

FILED MAY 27 1976

SENATE FILE 1346

BY COMMITTEE ON APPROPRIATIONS

Passed Senate, Date 5-29-76 (p. 3392) Passed House, Date 5-29-76 (p. 3392)

Vote: Ayes 41 Nays 2 Vote: Ayes 72 Nays 4

Approved June 29, 1976 Item Voted

A BILL FOR

1 An Act to revise the campaign disclosure-income tax checkoff
 2 Act by clarifying the powers, duties and procedures of the
 3 campaign finance disclosure commission, repealing certain
 4 provisions of the Act in accordance with a recent decision
 5 of the United States supreme court, clarifying the restric-
 6 tions upon and the uses which may be made of certain con-
 7 tributions by corporations and other entities, and to
 8 appropriate funds to the office of the campaign finance
 9 disclosure commission.

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

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S-5979

- 1 Amend Senate File 1346 as follows:
- 2 1. Page 1, line 22, by inserting after the word
 3 "upon" the words "except that statements and reports
 4 on a statewide ballot issue shall be filed with the
 5 commission".
- 6 2. Page 9, line 13, by inserting after the word
 7 "officers" the word ", members".
- 8 3. Page 9, line 35, by striking the word and
 9 figure "seven (7)" and inserting in lieu thereof the
 10 word and figure "five (5)".

S-5979 FILED *Referred out of order*
 MAY 28, 1976 *with adoption* BY EARL M. WILLITS
of 6008 5/29

1 Section 1. Acts of the Sixty-sixth General Assembly, 1975
2 Session, chapter fifty-seven (57), section six (6), third
3 new subsection, amending section fifty-six point two (56.2),
4 Code 1975, is amended to read as follows:

5 NEW SUBSECTION. "Disclosure report" means a statement
6 of contributions received, expenditures made, and indebted-
7 ness incurred on forms prescribed by rules promulgated by
8 the commission and approved by the administrative rules review
9 committee in accordance with chapter seventeen A (17A) of
10 the Code.

11 Sec. 2. Section fifty-six point four (56.4), unnumbered
12 paragraph one (1), Code 1975, as amended by Acts of the Sixty-
13 sixth General Assembly, 1975 Session, chapter fifty-seven
14 (57), section seven (7), is amended to read as follows:

15 All statements and reports required to be filed under this
16 chapter for a state office shall be filed with the commission.
17 All statements and reports required to be filed under this
18 chapter for a county, city or school office shall be filed
19 with the commissioner. Statements and reports on a ballot
20 issue shall be filed with the commissioner responsible under
21 section forty-seven point two (47.2) of the Code for conducting
22 the election at which the issue is voted upon. State statutory
23 political committees shall file all statements and reports
24 with the commission. All other statutory political committees
25 shall file the statements and reports with the commissioner
26 with a copy sent to the commission.

27 Sec. 3. Section fifty-six point five (56.5), subsection
28 two (2), Code 1975, as amended by Acts of the Sixty-sixth
29 General Assembly, 1975 Session, chapter fifty-seven (57),
30 section eight (8), is amended by striking paragraph c and
31 redesignating the succeeding paragraphs accordingly.

32 Sec. 4. Section fifty-six point six (56.6), subsection
33 one (1), Code 1975, as amended by Acts of the Sixty-sixth
34 General Assembly, 1975 Session, chapter fifty-seven (57),
35 section ten (10), is amended to read as follows:

1 1. Each treasurer of a committee shall file with the
2 commission or commissioner disclosure reports of contribu-
3 tions received and disbursed on forms prescribed by rules
4 as provided by chapter seventeen A (17A) of the Code. The
5 reports from all committees, except those committees for
6 municipal and school elective offices, shall be filed on the
7 twenty-fifth day or mailed by certified mail by the twenty-
8 fourth day of January, May, July, and October of each year.
9 The January report shall be current to the end of the month
10 preceding the filing. The May, July, and October reports
11 shall be current as of five days prior to the filing deadline.
12 The January report shall be the annual report. Committees
13 for municipal and school elective offices and ballot issues
14 shall file reports five days prior to any election in which
15 the name of the candidate or the ballot issue which they
16 support or oppose appears on the printed ballot and thirty
17 days following the final election in a calendar year in which
18 the candidate's name or the ballot issue appears on the ballot.
19 A committee supporting or opposing a candidate for a municipal
20 or school elective office or a ballot issue shall continue
21 to file a disclosure statement every thirty days until it
22 dissolves. These reports shall be current to five days prior
23 to the filing deadline. A state statutory political committee
24 and congressional district committees as authorized by the
25 constitution of the state statutory political committee shall
26 not be subject to the provisions of this subsection if the
27 state statutory political committee files copies of campaign
28 disclosure reports as required by federal law with the
29 commission at such times as the reports are required to be
30 filed under federal law, provided that the federal reports
31 contain all information required by this chapter.

32 Sec. 5. Section fifty-six point six (56.6), subsection
33 three (3), Code 1975, as amended by Acts of the Sixty-sixth
34 General Assembly, 1975 Session, chapter fifty-seven (57),
35 section ten (10), is amended by striking paragraph e and

1 redesignating the succeeding paragraphs accordingly.

2 Sec. 6. Section fifty-six point six (56.6), subsection
3 three (3), paragraphs f, h and i, Code 1975, as amended by
4 Acts of the Sixty-sixth General Assembly, 1975 Session, chapter
5 fifty-seven (57), section ten (10), are amended to read as
6 follows:

7 f. Each loan to ~~or from~~ any person or committee within
8 the calendar year in an aggregate amount in excess of those
9 amounts enumerated in the schedule in paragraph "b" of this
10 subsection, ~~together with the name and mailing address of~~
11 ~~the lender and endorsers and the date and amount of such~~
12 ~~loans. A state or county statutory political committee shall~~
13 ~~report the name and mailing address of each person who has~~
14 ~~made one or more loans in an aggregate amount in excess of~~
15 ~~one hundred dollars.~~ Loans shall be reported on the
16 contributions section of the disclosure statement.

17 h. The name and mailing address of each person to whom
18 disbursements or loan repayments have been made by the
19 committee from contributions during the reporting period and
20 the amount and date of each disbursement except that
21 disbursements of less than five dollars may be shown as
22 miscellaneous disbursements so long as the aggregate
23 miscellaneous disbursements to any one person during a calendar
24 year do not exceed one hundred dollars.

