLY
December 15, 1999

Prepared by the
LEGISLATIVE SERVICE BUREAU



FINAL REPORT

Campaign Finance Legislative Commission

December 1999

MEMBERS

Jim Hennager, Chair
Scott Brown
Mary Maloney

Joan Lucas, Vice Chair
Gina Noll
Dee Stewart

Staff

Contacts:

Jan Johnson, Legal Counsel
(515) 281-3798
jjohnso@legis.state.ia.us

Tim McDermott, Legal
Counsel
(515) 281-3444
tmcderm@legis.state.ia.us

Contents:

- I. Authorization and Appointment
- II. Overview of Meetings
- III. Summary of Meetings
 - A. November 10, 1999, Meeting
 - B. November 16, 1999, Meeting
 - C. December 2, 1999, Public Hearing
 - D. December 9, 1999, Meeting
- IV. Commission Recommendations
- V. Appendices:
 - A. Proposed Legislation
 - B. List of Issues for Further Study
 - C. Minority Reports
 - Extension of the Commission
 - Disclosure of Contributor's Employer
 - D. Documents on File with the Legislative Service Bureau



Authorization and Appointment.

The Campaign Finance Legislative Commission was established by 1999 Iowa Acts, chapter 136, Senate File 470, for the 1999 Interim to study campaign finance disclosure and related laws and to recommend reforms in these laws.

The Commission was empowered to hold hearings, take testimony, and receive evidence. Senate File 470 directs the Commission to hold at least one hearing in each Congressional district within the state specifically to obtain public input on the issue of campaign finance reform.

Senate File 470 also requires the Commission, by December 15, 1999, to submit a report to the General Assembly of the activities of the Commission, together with a draft of legislation recommended by the Commission to reform the campaign finance disclosure and related laws for consideration by the General Assembly in the year 2000.

In conducting the hearings and preparing the report, the Commission was directed to consider all issues related to the reform of campaign finance disclosure and related laws.

Appointments to the Commission, as prescribed by the terms of Senate File 470, were made as follows:

- Jim Hennager, *Chair*
Director, Faculty & Curriculum Academic Services
William Penn College
House majority leader's appointee
- Joan Lucas, *Vice Chair*
Money & Politics, Iowa
Senate Majority Leader's appointee
- Scott Brown
Iowa Trial Lawyers Association
House Minority Leader's appointee
- Mary Maloney
Polk County Treasurer
Democratic Party appointee
- Gina Noll
Capital Knowledge Consulting
Senate Majority Leader's appointee
- Dee Stewart
Executive Director, Republican Party of Iowa
Republican party appointee



Overview of meetings.

- The Commission met to discuss issues and schedule public hearings on November 10 and 16, 1999.
- The Commission held a statewide public hearing in each of the five congressional districts in the state via eight Iowa Communications Network (ICN) locations on December 2, 1999.
- The Commission met to prepare its recommendations and report on December 9, 1999.

Meeting Summaries.

A. November 10, 1999, Meeting.

Overview. The Commission held its first meeting on Wednesday, November 10, 1999. The Commission elected Jim Hennager to serve as Chair of the Commission and Joan Lucas to serve as Vice Chair.

Statutory Requirements. The Commission discussed the two main requirements for the Commission, according to the terms of Senate File 470. First, Senate File 470 requires that the Commission complete its work and file a report with the General Assembly, including a proposed draft of legislation, by December 15, 1999. Second, as part of its work, the Commission is required to hold public hearings in each of the five Congressional districts.

Motion to Extend Commission. Some members of the Commission expressed concern that the work of the Commission could not be adequately completed by the December 15 deadline. The Commission discussed the need for adequate public attention and input into the Commission's activity, among other issues. A motion to recommend extension of the Commission for one year, with a report due December 15, 2000, and the Commission to dissolve January 15, 2001, passed with a 4-2 Commission vote. The Commission also directed staff to conduct a preliminary inquiry among legislative leadership regarding potential agreement to this recommendation.

