



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

April 17, 2003

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

House File 601, an Act relating to campaign finance, including political party committees, campaign disclosure reports, independent expenditures, and income tax checkoff provisions.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Vilsack".

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 601

AN ACT

RELATING TO CAMPAIGN FINANCE, INCLUDING POLITICAL PARTY COMMITTEES, CAMPAIGN DISCLOSURE REPORTS, INDEPENDENT EXPENDITURES, AND INCOME TAX CHECKOFF PROVISIONS.

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

Section 1. Section 56.3, subsection 1, Code 2003, is amended to read as follows:

1. a. Every candidate's committee shall appoint a treasurer who shall be an Iowa resident who has reached the age of majority. Every political committee, state statutory political committee, and county statutory political committee shall appoint both a treasurer and a chairperson, each of whom shall have reached the age of majority.

b. Every candidate's committee shall maintain all of the committee's funds in bank accounts in a financial institution located in Iowa. Every political committee, state statutory political committee, and county statutory political committee shall either have an Iowa resident as treasurer or maintain all of the committee's funds in bank accounts in a financial institution located in Iowa.

c. An expenditure shall not be made by the treasurer or treasurer's designee for or on behalf of a committee without the approval of the chairperson of the committee, or the candidate. Expenditures shall be remitted to the designated recipient within fifteen days of the date of the issuance of the payment.

Sec. 2. Section 56.5, subsection 2, paragraph d, Code 2003, is amended by striking the subsection.

Sec. 3. Section 56.6, subsections 2 and 5, Code 2003, are amended to read as follows:

2. If any committee, after having filed a statement of organization or one or more disclosure reports, dissolves or determines that it shall no longer receive contributions or make disbursements, ~~the-treasurer-of~~ the committee shall notify the board within thirty days following such dissolution by filing a dissolution report on forms prescribed by the board. Moneys refunded in accordance with ~~a-dissolution statement~~ sections 56.41 and 56.42 shall be considered a disbursement or expense but the names of persons receiving refunds need not be released or reported unless the contributors' names were required to be reported when the contribution was received.

5. a. A committee shall not dissolve until all loans, debts and obligations are paid, forgiven, or transferred and the remaining money in the account is distributed according to ~~the-organization-statement~~ sections 56.41 and 56.42. If a loan is transferred or forgiven, the amount of the transferred or forgiven loan must be reported as an in-kind contribution and deducted from the loans payable balance on the disclosure form. If, upon review of a committee's statement of dissolution and final report, the board determines that the requirements for dissolution have been satisfied, the dissolution shall be certified and the committee relieved of further filing requirements.

b. A statutory political committee is prohibited from dissolving, but may be placed in an inactive status upon the approval of the board. Inactive status may be requested for a statutory political committee when no officers exist and the statutory political committee has ceased to function. The request shall be made by the previous treasurer or chairperson of the committee and by the appropriate state statutory political committee. A statutory political committee granted inactive status shall not solicit or expend funds in its name until the committee reorganizes and fulfills the requirements of a political committee under this chapter.

Sec. 4. Section 56.13, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

56.13 INDEPENDENT EXPENDITURES.

1. As used in this section, "independent expenditure" means an expenditure for a communication that expressly

advocates the election or defeat of a clearly identified candidate or the passage or defeat of a ballot issue that is made without the prior approval or coordination with a candidate, candidate's committee, or a ballot issue committee.

2. An individual who meets all of the following criteria shall file an independent expenditure statement:

a. The individual is not a candidate.

b. The individual is acting independently and not in coordination with another individual, organization, or committee.

c. The individual makes one or more independent expenditures in excess of seven hundred fifty dollars in the aggregate to advocate the election or defeat of one or more candidates or the passage or defeat of one or more ballot issues.

3. a. Any combination of two or more individuals, or a person other than an individual, that makes one or more independent expenditures in excess of seven hundred fifty dollars in the aggregate to advocate the election or defeat of one or more candidates or the passage or defeat of one or more ballot issues shall file an independent expenditure statement.

b. Sections 56.5, 56.5A, 56.6, and 56.7 shall not apply to persons meeting the requirements of paragraph "a".

c. This subsection shall not apply to a candidate, candidate's committee, state statutory political committee, county statutory political committee, or a political committee.