25 i. The amount and nature of debts and obligations owed,
26 in excess of those amounts stated in the schedule in paragraph
27 "b" of this section, which have been owed by or to the
28 committee for a period of time greater than thirty days.
29 Loans made to a committee and reported under paragraph b of
30 this subsection shall not be considered a debt or obligation
31 under this paragraph. A loan made by a committee to any
32 person shall be considered a disbursement.

33 Sec. 7. Section fifty-six point ten (56.10), Code 1975,
34 as amended by Acts of the Sixty-sixth General Assembly, 1975
35 Session, chapter fifty-seven (57), section fourteen (14),

1 is amended by striking subsection one (1) and inserting in
2 lieu thereof the following:

3 1. Review the contents of all disclosure reports and other
4 statements filed with the commission and promptly advise each
5 committee of errors found. The commission may, upon its own
6 motion, initiate action and conduct a hearing under section
7 fifty-six point eleven (56.11), subsections one (1) and two
8 (2) of the Code. The commission may require the county
9 commissioner to file summary reports with it periodically.

10 Sec. 8. Section fifty-six point eleven (56.11), Code
11 1975, is amended by striking subsection one (1) and inserting
12 in lieu thereof the following:

13 1. Any eligible elector may file a complaint of an alleged
14 violation with the commission. The complaint shall be veri-
15 fied and supported by affidavit detailing the circumstances
16 of the violation alleged. The commission may initiate ac-
17 tion on its own motion by filing a complaint accompanied by
18 such an affidavit. Within twenty-four hours after receipt
19 of a complaint or initiation of its own complaint, the com-
20 mission shall notify the person, candidate or committee against
21 whom the complaint is made of receipt or initiation of the
22 complaint, and until it has done so it shall make no investi-
23 gation of any kind into the campaign affairs of the person,
24 candidate or committee. Unless the commission concludes that
25 there is no reasonable basis for a complaint which has been
26 filed, it shall set a date for a hearing on the complaint
27 which shall be not more than fifteen days after the date the
28 complaint is received or initiated by the commission. The
29 commission shall serve the person, candidate or committee
30 against whom the complaint is made a copy of the complaint
31 and supporting affidavit and notice of the hearing in the
32 manner provided by the Rules of Civil Procedure. Copies of
33 the complaint, affidavit and notice shall also be sent to
34 each of the other candidates, if any, for the office affected.
35 If a complaint is filed or initiated less than fifteen days

1 before the election at which the office affected is to be
2 filled, the commission shall set the hearing at the earliest
3 possible date so as to allow the issue to be resolved prior
4 to the election. An extension of time for the hearing may
5 be granted when both parties mutually agree on an alternate
6 date for the hearing.

7 Sec. 9. Section fifty-six point eleven (56.11), subsec-
8 tions two (2) and three (3), Code 1975, are amended to read
9 as follows:

10 2. The commission shall investigate the complaint and
11 conduct the hearing. Upon request of the commission, the
12 county attorney or the attorney general shall assist the
13 commission in any investigation and report to it as directed.
14 The commission shall have the power to subpoena and review
15 all records of a candidate or ~~political~~ committee required
16 to be kept under this chapter. Due process, including the
17 right to be represented by counsel, shall be accorded the
18 accused. The commission shall provide for the confidentiality
19 of the records of a candidate or ~~political~~ committee during
20 the investigation and hearing process and shall provide for
21 confidential hearings only if requested by either party to
22 the complaint, except that if the commission itself is a
23 complainant it may not request a confidential hearing. After
24 the hearing the commission shall determine whether or not
25 there ~~is-a~~ are reasonable ~~belief~~ grounds to believe that a
26 violation of the provisions of this chapter did occur. The
27 commission shall send a copy of its findings of fact and
28 decision to the person, candidate or ~~political~~ committee
29 against which the complaint was filed and to each candidate
30 for the public office affected. The ~~campaign-finance~~
31 ~~disclosure~~ commission may assess the cost of such hearings
32 against either party involved in the hearing.

33 3. If the commission finds reasonable grounds to believe
34 that the person, candidate, or ~~political~~ committee has en-
35 gaged in any an act or practice which constitutes a violation

1 of this chapter, the commission shall report ~~such-a~~ the
2 suspected violation of law to the United States attorney,
3 the attorney general, or the county attorney, as the case
4 may be, with a recommendation of appropriate action to be
5 taken.

6 Sec. 10. Section fifty-six point seventeen (56.17), Code
7 1975, is amended to read as follows:

8 56.17 APPLICABILITY TO FEDERAL CANDIDATES.

9 1. This The requirements of this chapter relative to
10 disclosure of contributions shall apply to candidates and
11 political committees for federal office only in the event
12 such candidates are not subject to a federal law requiring
13 the disclosure of campaign financing. Any such federal law
14 shall supersede the provisions of this chapter.

15 2. The provisions of this chapter under which money from
16 the Iowa election campaign fund may be made available to or
17 used for the benefit of candidates and candidates' commit-
18 tees shall apply to candidates for federal office and their
19 candidates' committees only if funds to pay a portion of their
20 campaign expenses are not available to such candidates or
21 their committees from the federal government.

22 Sec. 11. Section fifty-six point nineteen (56.19), Code
23 1975, is amended to read as follows:

24 56.19 FUND CREATED. The "Iowa election campaign fund"
25 is created within the office of the treasurer of state. The
26 fund shall consist of funds paid by persons having an Iowa
27 income tax liability as provided in section 56.18. The
28 director of revenue shall remit funds collected as provided
29 in section 56.18 to the treasurer of state who shall deposit
30 such funds in the appropriate account within the Iowa election
31 campaign fund. Any interest income received by the treasurer
32 of state from investment of moneys deposited in the fund shall
33 be deposited in the Iowa election campaign fund. Such funds
34 shall be subject to payment to the ~~chairman~~ chairperson of
35 the specified political party by the state comptroller in

1 the manner provided ~~in this chapter~~ by section fifty-six point
2 twenty-two (56.22) of the Code.