Electronic Disclosure. The Commission also discussed electronic disclosure of campaign contribution and expenditure data, and decided to seek more information about electronic filing as it currently exists in Iowa, as well as potentially making such information available to the public via the Internet. The Ethics and Campaign Disclosure Board was asked to speak regarding these issues at the November 16 meeting.

Public Hearing. The Commission also discussed the public hearing requirement, noting the need to hold the hearings according to the terms of the legislation, but also noting the short lead time involved with the approaching holidays and winter weather. After discussion, the Commission decided to investigate the possibility of holding a public hearing in the population centers of each of the five congressional districts on the evening of December 2, via the ICN, and designate it as a preliminary public hearing, with other



Campaign Finance Legislative Commission

hearings potentially to be scheduled in the future, if the Commission were granted its requested one-year extension.

B. November 16, 1999, Meeting Overview.

Public Hearing on December 2. The Commission discussed the public hearing scheduled for December 2, and after discussion, decided on seven ICN sites. The Commission members also decided that each of them would be present at a site.

Hearing Guidelines. The Commission also discussed guidelines for conducting the hearing, including possible limitations on speaking time for each individual. The Commission decided that they would establish, adjust, and enforce such limitations based on the attendance and the number of attendees signing up at the door to speak that night. The commission also determined that they would videotape the hearing, and encourage and accept written comments in advance of the hearing from those that could not attend or would prefer not to speak.

Press Release. The Commission decided to compose a press release about the public hearing to be sent to media outlets, political committees registered with the Ethics and Campaign Disclosure Board, and county auditors. The Commission also decided to work further on a draft of campaign finance facts and issues that could be included as background attachment to the press release for the benefit of both the press covering the hearing and the public attending the hearing.

Ethics and Campaign Disclosure Board: Electronic Disclosure. Karen Hansen of the Iowa Ethics and Campaign Disclosure Board (ECDB) reported on the current status of Iowa's system of voluntary electronic filing of political committee reports. She noted that although the software is still being fine-tuned, it has been distributed to 230 committees, though only 168 committees presently have a key disk which is required to file the reports electronically. At least 12 more committee requests for the software are pending. The software is currently available only in PC format, but a Macintosh format is still a possibility for the future, according to availability of funding appropriated.

The electronic data presently cannot be sorted according to categories, such as contributor name or amount, but the use of such queries is a goal of the ECDB. Some basic composite information will soon be available on the ECDB website (<http://www.iowaccess.org/government/iecdb/index.html>). Ms. Hansen stated that there were no firm plans or cost estimates presently available for making all data available on the website, in part because such a procedure would require manual input of all data not filed electronically with the software, which is beyond all present staffing capabilities of the eight-employee ECDB. ECDB can and will sell all such data on a diskette, however. She also noted that Iowa is one of the few states that allows any type or level of committee to utilize such software, rather than restricting it to committees reaching certain dollar thresholds or conducting statewide campaigns.



Campaign Finance Legislative Commission

According to preliminary estimates based on the ECDB's use of data filed electronically, auditing time for reports prepared and filed with the software is reduced by between 30 and 40 percent, compared to reports prepared and filed by hand. However, increased use of the software increases Ms. Hansen's workload as the only computer personnel at the ECDB.

C. December 2, 1999, Public Hearing.

Overview. The Commission held a public hearing on all issues related to campaign finance law and regulation, via eight ICN locations, on December 2, 1999. The eight locations were in Des Moines, Council Bluffs, Sioux City, Spencer, Cedar Falls, Cedar Rapids, Davenport, and Ottumwa. A videotape of this hearing is on file with the Legislative Service Bureau. Approximately 40 persons attended, and approximately 20 speakers from five of the locations made statements on various issues relating to campaign finance, which can be summarized in several categories.

Electronic Filing and Internet Publication. A number of speakers expressed support for increased electronic filing of campaign data, noting that it would give the public quicker knowledge of campaign finance data, allow for quicker search and evaluation of data, be subject to quicker audits, and create a database that would be suitable for Internet publication. Several of the speakers pointed out that Internet publication would make the data more accessible statewide. At least one speaker stated that the Legislature should make adequate appropriations to ensure that the data is made available on the Internet, and another noted that if the Legislature does not mandate electronic filing, it should appropriate funds to make staffing available for data entry of paper campaign reports currently submitted, in order to create a database suitable for the Internet.