4. a. An independent expenditure statement shall be filed within forty-eight hours of the making of an independent expenditure in excess of seven hundred fifty dollars in the aggregate.

b. An independent expenditure statement shall be filed with the board and the board shall immediately make the independent expenditure statement available for public viewing.

c. For purposes of this section, an independent expenditure is made at the time that the cost is incurred.

5. The independent expenditure statement shall contain all of the following information:

a. Identification of the individuals or persons filing the statement.

b. Description of the position advocated by the individuals or persons with regard to the clearly identified candidate or ballot issue.

c. Identification of the candidate or ballot issue benefited by the independent expenditure.

d. The dates on which the expenditure or expenditures took place or will take place.

e. Description of the nature of the action taken that resulted in the expenditure or expenditures.

f. The fair market value of the expenditure or expenditures.

6. Any person making an independent expenditure shall comply with the attribution requirements of section 56.14.

7. a. The board shall develop, prescribe, furnish, and distribute forms for the independent expenditure statements required by this section.

b. The board shall adopt rules pursuant to chapter 17A for the implementation of this section.

Sec. 5. Section 56.20, Code 2003, is amended to read as follows:

56.20 RULES PROMULGATED.

~~The director of revenue and finance, in co-operation with the director of the department of management and the~~ ethics and campaign disclosure board, shall administer the provisions of sections 56.18 to 56.26 and they shall promulgate all necessary rules in accordance with chapter 17A.

Sec. 6. Section 56.22, subsection 2, Code 2003, is amended to read as follows:

2. Funds distributed to statutory political committees pursuant to this chapter shall not be used to expressly advocate the nomination, election, or defeat of any candidate during the primary election. Nothing in this subsection shall be construed to prohibit a statutory political committee from using such funds to pay expenses incurred in arranging and holding a nominating convention.

Sec. 7. Section 56.23, Code 2003, is amended to read as follows:

56.23 FUNDS -- CAMPAIGN EXPENSES ONLY.

1. The chairperson of the state statutory political committee shall produce evidence to ~~the director of revenue and finance and~~ the ethics and campaign disclosure board not later than the twenty-fifth day of January each year, that all income tax checkoff funds expended for campaign expenses have been utilized exclusively for campaign expenses.

2. The ethics and campaign disclosure board shall issue, prior to the payment of any money, guidelines ~~which~~ that explain which expenses and evidence thereof qualify as acceptable campaign expenses.

3. Should the ethics and campaign disclosure board ~~and the director of revenue and finance~~ determine that any part of the funds have been used for noncampaign or improper expenses, ~~they~~ the board may order the political party or the candidate to return all or any part of the total funds paid to that political party for that election. When such funds are returned, they shall be deposited in the general fund of the state.

Sec. 8. Section 56.43, subsection 1, Code 2003, is amended to read as follows:


1. a. Equipment, supplies, or other materials purchased with campaign funds or received in-kind are campaign property.

b. Campaign property belongs to the candidate's committee and not to the candidate.

c. Campaign property ~~which~~ that has a value of five hundred dollars or more at the time it is acquired by the committee shall be separately disclosed as committee inventory on reports filed pursuant to section 56.6, including a declaration of the approximate current value of the property. ~~Such~~ The campaign property shall continue to be reported as committee inventory until it is disposed of by the committee or until the property has been reported once as having a residual value of less than one hundred dollars. ~~However,~~ consumable

d. Consumable campaign property is not required to be reported as committee inventory, regardless of the initial value of the consumable campaign property. "Consumable campaign property", for purposes of this section, means stationery, yard signs, and other campaign materials ~~which~~ that have been permanently imprinted to be specific to a candidate or election.

Sec. 9. CODE EDITOR DIRECTIVE. The Code editor shall move and renumber chapter 56 as chapter 68A, and shall change all references to chapter 56 appropriately throughout the Code.



CHRISTOPHER C. RANTS

Speaker of the House



MARY E. KRAMER

President of the Senate

I hereby certify that this bill originated in the House and is known as House File 601, Eightieth General Assembly.



MARGARET THOMSON

Chief Clerk of the House

Approved April 17, 2003



THOMAS J. VILSACK

Governor