3 Sec. 12. Section fifty-six point twenty-one (56.21), Code
4 1975, is amended to read as follows:

5 56.21 FUNDS--APPLICATION TO COMPTROLLER. Any candidate
6 for a partisan public office, except ~~president or vice~~
7 ~~president of the United States~~ as otherwise provided by section
8 fifty-six point seventeen (56.17), subsection two (2) of the
9 Code, may receive campaign funds ~~through the state statutory~~
10 ~~political committee under this chapter~~ from the Iowa election
11 campaign fund through the state central committee of the
12 candidate's political party. However, the ~~chairman of the~~
13 ~~state statutory political~~ central committee shall ~~apply to~~
14 ~~the state comptroller for these funds not later than sixty-~~
15 ~~five days before a general election~~ of each political party
16 shall have discretion which of the party's candidates for
17 public office shall be allocated campaign funds out of money
18 received by that party from the Iowa election campaign fund.

19 ~~The state comptroller shall remit by check drawn upon the~~
20 ~~Iowa election campaign fund all funds in the party's account~~
21 ~~to the chairman upon certification by the state commissioner~~
22 ~~that the party has qualified to have candidate names placed~~
23 ~~on the official general election ballot.~~

24 Sec. 13. Section fifty-six point twenty-two (56.22), Code
25 1975, is amended by striking the section and inserting in
26 lieu thereof the following:

27 56.22 DISTRIBUTION OF CAMPAIGN FUND--RESTRICTIONS ON USE.

28 1. The money accumulated in the Iowa election campaign
29 fund to the account of each political party in the state shall
30 be remitted to the party on the first business day of each
31 month by warrant of the state comptroller drawn upon the fund
32 in favor of the state chairperson of that party. The money
33 received by each political party under this section shall
34 be used as directed by the party's state statutory political
35 committee.

1 2. Funds distributed to statutory political committees
2 pursuant to this chapter shall not be used to support or
3 oppose the nomination of any candidate. Nothing in this
4 subsection shall be construed to prohibit a statutory political
5 committee from using such funds to pay expenses incurred in
6 arranging and holding a nominating convention.

7 Sec. 14. Acts of the Sixty-sixth General Assembly, 1975
8 Session, chapter fifty-seven (57), section sixteen (16), third
9 new section, amending chapter fifty-six (56), Code 1975, is
10 amended to read as follows:

11 NEW SECTION. 1. Except as provided in subsection
12 three (3) of this section, it shall be unlawful for any
13 insurance company, savings and loan association, bank, and
14 corporation organized pursuant to the laws of this state or
15 any other state, territory, or foreign country, whether for
16 profit or not, or any officer, agent, representative thereof
17 acting for such insurance company, savings and loan
18 association, bank, or corporation, to contribute any money,
19 property, labor, or thing of value, directly or indirectly,
20 to any committee, or for the purpose of influencing the vote
21 of any elector, except that such funds may be so expended
22 in connection with a utility franchise election held pursuant
23 to section three hundred sixty-four point two (364.2),
24 subsection four (4) of the Code.

25 2. Except as provided in subsection three (3) of this
26 section, it shall be unlawful for any member of any committee,
27 or employee or representative thereof, or candidate for any
28 office or the representative of such candidate, to solicit,
29 request, or knowingly receive from any insurance company,
30 savings and loan association, bank, and corporation organized
31 pursuant to the laws of this state or any other state,
32 territory, or foreign country, whether for profit or not,
33 or any officer, agent, or representative thereof, any money,
34 property, or thing of value belonging to such insurance
35 company, savings and loan association, bank, or corporation

1 for campaign expenses, or for the purpose of influencing the
2 vote of any elector. Nothing in this section shall be
3 construed to restrain or abridge the freedom of the press
4 or prohibit the consideration and discussion therein of
5 candidacies, nominations, public officers, or public questions.

6 3. It shall be lawful for any insurance company, savings
7 and loan association, bank, and corporation organized pursuant
8 to the laws of this state or any other state, territory, or
9 foreign country, whether or not for profit, and for the
10 officers, agents and representatives thereof, to use the
11 money, property, labor, or any other thing of value of any
12 such entity for the purposes of soliciting its stockholders,
13 officers and employees for contributions to a committee
14 sponsored by that entity and of financing the administration
15 of a committee sponsored by that entity. A committee member,
16 committee employee, committee representative, candidate or
17 representative referred to in subsection two (2) of this
18 section lawfully may solicit, request, and receive money,
19 property and other things of value from a committee spon-
20 sored by an insurance company, savings and loan association,
21 bank, or corporation as permitted by this subsection.

22 4. The restrictions imposed by this section relative
23 to making, soliciting or receiving contributions shall not
24 apply to a person who uses those contributions to encourage
25 registration of voters and participation in the political
26 process, or to publicize public issues, or both, but does
27 not use any part of those contributions to endorse, oppose,
28 or evaluate favorably or unfavorably any candidate for public
29 office or any public measure.

30 5. Any person convicted of a violation of any of the
31 provisions of this section shall be subject to imprisonment
32 in the county jail for not more than one year and by a fine
33 not to exceed one thousand dollars.

34 Sec. 15. The provisions of sections one (1), three (3)
35 and seven (7) through thirteen (13) of this Act shall take

1 effect January 1, 1977.

2 Sec. 16. Sections fifty-six point fourteen (56.14) and
3 fifty-six point fifteen (56.15), Code 1975, are repealed.

4 Sec. 17. There is appropriated from the general fund of
5 the state to the campaign finance disclosure commission for
6 the fiscal year beginning July 1, 1976 and ending June 30,
7 1977, for salaries, support, maintenance and miscellaneous
8 purposes, the sum of sixty-one thousand five hundred ninety-
9 two (61,592) dollars, or so much thereof as may be necessary.

10 EXPLANATION

11 This bill revises and seeks to clarify the procedures
12 presently set forth in Chapter 56 of the Code for filing
13 disclosure reports and for making and investigating complaints
14 of violations of the campaign disclosure-income tax checkoff
15 Act. The procedure for distributing money from the income
16 tax checkoff to political parties and the provisions governing
17 the use of these funds by state political party central
18 committees are also revised, and the state central committees
19 are given greater discretion in this area.