Public Financing. Many speakers expressed support for some form of public financing of campaigns, noting that the amounts spent on campaigns have been increasing, candidates spend too much time raising money, and the money "chase" discourages many candidates from pursuing public office. A few speakers expressly suggested that such financing be tied to voluntary campaign expenditure limits. Several speakers suggested that Iowa adopt the "Clean Money" public funding concept adopted by four other states, in order to decrease the potential for, or at least the perception of, influence posed by private fund-raising sources.

Miscellaneous Topics. One speaker suggested that campaign finance data be available for public inspection at public libraries, in addition to the Ethics and Campaign Disclosure Board office. Several speakers stated that the reporting periods for all reporting entities should be consistent, to allow for easier cross-checking of data between contributors and candidates. Several speakers expressed support for individual tax credits, some suggesting that they be applied to small contributors (under \$100), or to in-district contributions. One speaker suggested shortening campaigns in order to reduce overall campaign expenditures.



Campaign Finance Legislative Commission

Several speakers spoke against "paycheck protection" requirements, which would require authorization for unions to use union dues for political or lobbying purposes. One speaker suggested that all deposits be made within the reporting period they were received, and another supported increased penalties for reports that were deliberately delayed past reporting deadlines. There were mixed opinions expressed on the imposition of contribution limits. Several speakers expressed a need for additional funding for the Ethics and Campaign Disclosure Board.

Concern was also expressed over negative advertisements and other negative campaign tactics, as well as issue advocacy, though no specific consensus was reached regarding how to regulate such topics. Support was generally expressed for distribution of voter information prior to an election, such as the voter guides in California.

Written Testimony. In addition to oral testimony, the public was invited to submit written testimony to the Commission. Those statements are on file with the Legislative Service Bureau.

D. December 9, 1999, Meeting.

Overview. The Commission began with a discussion of member perceptions as to appropriate direction and action by the Commission as a whole regarding recommendations for the Commission's Final Report. The Commission agreed that more time and more information would be needed for the Commission to address adequately all issues encompassed by the broad charge to the Commission related to campaign finance reform. The Commission unanimously agreed, however, to an agenda that included both discussion of the public hearings, and presentation and discussion of proposed recommendations, in addition to the recommendation approved by the Commission at its first meeting that the Commission be extended for one year to complete its charge fully and adequately.

Overview of Public Hearings. The Commission generally agreed that the public hearing was useful, at least as a first step, though some members commented that much of the material presented consisted of repetitive prepared statements made by coordinated members of the same interest groups.

Commission Recommendation Overview. The Commission decided to focus its recommendations on certain issues which would increase disclosure of campaign finance data to the public, and study other issues where more information was necessary before fully formulating a recommendation on the issue.

The Commission had also voted at a previous meeting to recommend that the Commission be extended for one year (i.e., to be dissolved on January 15, 2001), to allow for further study and recommendation of issues related to campaign finance reform.

Presentation and Discussion of Recommendations. The Commission initially agreed that all 24 issues identified by the members (Appendix B) should be recommended for further



Campaign Finance Legislative Commission

study, though specified that the list of issues is not exclusive, and acknowledged that other issues may also be appropriate for further review.

Vice Chair Lucas presented a list of eight proposed recommendations, discussed and amended as follows:

1. *Mandatory electronic filing should be implemented by 2003 for statewide and General Assembly candidates, political committees (PACs), and state and county party central committees.* The group discussed various thresholds, and appropriate categories of candidates and other committees that should be subject to mandatory electronic filing, before recommending a \$20,000 threshold for all candidates and committees for the 2004 election cycle, and mandatory electronic filing for all candidates and committees for the 2006 election cycle.

The Secretary of State's office also made a presentation regarding the upcoming use of their website for disclosure of personal financial disclosure statements, and offered to consider making their website available for electronic disclosure of campaign finance data reports, as well. The Commission indicated their preference for continuing responsibility for the nonpartisan Ethics and Campaign Disclosure Board for both collecting and publishing the data.