20 Most of the foregoing provisions are to take effect on
21 January 1, 1977. In addition, present Code sections 56.14
22 and 56.15 are repealed since they appear to be unconstitutional
23 in the light of the United States Supreme Court's decision
24 in Buckley v. Valeo. The repeals are effective July 1, 1976.

25 The bill appropriates \$61,592 to the campaign finance dis-
26 closure commission to fund the commission's current table
27 of organization through fiscal 1977.

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LSB 4285
pb/bg/14

H-6934

- 1 Amend Senate File 1346 as follows:
2 1. Page 8 by striking lines 31 through 35 and on
3 page 9 lines 1 through 34 and inserting in lieu there-
4 of the following:
5 "Sec. 14. Section fifty-six point twenty-one
6 (56.21), Code 1975, is amended by striking the section
7 and inserting in lieu thereof the following:
8 56.21 REMITTANCE OF CAMPAIGN FUNDS TO POLITICAL
9 PARTIES. The money accumulated in the Iowa election
10 campaign fund to the account of each political party
11 in the state shall be remitted to the party on the
12 first business day of each month by warrant of the
13 state comptroller drawn upon the fund in favor of the
14 chairperson of the party. The money received by each
15 political party under this section shall be used as
16 directed by the party's state statutory political
17 committee, within the requirements of section fifty-
18 six point twenty-two (56.22), of the Code.
19 Sec. 15. Section fifty-six point twenty-two (56.22),
20 Code 1975, is amended by striking the section and
21 inserting in lieu thereof the following:
22 56.22 DISTRIBUTION OF CAMPAIGN FUND—RESTRICTIONS
23 ON USE.
24 1. Each political party shall allocate at least
25 fifty percent of all funds received by the party from
26 the Iowa election campaign fund to individual candidates,
27 who may use the funds so received for campaign purposes
28 only. Not more than half of the total amount so
29 allocated may be distributed by the party to candi-
30 dates for offices filled by the voters of the entire
31 state. All moneys allocated for candidates for the
32 offices of state representative or state senator, or
33 for the office of representative in Congress if such
34 allocation is permitted by this Act, shall be distri-
35 buted on a strictly equal basis to all the party's
36 candidates for those offices.
37 2. Funds distributed to statutory political com-
38 mittees pursuant to this chapter shall not be used
39 to support or oppose the nomination of any candidate.
40 Nothing in this subsection shall be construed to
41 prohibit a statutory political committee from using
42 such funds to pay expenses incurred in arranging and
43 holding a nominating convention."

Tauke of Dubuque rose on a point of order that amendment H-6934 was not germane.

The Speaker ruled the point not well taken and amendment H-6934 germane.

Miller of Buchanan moved the adoption of amendment H-6934.

Amendment H-6934 lost. 5/29 (p. 3392)

S-6011

- 1 Amend the Willits amendment, S-6008, to
2 Senate File 1346 as follows:
3 1. Page 5, by striking lines 11 through 39.
4 2. Page 6, by striking lines 1 through 32.

S-6011 FILED & ADOPTED (2521) BY EARL M. WILLITS

S-6012

- Amend the Willits amendment, S-6008, to
Senate File 1346 as follows:
1. Page 3, line 17, by striking the words "or
to" and inserting in lieu thereof the words "er-te".
2. Page 8, line 31, by striking the word "funds"
and inserting in lieu thereof the words "resources".

S-6012 FILED & ADOPTED (2531)
MAY 29, 1976

BY EARL WILLITS
ELIZABETH SHAW

S-6008

1 Amend Senate File 1346 by striking everything after
2 the enacting clause and inserting in lieu thereof
3 the following:

4 "Section 1. Acts of the Sixty-sixth General
5 Assembly, 1975 Session, chapter fifty-seven (57),
6 section six (6), third new subsection, amending section
7 fifty-six point two (56.2), Code 1975, is amended
8 to read as follows:

9 NEW SUBSECTION. "Disclosure report" means a
10 statement of contributions received, expenditures
11 made, and indebtedness incurred on forms prescribed
12 by rules promulgated by the commission and approved
13 by the administrative rules review committee in
14 accordance with chapter seventeen A (17A) of the Code.

15 Sec. 2. Section fifty-six point four (56.4),
16 unnumbered paragraph one (1), Code 1975, as amended
17 by Acts of the Sixty-sixth General Assembly, 1975
18 Session, chapter fifty-seven (57), section seven (7),
19 is amended to read as follows:

20 All statements and reports required to be filed
21 under this chapter for a state office shall be filed
22 with the commission. All statements and reports
23 required to be filed under this chapter for a county,
24 city or school office shall be filed with the
25 commissioner. Statements and reports on a ballot
26 issue shall be filed with the commissioner responsible
27 under section forty-seven point two (47.2) of the
28 Code for conducting the election at which the issue
29 is voted upon, except that statements and reports
30 on a statewide ballot issue shall be filed with the
31 commission. State statutory political committees
32 shall file all statements and reports with the
33 commission. All other statutory political committees
34 shall file the statements and reports with the
35 commissioner with a copy sent to the commission.

36 Sec. 3. Section fifty-six point five (56.5),
37 subsection two (2), Code 1975, as amended by Acts
38 of the Sixty-sixth General Assembly, 1975 Session,
39 chapter fifty-seven (57), section eight (8), is amended
40 by striking paragraph c and redesignating the
41 succeeding paragraphs accordingly.

42 Sec. 4. Section fifty-six point six (56.6), subsec-
43 tion one (1), Code 1975, as amended by Acts of the
44 Sixty-sixth General Assembly, 1975 Session, chapter
45 fifty-seven (57), section ten (10), is amended to
46 read as follows:

47 1. Each treasurer of a committee shall file with
48 the commission or commissioner disclosure reports
49 of contributions received and disbursed on forms
50 prescribed by rules as provided by chapter seventeen

1 A (17A) of the Code. The reports from all committees,
 2 except those committees for municipal and school
 3 elective offices, shall be filed on the twenty-fifth
 4 day or mailed by certified mail by the twenty-fourth
 5 day of January, May, July, and October of each year.
 6 The January report shall be current to the end of
 7 the month preceding the filing. The May, July, and
 8 October reports shall be current as of five days prior
 9 to the filing deadline. The January report shall
 10 be the annual report. Committees for municipal and
 11 school elective offices and ballot issues shall file
 12 reports five days prior to any election in which the
 13 name of the candidate or the ballot issue which they
 14 support or oppose appears on the printed ballot and
 15 thirty days following the final election in a calendar
 16 year in which the candidate's name or the ballot issue
 17 appears on the ballot. A committee supporting or
 18 opposing a candidate for a municipal or school elective
 19 office or a ballot issue shall continue to file a
 20 disclosure statement every thirty days until it
 21 dissolves. These reports shall be current to five
 22 days prior to the filing deadline. A state statu-
 23 tory political committee and congressional district
 24 committees as authorized by the constitution of the
 25 state statutory political committee shall not be sub-
 26 ject to the provisions of this subsection if the state
 27 statutory political committee files copies of campaign
 28 disclosure reports as required by federal law with
 29 the commission at such times as the reports are
 30 required to be filed under federal law, provided that
 31 the federal reports contain all information required
 32 by this chapter.

33 Sec. 5. Section fifty-six point six (56.6),
 34 subsection three (3), Code 1975, as amended by Acts
 35 of the Sixty-sixth General Assembly, 1975 Session,
 36 chapter fifty-seven (57), section ten (10), is amended
 37 by striking paragraph e and redesignating the
 38 succeeding paragraphs accordingly.

39 Sec. 6. Section fifty-six point six (56.6),
 40 subsection three (3), paragraphs f, h and i, Code
 41 1975, as amended by Acts of the Sixty-sixth General
 42 Assembly, 1975 Session, chapter fifty-seven (57),
 43 section ten (10), are amended to read as follows:

44 f. Each loan to ~~or from~~ any person or committee
 45 within the calendar year in an aggregate amount in
 46 excess of those amounts enumerated in the schedule
 47 in paragraph "b" of this subsection, together with
 48 the name and mailing address of the lender and
 49 endorsers and the date and amount of such loans.

50 ~~A state or county statutory political committee shall~~

1 ~~report-the-name-and-mailing-address-of-each-person~~
2 ~~who-has-made-one-or-more-loans-in-an-aggregate-amount~~
3 ~~in-excess-of-one-hundred-dollars.~~ Loans shall be
4 reported on the contributions section of the disclosure
5 statement.

6 h. The name and mailing address of each person
7 to whom disbursements or loan repayments have been
8 made by the committee from contributions during the
9 reporting period and the amount and date of each
10 disbursement except that disbursements of less than
11 five dollars may be shown as miscellaneous
12 disbursements so long as the aggregate miscellaneous
13 disbursements to any one person during a calendar
14 year do not exceed one hundred dollars.

15 i. The amount and nature of debts and obligations
16 owed in excess of those amounts stated in the schedule
17 in paragraph "b" of this section by or to the
18 committee. Loans made to a committee and reported
19 under paragraph b of this subsection shall not be
20 considered a debt or obligation under this paragraph.
21 A loan made by a committee to any person shall be
22 considered a disbursement.

23 Sec. 7. Section fifty-six point ten (56.10), Code
24 1975, as amended by Acts of the Sixty-sixth General
25 Assembly, 1975 Session, chapter fifty-seven (57),
26 section fourteen (14), is amended by striking
27 subsection one (1) and inserting in lieu thereof the
28 following:

29 1. Review the contents of all disclosure reports
30 and other statements filed with the commission and
31 promptly advise each committee of errors found. The
32 commission may, upon its own motion, initiate action
33 and conduct a hearing under section fifty-six point
34 eleven (56.11), subsections one (1) and two (2) of
35 the Code. The commission may require the county
36 commissioner to file summary reports with it
37 periodically.

38 Sec. 8. Section fifty-six point eleven (56.11),
39 Code 1975, is amended by striking subsection one (1)
40 and inserting in lieu thereof the following:

41 1. Any eligible elector may file a complaint of
42 an alleged violation with the commission. The
43 complaint shall be verified and supported by affidavit
44 detailing the circumstances of the violation alleged.
45 The commission may initiate action on its own motion
46 by filing a complaint accompanied by such an affidavit.
47 Within twenty-four hours after receipt of a complaint
48 or initiation of its own complaint, the commission
49 shall notify the person, candidate or committee against
50 whom the complaint is made of receipt or initiation

1 of the complaint, and until it has done so it shall
2 make no investigation of any kind into the campaign
3 affairs of the person, candidate or committee. Unless
4 the commission concludes that there is no reasonable
5 basis for a complaint which has been filed, it shall
6 set a date for a hearing on the complaint which shall
7 be not more than fifteen days after the date the
8 complaint is received or initiated by the commission.
9 The commission shall serve the person, candidate or
10 committee against whom the complaint is made a copy
11 of the complaint and supporting affidavit and notice
12 of the hearing in the manner provided by the Rules
13 of Civil Procedure. Copies of the complaint, affidavit
14 and notice shall also be sent to each of the other
15 candidates, if any, for the office affected. If a
16 complaint is filed or initiated less than fifteen
17 days before the election at which the office affected
18 is to be filled, the commission shall set the hearing
19 at the earliest possible date so as to allow the issue
20 to be resolved prior to the election. An extension
21 of time for the hearing may be granted when both
22 parties mutually agree on an alternate date for the
23 hearing.

24 Sec. 9. Section fifty-six point eleven (56.11),
25 subsections two (2) and three (3), Code 1975, are
26 amended to read as follows:

27 2. The commission shall investigate the complaint
28 and conduct the hearing. Upon request of the
29 commission, the county attorney or the attorney general
30 shall assist the commission in any investigation and
31 report to it as directed. The commission shall have
32 the power to subpoena and review all records of a
33 candidate or ~~political~~ committee required to be kept
34 under this chapter. Due process, including the right
35 to be represented by counsel, shall be accorded the
36 accused. The commission shall provide for the
37 confidentiality of the records of a candidate or
38 ~~political~~ committee during the investigation and
39 hearing process and shall provide for confidential
40 hearings only if requested by either party to the
41 complaint, except that if the commission itself is
42 a complainant it may not request a confidential
43 hearing. After the hearing the commission shall
44 determine whether or not there ~~is-a~~ are reasonable
45 belief grounds to believe that a violation of the
46 provisions of this chapter did occur. The commission
47 shall send a copy of its findings of fact and decision
48 to the person, candidate or ~~political~~ committee against
49 which the complaint was filed and to each candidate
50 for the public office affected. The ~~campaign-finance~~

1 disclosure commission may assess the cost of such
2 hearings against either party involved in the hearing.