2. *Until 2003, voluntary electronic filing should be allowed. If a candidate for a particular office files electronically, then the data of all opponents of that candidate for that office should be electronically entered by the Ethics and Campaign Disclosure Board, if those opponents file their data manually.* The portion of the recommendation regarding entry of opponent's data was discussed under principles of fairness, and so that voluntary electronic filing would not be discouraged through a system that made electronic data more accessible.
3. *By 2003, all campaign finance data should be accessible on the Internet in a searchable database.* Gina Noll proposed an amendment to the recommendation to also require that, beginning immediately in January 2000, all campaign finance reports filed manually with the Ethics and Campaign Disclosure Board should be scanned and made available for viewing on the Internet in a .pdf (public document format) or other similar format. The Commission agreed to both the recommendation for the searchable Internet database, and for Internet access to manually filed documents until a searchable Internet database of campaign finance report data can be constructed and established.
4. *The Ethics and Campaign Disclosure Board should be adequately funded.* The adequacy of funding was discussed in connection with and supported for each Commission recommendation, as well as adequate funding in general.



5. *Reporting dates should be made consistent for all candidates and committees. Reports should be made twice in nonelection years.* The Commission discussed whether there was a reason for the different filing dates required by statute, and decided that the issue should be studied further.
6. *Contributions should be reported in the same period they are received.* The Commission discussed how the current statute and regulations are interpreted, and whether this was a feasible recommendation. The Commission decided that the issue should be further studied.
7. *Transfers of candidate funds to political parties should be disallowed for active candidate committees.* Some members of the Commission expressed concern over limiting all transfers from candidates to parties, because a political party often performs services for candidates, for which the candidate then reimburses the committee. The opinion was expressed that while some candidates may use transfers to parties as a "loophole" to funnel money indirectly to other candidate committees, that such transfers are in the minority. The Commission agreed to study the issue further.
8. *The occupation and employer of contributors of amounts over \$100 should be disclosed to and by the receiving committee.* Some members of the Commission thought at least employer, if not occupation, data from the contributor would be useful information to determine whether there had been contribution bundling or similar activity by a particular employer. There was some discussion about an appropriate threshold level, and concern expressed that such information would be difficult to collect and may violate privacy interests. The Commission voted 4-2 to recommend such a requirement, mirroring the federal threshold and other statutory requirements on this subject.

Other proposals. Dee Stewart proposed that an affirmative checkoff be instituted before political committee contributions could be deducted from paychecks. Commission members generally indicated they would like more information on this issue before making a decision. The Commission determined that this proposal should be further studied.

Gina Noll recommended that out-of-state contributions be prohibited. Some Commission members expressed concern about definitional issues regarding what constituted an out-of-state contribution and others expressed concern for constitutional limitations on such a proposal. The Commission determined that this proposal should also be further studied.

Legislation to be drafted. The Commission also agreed that legislation should be drafted to implement the recommendations.



Summary of Commission Recommendations

The Commission presented and discussed proposed recommendations and also agreed that legislation should be drafted to implement its recommendations. The first recommendation was adopted by the Commission at its first meeting; the remainder were the subject of the Commission's final meeting:

1. The Commission should be extended for one year beyond its current dissolution date of January 15, 2000, in order to complete fully and adequately the original charge of the Commission.
2. Mandatory electronic filing for the 2004 election cycle for candidates and committees that reach a \$20,000 threshold. For the 2006 election cycle, electronic filing should be mandatory for all candidates and committees.
3. Until 2003, voluntary electronic filing should be allowed. If a candidate for a particular office files electronically, then the data of all opponents of that candidate for that office should be electronically entered by the Ethics and Campaign Disclosure Board, if those opponents file their data manually.
4. By the 2004 election cycle, all campaign finance data should be made accessible on the Internet in a searchable database. Beginning immediately, in January 2000, all campaign finance reports filed manually with the Ethics and Campaign Disclosure Board should be scanned and made available for viewing on the Internet in a .pdf (public document format) or other similar format
5. The Ethics and Campaign Disclosure Board should be adequately funded by the General Assembly, in general, and also specifically in order to accomplish all Commission recommendations.
6. The employer of contributors of over \$200 should be disclosed to and by the receiving committee.