3 3. If the commission finds reasonable grounds
4 to believe that the person, candidate, or political
5 committee has engaged in any an act or practice which
6 constitutes a violation of this chapter, the commission
7 shall report such-a the suspected violation of law
8 to the United States attorney, the attorney general,
9 or the county attorney, as the case may be, with a
10 recommendation of appropriate action to be taken.

11 Sec. 10. Section fifty-six point eleven (56.11),
12 Code 1975, is amended by adding the following new
13 subsection:

14 NEW SUBSECTION. Any person against whom a fine
15 has been assessed by the commission pursuant to
16 subsection three (3) of this section may appeal the
17 fine.

18 a. An appeal from a fine assessed by the commission
19 pursuant to subsection three (3) of this section may
20 be taken by any party by filing a written notice of
21 appeal with the clerk of the district court within
22 ten days after the fine is assessed. The appealing
23 party shall pay to the clerk within that ten days
24 the usual district court docket fee to perfect the
25 appeal. No appeal shall be taken after ten days.

26 b. Execution of the assessment shall be stayed
27 upon the filing with the clerk of the district court
28 of an appeal bond with surety approved by the clerk,
29 in the sum specified in the assessment.

30 c. Within twenty days after an appeal is taken
31 under this subsection, unless extended by order of
32 a district judge or by stipulation of the parties,
33 any party may file with the clerk as part of the
34 record a transcript of the official report, if any,
35 or if the report was made electronically, a
36 transcription of the recording. If a transcription
37 of an electronic recording is filed, the report on
38 appeal shall contain the tape or other medium on which
39 the proceedings were preserved. A transcription of

1 an electronic recording shall be provided by any party
2 upon request and upon payment by the party of the
3 actual cost of transcription.

4 d. Procedure on an appeal taken under this
5 subsection shall be as follows:

6 (1) A district court judge shall promptly hear
7 the appeal upon the record filed without further
8 evidence. The judge shall decide the appeal without
9 regard to technicalities or defects which have not
10 prejudiced the substantial rights of the parties,
11 and may affirm, reverse or modify the judgment or
12 render judgment as the commission should have ren-
13 dered.

14 (2) Upon entry of judgment, the commission may
15 cause any recording tape or other devices contained
16 in the record to be erased for subsequent use.

17 Sec. 11. Section fifty-six point sixteen (56.16),
18 Code 1975, is amended by striking the section and
19 inserting in lieu thereof the following:

20 56.16 CIVIL, CRIMINAL PENALTIES. Except where
21 a different penalty is specifically provided by another
22 section of this chapter:

23 1. Any person who fails to comply with any
24 provision of this chapter shall be subject to a civil
25 penalty not to exceed five hundred dollars for each
26 violation, to be assessed and collected as provided
27 by section fifty-six point eleven (56.11) of the Code.

28 2. Any person who willfully violates any provisions
29 of this chapter shall upon conviction be subject to
30 a fine of not more than one thousand dollars or
31 imprisonment in the county jail for not more than
32 thirty days.

33 Sec. 12. Section fifty-six point seventeen (56.17),
34 Code 1975, is amended to read as follows:

35 56.17 APPLICABILITY TO FEDERAL CANDIDATES.

36 1. This The requirements of this chapter relative
37 to disclosure of contributions shall apply to
38 candidates and political committees for federal office
39 only in the event such candidates are not subject
40 to a federal law requiring the disclosure of cam-
41 campaign financing. Any such federal law shall supersede
42 the provisions of this chapter.

43 2. The provisions of this chapter under which
44 money from the Iowa election campaign fund may be
45 made available to or used for the benefit of candidates
46 and candidates' committees shall apply to candidates
47 for federal office and their candidates' committees
48 only if matching funds to pay a portion of their
49 campaign expenses are not available to such candidates
50 or their committees from the federal government.

1 Sec. 13. Section fifty-six point nineteen (56.19),
2 Code 1975, is amended to read as follows:
3 56.19 FUND CREATED. The "Iowa election campaign
4 fund" is created within the office of the treasurer
5 of state. The fund shall consist of funds paid by
6 persons having an Iowa income tax liability as provided
7 in section 56.18. The director of revenue shall remit
8 funds collected as provided in section 56.18 to the
9 treasurer of state who shall deposit such funds in
10 the appropriate account within the Iowa election
11 campaign fund. Any interest income received by the
12 treasurer of state from investment of moneys deposited
13 in the fund shall be deposited in the Iowa election
14 campaign fund. Such funds shall be subject to payment
15 to the ~~chairman~~ chairperson of the specified political
16 party by the state comptroller in the manner provided
17 ~~in this chapter~~ by section fifty-six point twenty-
18 two (56.22) of the Code.

19 Sec. 14. Section fifty-six point twenty-one
20 (56.21), Code 1975, is amended to read as follows:
21 56.21 FUNDS--APPLICATION TO COMPTROLLER. Any
22 candidate for a partisan public office, except
23 president-ex-vice-president-of-the-United-States as
24 otherwise provided by section fifty-six point seventeen
25 (56.17), subsection two (2) of the Code, may receive
26 campaign funds through-the-state-statutory-political
27 committee-under-this-chapter from the Iowa election
28 campaign fund through the state central committee
29 of the candidate's political party. However, the
30 chairman-of-the state statutory-political central
31 committee shall-apply-to-the-state-comptroller-for
32 these-funds-not-later-than-sixty-five-days-before
33 a-general-election of each political party shall have
34 discretion which of the party's candidates for public
35 office shall be allocated campaign funds out of money
36 received by that party from the Iowa election campaign
37 fund.

38 ~~The-state-comptroller-shall-remit-by-check-drawn~~
39 ~~upon-the-Iowa-election-campaign-fund-all-funds-in~~
40 ~~the-party's-account-to-the-chairman-upon-certification~~
41 ~~by-the-state-commissioner-that-the-party-has-qualified~~
42 ~~to-have-candidate-names-placed-on-the-official-general~~
43 ~~election-ballot.~~

44 Sec. 15. Section fifty-six point twenty-two
45 (56.22), Code 1975, is amended by striking the section
46 and inserting in lieu thereof the following:

47 56.22 DISTRIBUTION OF CAMPAIGN FUND--RESTRICTIONS
48 ON USE.

49 1. The money accumulated in the Iowa election
50 campaign fund to the account of each political party

1 in the state shall be remitted to the party on the
2 first business day of each month by warrant of the
3 state comptroller drawn upon the fund in favor of
4 the state chairperson of that party. The money
5 received by each political party under this section
6 shall be used as directed by the party's state
7 statutory political committee.

8 2. Funds distributed to statutory political
9 committees pursuant to this chapter shall not be used
10 to support or oppose the nomination of any candidate.
11 Nothing in this subsection shall be construed to
12 prohibit a statutory political committee from using
13 such funds to pay expenses incurred in arranging and
14 holding a nominating convention.

15 Sec. 16. Acts of the Sixty-sixth General Assembly,
16 1975 Session, chapter fifty-seven (57), section sixteen
17 (16), third new section, amending chapter fifty-six
18 (56), Code 1975, is amended to read as follows:

19 NEW SECTION. 1. ~~It~~ Except as provided in sub-
20 section three (3) of this section, it shall be unlaw-
21 ful for any insurance company, savings and loan
22 association, bank, and corporation organized pursuant
23 to the laws of this state or any other state,
24 territory, or foreign country, whether for profit
25 or not, or any officer, agent, representative thereof
26 acting for such insurance company, savings and loan
27 association, bank, or corporation, to contribute any
28 money, property, labor, or thing of value, directly
29 or indirectly, to any committee, or for the purpose
30 of influencing the vote of any elector, except that
31 such funds may be so expended in connection with a
32 utility franchise election held pursuant to section
33 three hundred sixty-four point two (364.2), subsection
34 four (4) of the Code, however all such expenditures
35 shall be subject to the disclosure requirements of
36 this chapter.

37 2. ~~It~~ Except as provided in subsection three (3)
38 of this section, it shall be unlawful for any member
39 of any committee, or employee or representative
40 thereof, or candidate for any office or the
41 representative of such candidate, to solicit, request,
42 or knowingly receive from any insurance company, sav-
43 ings and loan association, bank, and corporation
44 organized pursuant to the laws of this state or any
45 other state, territory, or foreign country, whether
46 for profit or not, or any officer, agent, or
47 representative thereof, any money, property, or thing
48 of value belonging to such insurance company, savings
49 and loan association, bank, or corporation for campaign
50 expenses, or for the purpose of influencing the vote

1 of any elector. Nothing in this section shall be
2 construed to restrain or abridge the freedom of the
3 press or prohibit the consideration and discussion
4 therein of candidacies, nominations, public officers,
5 or public questions.

6 3. It shall be lawful for any insurance company,
7 savings and loan association, bank, and corporation
8 organized pursuant to the laws of this state or any
9 other state or territory, whether or not for profit,
10 and for the officers, agents and representatives
11 thereof, to use the money, property, labor, or any
12 other thing of value of any such entity for the
13 purposes of soliciting its stockholders, administrative
14 officers and members for contributions to a committee
15 sponsored by that entity and of financing the
16 administration of a committee sponsored by that entity.
17 The entity's employees to whom the foregoing authority
18 does not extend may voluntarily contribute to such
19 a committee but shall not be solicited for
20 contributions. All contributions made under authority
21 of this subsection shall be subject to the disclosure
22 requirements of this chapter. A committee member,
23 committee employee, committee representative, candidate
24 or representative referred to in subsection two (2)
25 of this section lawfully may solicit, request, and
26 receive money, property and other things of value
27 from a committee sponsored by an insurance company,
28 savings and loan association, bank, or corporation
29 as permitted by this subsection.

30 4. The restrictions imposed by this section rela-
31 tive to making, soliciting or receiving contributions
32 shall not apply to a nonprofit corporation or
33 organization which uses those contributions to
34 encourage registration of voters and participation
35 in the political process, or to publicize public
36 issues, or both, but does not use any part of those
37 contributions to endorse or oppose any candidate for
38 public office or support or oppose ballot issues.

39 5. For the purposes of this section, labor unions
40 or any group organized as a collective bargaining
41 unit shall not be deemed to be a corporation, however
42 contributions and expenditures made by a labor union
43 or a group organized as a collective bargaining unit
44 in support of or opposition to a candidate or ballot
45 issue shall be subject to the disclosure requirements
46 of this chapter.

47 6. Any person convicted of a violation of any
48 of the provisions of this section shall be subject
49 to imprisonment in the county jail for not more than
50 one year and by a fine not to exceed one thousand

1 dollars.
 2 Sec. 17. The provisions of sections three (3),
 3 five (5), six (6) and eight (8) through fifteen (15)
 4 of this Act shall take effect January 1, 1977.
 5 However, reports due to be submitted to the commission
 6 or the commissioner on or before January 25, 1977
 7 may be submitted on forms calling for the information
 8 required by law for the period ending December 31,
 9 1976.
 10 Sec. 18. Sections fifty-six point fourteen (56.14)
 11 and fifty-six point fifteen (56.15), Code 1975, are
 12 repealed.
 13 Sec. 19. There is appropriated from the general
 14 fund of the state to the campaign finance disclosure
 15 commission for the fiscal year beginning July 1, 1976
 16 and ending June 30, 1977, for salaries, support,
 17 maintenance and miscellaneous purposes, the sum of
 18 sixty-one thousand five hundred ninety-two (61,592)
 19 dollars, or so much thereof as may be necessary."

S-6008 FILED - *Adopted as amended*
 MAY 29, 1976 *By 6011 and 6012 5/29* BY EARL M. WILLITS

S-6009

1 Amend the Willits amendment, S-6008 to Senate
 2 File 1346 as follows:
 3 1. Page 8, line 22, by inserting after the
 4 word "bank," the words, "labor union, group organized
 5 as a collective bargaining unit,".
 6 2. Page 8, line 43, by inserting after the word
 7 "bank," the words, "labor union, group organized as a
 8 collective bargaining unit,".
 9 3. Page 9, line 7, by inserting after the word
 10 "bank," the words, "labor union, group organized as a
 11 collective bargaining unit,".
 12 4. Page 9, by striking lines 39 through 46.
 13 5. Page 9, line 47, by striking the word "6."
 14 and inserting in lieu thereof the word "5."