Issues Recommended for Further Study. At its final meeting, the Commission considered a list of 24 issues related to campaign finance reform. Though noting the list was not intended to exclude other issues worthy of more study, the Commission concluded that all items on that list not recommended for specific action be recommended for further study. That list is attached to this report as Appendix B.

In addition, the Commission specifically voted to add the following issues to the list of issues to be studied:

- Whether reporting dates for candidates and committees should be made consistent for all groups in order to allow for accurate cross-checking of data.
- Whether reports should be increased to twice-a-year in nonelection years.
- Whether receipts of contributions should be reported in the period received.



Campaign Finance Legislative Commission

- Whether transfers of candidate funds to political parties should be disallowed, so long as the candidate's committee remains active.
- Whether an affirmative checkoff should be instituted before political committee contributions could be deducted from paychecks.
- Whether out-of-state contributions should be prohibited.

3323ic

SENATE/HOUSE FILE _____
BY (PROPOSED CAMPAIGN FINANCE
COMMISSION BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to electronic filing and disclosure of campaign
2 finance disclosure reports, to disclosure and reporting of
3 certain contributor information, and to extension of the
4 campaign finance commission.

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

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

1 Section 1. Section 56.2, Code Supplement 1999, is amended
2 by adding the following new subsections:

3 NEW SUBSECTION. 8A. "Computer" means an electronic device
4 that performs logical, arithmetical, and memory functions by
5 manipulations of electronic or magnetic impulses, and includes
6 all functions, connections, and connected and related devices
7 that assist in input, output, processing, storage, computer
8 programs, computer applications, and communication.

9 NEW SUBSECTION. 13A. "Electronic format" means data in a
10 form that is readable by a computer, including its software
11 programs, and is either entered directly into a computer, or
12 transmitted via computer disk, modem, or internet.

13 NEW SUBSECTION. 15A. "General election cycle" means the
14 period of time between the general election for a particular
15 office, and the next general election for that office.

16 NEW SUBSECTION. 15B. "Internet" means the federated
17 system of allied computer networks linked by telecommunication
18 channels that is the international network that connects
19 educational, scientific, and commercial institutions, and that
20 may also be accessed by individuals.

21 Sec. 2. Section 56.6, subsection 3, paragraph i, Code
22 Supplement 1999, is amended to read as follows:

23 i. If a person listed under paragraph "b", "d", "e", or
24 "f" as making a contribution or loan to or purchase from a
25 candidate's committee meets either of the following criteria,
26 the information relating to the person's status shall also be
27 disclosed, as follows:

28 (1) If the person is related to the candidate within the
29 third degree of consanguinity or affinity, the existence of
30 that person's family relationship shall be indicated on the
31 report.

32 (2) If the amount of the contribution, loan, or purchase
33 from the candidate's committee equals or exceeds two hundred
34 dollars, then the person's employer shall be indicated on the
35 report.

1 If the treasurer of a political committee shows that best
2 efforts have been used to obtain, maintain, and submit the
3 information required to be provided by this paragraph "i", any
4 report of such committee shall be considered in compliance
5 with this section. The committee will only be deemed to have
6 exercised best efforts to obtain, maintain, and report the
7 required information if it complies with the following:

8 (a) All written solicitations for contributions shall
9 include a clear request for the contributor's full name,
10 mailing address, occupation, and name of employer, and include
11 an accurate statement of the law regarding the collection and
12 reporting of individual contributor identifications.

13 (b) For each contribution received aggregating in excess
14 of two hundred dollars per calendar year which lacks required
15 contributor information, the treasurer shall make at least one
16 effort after the receipt of the contribution to obtain the
17 missing information. Such effort shall consist of either a
18 written request sent to the contributor or an oral request to
19 the contributor documented in writing. The written or oral
20 request must be made no later than thirty days after receipt
21 of the contribution.

22 Sec. 3. NEW SECTION. 56.6A ELECTRONIC FILING AND
23 DISCLOSURE OF DISCLOSURE REPORTS.

24 1. Reports filed with the board pursuant to the
25 requirements of section 56.6 shall be filed in an electronic
26 format, according to the following:

27 a. Until the beginning of the general election cycle that
28 concludes with the general election in 2006, any candidate or
29 political committee may submit data required by section 56.6
30 in an electronic format, as prescribed by rule.

31 b. Beginning with the general election cycle that
32 concludes with the general election in 2004, any candidate,
33 candidate's committee, or political committee which accepts
34 contributions in excess of twenty thousand dollars in the
35 aggregate, makes expenditures in excess of twenty thousand

1 dollars in the aggregate, or incurs indebtedness in excess of
2 twenty thousand dollars in the aggregate in any one calendar
3 year shall submit data required by section 56.6 in an
4 electronic format, as prescribed by rule. This requirement
5 shall apply to any candidate or committee that reaches the
6 threshold, whether or not that candidate is running for
7 election during the current general election cycle, or whether
8 the committee is involved with a ballot issue for the current
9 general election.

10 c. Beginning with the general election cycle that
11 concludes with the general election in 2006, all candidates,
12 candidate committees, and political committees shall submit
13 data required by section 56.6 in an electronic format, as
14 prescribed by rule. This requirement shall apply to any
15 candidate or committee, whether or not that candidate is
16 running for election during the current general election
17 cycle, or whether the committee is involved with a ballot
18 issue for the current general election.

19 2. Until the beginning of the general election cycle that
20 concludes with the general election in 2006, if any candidate
21 for a particular office submits data in an electronic format,
22 then the data for all other candidates for that office shall
23 be maintained in an electronic format, as prescribed by rule.
24 The data for any candidate for that office that was not
25 voluntarily submitted to the board in an electronic format by
26 the candidate or the candidate's committee shall be entered
27 into the computer database by the board.

28 3. Beginning January 1, 2000, all disclosure reports filed
29 with the board pursuant to section 56.6 shall be available for
30 viewing on the internet in an electronic format that conveys
31 the information in substantially the same form as the paper
32 copy required by section 56.6. This requirement shall apply
33 to all reports filed by any candidate or committee, whether or
34 not that candidate or committee is running in or is otherwise
35 involved in an election during the current general election

1 cycle.

2 4. Beginning with the general election cycle that
3 concludes with the general election in 2004, all campaign
4 finance data that is submitted to the board in an electronic
5 format or is otherwise entered into the computer database
6 shall be accessible to the public on the internet in a
7 searchable database.

8 Sec. 4. 1999 Iowa Acts, chapter 136, section 14,
9 subsection 3, is amended to read as follows:

10 3. REPORT. Not later than December 15, ~~1999~~ 2000, the
11 commission shall submit to the general assembly a report of
12 the activities of the commission, together with a draft of
13 legislation recommended by the commission to reform the
14 campaign finance disclosure and related laws for consideration
15 by the general assembly in the year ~~2000~~ 2001 according to the
16 provisions of this Act.

17 Sec. 5. 1999 Iowa Acts, chapter 136, section 15, is
18 amended to read as follows:

19 SEC. 15. ASSIGNMENT OF LEGISLATION. The legislation
20 drafted by the commission shall be filed with each chamber on
21 the first day of the legislative session beginning in the year
22 ~~2000~~ 2001, and immediately assigned to the committee on state
23 government in each chamber.

24 EXPLANATION

25 This bill implements the recommendations of the campaign
26 finance commission, established by legislation enacted in the
27 1999 legislative session.

28 The bill implements new Code section 56.6A, relating to
29 electronic filing and disclosure of campaign finance
30 disclosure reports. Voluntary electronic filing shall
31 continue to be permitted until mandatory requirements
32 commence. If any candidate for a particular office submits
33 data in an electronic format, then all data for all other
34 candidates for that office will be maintained in an electronic
35 format. The data for any candidate for that office that was

1 not voluntarily submitted to the board in an electronic format
2 by the candidate or the candidate's committee shall be entered
3 into the computer database by the board.

4 Beginning with the general election cycle that concludes
5 with the general election in 2004, mandatory electronic filing
6 is instituted for all candidates and committees that reach a
7 \$20,000 threshold.

8 For the election cycle that concludes with the general
9 election in 2006, the threshold is removed, and electronic
10 filing shall be mandatory for all candidates and committees.

11 Commencing immediately, all disclosure reports shall be
12 made available for viewing via the internet, in a format that
13 conveys the information in substantially the same form as the
14 paper copy currently required by Code section 56.6.

15 Beginning with the general election cycle that concludes
16 with the general election in 2004, the bill requires all
17 campaign finance data that is submitted to the board in an
18 electronic format or is otherwise entered into the computer
19 database to be accessible to the public on the internet in a
20 searchable database.

21 Definitions are added to Code section 56.2 regarding
22 "computer", "electronic format", "general election cycle", and
23 "internet", to facilitate the new filing requirements.

24 Code section 56.6 is also amended to provide for disclosure
25 and reporting of the employer of contributors of \$200 or more.
26 The amendment includes a "best efforts" requirement,
27 consistent with federal regulations for similar reporting
28 requirements.

29 1999 Iowa Acts, chapter 136, is amended to provide for a
30 one-year extension of the campaign finance commission, as
31 established in the 1999 legislative session. As amended, the
32 commission would be required to submit a report to the general
33 assembly on December 15, 2000, including its recommendations
34 and a draft of proposed legislation. The commission would
35 dissolve on January 15, 2001.

List of Issues for Further Study (distributed at the December 9, 1999, Meeting)

1. Electronic filing of financial reports
2. Timing of filing of financial reports
3. Requiring financial reports be posted on web site
4. Requiring more information on contributors
5. Requiring all financial reports be filed consistently
6. Prohibiting transferring of funds
7. Prohibiting out-of-state contributions
8. Prohibiting contributions from PACs or bundled contributions
9. Limiting contributions to federal individual level
10. Campaign Truth in Advertising Law
11. Developing a statewide Campaign Fairness Doctrine
12. Setting time limits to political advertising
13. State generated candidate information election packet
14. Setting limits to soft money contributions to political organizations
15. Voluntary candidate spending limits
16. State subsidies to candidates who go by spending limits
17. Limiting contributions and loans by candidate to campaign
18. Requiring all political advertisers to file financial reports
19. Voting by Internet
20. Iowa Campaign Ethics Commission budget
21. Iowa Campaign Ethics Commission procedures
22. Requiring Iowa Public TV/Radio free candidate times
23. Allow political libel suits on campaign advertising
24. Paycheck protection /affirmative checkoff

MEMO

TO: Campaign Finance Legislative Commission

FR: Gina Noll and Dee Stewart, Commission members

RE: Explanation of Vote

DA: December 14, 1999

Extension of Campaign Finance Commission

On the question of extending the campaign finance commission, we decided to vote no for the following reasons.

First, the proposed extension was for one year and we agreed that time period was too long. The commission could have easily studied the various issues in about three to four months. A year-long study would have been a waste of taxpayer's dollars.

Secondly, the commission's members all represent groups that have special interests in changing campaign finance laws. The biggest challenge, throughout the process, has been to find citizens who are genuinely concerned about campaign finance and harbor no political motives. Campaign finance reform can substantially assist or harm all types of political groups. Until true members of the public are included on the commission, the extension will only lead to special interest groups crafting their own rules.

Finally, Iowa is nationally recognized as having a clean and honest electoral system. The current laws, by any measure, are extremely fair and equitable. Dramatic change in campaign finance laws is simply not needed. For these reasons, we voted no on extending the life of the commission.

Materials on File with the Legislative Service Bureau

1. Resource Materials on Campaign Finance, compiled by Jan Johnson, Legislative Service Bureau.
2. Minutes of Meetings held November 10 & 16, and December 9, 1999.
3. Relevant sections of Senate File 470, submitted by Jan Johnson, Legislative Service Bureau.
4. Agenda recommendations, submitted by Jim Hennager.
5. Proposed rules of procedure that were adopted by the Commission.
6. "Issues for Public Hearings: Campaign Finance Reform," prepared by Jim Hennager.
7. Outline of Campaign Finance Regulation in Iowa, prepared by Joan Lucas.
8. Commission Press Release regarding December 2, 1999, Public Hearing.
9. Commission Outline regarding Campaign Finance Regulation in Iowa.
10. Videotape of December 2, 1999, Public Hearing.
11. Submissions of Written Testimony
 - a. Lyle D. Spencer, Goldfield, Iowa
 - b. Mary Virginia Trommett, Treasurer, DeWitt Republican Club, DeWitt, Iowa
 - c. Matthew P. Eide, Vice President, Iowa Association of Business and Industry
 - d. Mary Schultz, Hamilton County Auditor
 - e. Donald Butler, Pella, Iowa
 - f. Mary Gaskill, Wapello County Auditor
 - g. Jane Teaford, League of Women Voters of Black Hawk/Bremer Counties
 - h. Jan Cordeman, President, AFSCME
 - i. Rick Kozin, Executive Director, Iowa Citizen Action Network
 - j. Martha G. Issacson, President, League of Women Voters of Ames
 - k. Katy Gammack, Vice Chair, MAP Iowa
 - l. Janice K. Laue, Executive Vice President, Iowa Federation of Labor, AFL-CIO
 - m. Jeri Prescott, Issues Development Director, American Association of University Women
 - n. Margery Graves, Newton, Iowa
12. "List of Issues and Possible Recommendations", submitted by Jim Hennager.
13. "Campaign Finance Legislative Commission meeting: December 9, 1999 Meeting Agenda", submitted by Jim Hennager.
14. Proposed recommendation, Affirmative Annual Checkoff on Political Activity, submitted by Dee Stewart.
15. Proposed recommendation, Out-of-state Contribution Limitation, submitted by Gina Noll.
16. Eight proposed recommendations, submitted by Joan Lucas.

17. Memo to Public Campaign from the Mellman Group, Inc. regarding "Poll Results Among Iowa Caucus Attendees", submitted by Joan Lucas.
18. "Digital Sunlight Survey Finds Nation is Moving Toward Internet Disclosure of Money in Politics", submitted by Joan Lucas.
19. "Nationwide Survey on Internet Disclosure Money in Politics to Debut Tuesday, December 7", submitted by Joan Lucas.
20. "Welcome to the 1999 Digital Sunlight Awards and Progress Report Web Site!", submitted by Joan Lucas.
21. Media release from Money and Politics Iowa, submitted by Joan Lucas.
22. "Minnesota's Campaign Finance Law", as presented at the December 1999 Council on Governmental Ethics Laws (COGEL) conference, submitted by Jan Johnson, Legislative Service Bureau.
23. "Massachusetts Clean Elections Law", as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
24. "How Minnesota's Campaign Finance Law Helped Elect a Third-Party Governor", as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
25. "Total Tax Returns Compared to Returns With Checkoff", relating to Minnesota's Campaign Finance System, as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
26. "Chapter 14: The Maine Clean Election Act", as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
27. "The Clean Elections Law", as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
28. "Independent Expenditures and Third Party Advocacy: COGEL Concurrent Session", as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
29. "The State of the States in 1999: Financing Political Campaigns", as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
30. "Campaign Money on the Information Highway: Electronic Filing and Disclosure of Campaign Finance Reports", as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
31. "1999 Campaign Finance Update: Legislation and litigation in the 50 States, the District of Columbia, and the Federal Government", as presented at the December 1999 COGEL conference, submitted by Jan Johnson, Legislative Service Bureau.
32. E-mail to Jan Johnson, "FW: Media Release - Internet Commission", submitted by Jan Johnson, Legislative Service Bureau.
33. Fax to Jan Johnson, Legislative Service Bureau, from Craig Holman, Center for Governmental Studies, regarding survey responses on the cost of implementing electronic filing in various states.