FILED AND WITHDRAWN (2520)
 MAY 29, 1976 By ELIZABETH SHAW

S-6010

1 Amend the Willits amendment S-6008, to Senate
 2 File 1346 as follows:
 3 1. Page 9, by striking lines 6 through 29.
 4 2. Page 9, by striking lines 39 through 46.

S-6010 FILED & WITHDRAWN (2521) BY MINNETTE DODERER
 MAY 29, 1976

SENATE FILE 1346

AN ACT

TO REVISE THE CAMPAIGN DISCLOSURE-INCOME TAX CHECKOFF ACT BY CLARIFYING THE POWERS, DUTIES AND PROCEDURES OF THE CAMPAIGN FINANCE DISCLOSURE COMMISSION, REPEALING CERTAIN PROVISIONS OF THE ACT IN ACCORDANCE WITH A RECENT DECISION OF THE UNITED STATES SUPREME COURT, CLARIFYING THE RESTRICTIONS UPON AND THE USES WHICH MAY BE MADE OF CERTAIN CONTRIBUTIONS BY CORPORATIONS AND OTHER ENTITIES, AND TO APPROPRIATE FUNDS TO THE OFFICE OF THE CAMPAIGN FINANCE DISCLOSURE COMMISSION.

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

Section 1. Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section six (6), third new subsection, amending section fifty-six point two (56.2), Code 1975, is amended to read as follows:

NEW SUBSECTION. "Disclosure report" means a statement of contributions received, expenditures made, and indebtedness incurred on forms prescribed by rules promulgated by the commission and approved by the administrative rules review committee in accordance with chapter seventeen A (17A) of the Code.

Sec. 2. Section fifty-six point four (56.4), unnumbered paragraph one (1), Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section seven (7), is amended to read as follows:

All statements and reports required to be filed under this chapter for a state office shall be filed with the commission. All statements and reports required to be filed under this chapter for a county, city or school office shall be filed with the commissioner. Statements and reports on a ballot issue shall be filed with the commissioner responsible under section forty-seven point two (47.2) of the Code for conducting the election at which the issue is voted upon, except that statements and reports on a statewide ballot issue shall be

filed with the commission. State statutory political committees shall file all statements and reports with the commission. All other statutory political committees shall file the statements and reports with the commissioner with a copy sent to the commission.

Sec. 3. Section fifty-six point five (56.5), subsection two (2), Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section eight (8), is amended by striking paragraph c and redesignating the succeeding paragraphs accordingly.

Sec. 4. Section fifty-six point six (56.6), subsection one (1), Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section ten (10), is amended to read as follows:

1. Each treasurer of a committee shall file with the commission or commissioner disclosure reports of contributions received and disbursed on forms prescribed by rules as provided by chapter seventeen A (17A) of the Code. The reports from all committees, except those committees for municipal and school elective offices, shall be filed on the twenty-fifth day or mailed by certified mail by the twenty-fourth day of January, May, July, and October of each year. The January report shall be current to the end of the month preceding the filing. The May, July, and October reports shall be current as of five days prior to the filing deadline. The January report shall be the annual report. Committees for municipal and school elective offices and ballot issues shall file reports five days prior to any election in which the name of the candidate or the ballot issue which they support or oppose appears on the printed ballot and thirty days following the final election in a calendar year in which the candidate's name or the ballot issue appears on the ballot. A committee supporting or opposing a candidate for a municipal or school elective office or a ballot issue shall continue to file a disclosure statement every thirty days until it dissolves. These reports shall be current to five days prior to the filing deadline. A state statutory political committee

and congressional district committees as authorized by the constitution of the state statutory political committee shall not be subject to the provisions of this subsection if the state statutory political committee files copies of campaign disclosure reports as required by federal law with the commission at such times as the reports are required to be filed under federal law, provided that the federal reports contain all information required by this chapter.

Sec. 5. Section fifty-six point six (56.6), subsection three (3), Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section ten (10), is amended by striking paragraph e and redesignating the succeeding paragraphs accordingly.

Sec. 6. Section fifty-six point six (56.6), subsection three (3), paragraphs f, h and i, Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section ten (10), are amended to read as follows:

f. Each loan to ~~or from~~ any person or committee within the calendar year in an aggregate amount in excess of those amounts enumerated in the schedule in paragraph "b" of this subsection, together with the name and mailing address of the lender and endorsers and the date and amount of such loans. ~~A state or county statutory political committee shall report the name and mailing address of each person who has made one or more loans in an aggregate amount in excess of one hundred dollars.~~ Loans shall be reported on the contributions section of the disclosure statement.

h. The name and mailing address of each person to whom disbursements or loan repayments have been made by the committee from contributions during the reporting period and the amount and date of each disbursement except that disbursements of less than five dollars may be shown as miscellaneous disbursements so long as the aggregate miscellaneous disbursements to any one person during a calendar year do not exceed one hundred dollars.

i. The amount and nature of debts and obligations owed

in excess of those amounts stated in the schedule in paragraph "b" of this section by ~~or to~~ the committee. Loans made to a committee and reported under paragraph b of this subsection shall not be considered a debt or obligation under this paragraph. A loan made by a committee to any person shall be considered a disbursement.

Sec. 7. Section fifty-six point ten (56.10), Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section fourteen (14), is amended by striking subsection one (1) and inserting in lieu thereof the following:

1. Review the contents of all disclosure reports and other statements filed with the commission and promptly advise each committee of errors found. The commission may, upon its own motion, initiate action and conduct a hearing under section fifty-six point eleven (56.11), subsections one (1) and two (2) of the Code. The commission may require the county commissioner to file summary reports with it periodically.

Sec. 8. Section fifty-six point eleven (56.11), Code 1975, is amended by striking subsection one (1) and inserting in lieu thereof the following:

1. Any eligible elector may file a complaint of an alleged violation with the commission. The complaint shall be verified and supported by affidavit detailing the circumstances of the violation alleged. The commission may initiate action on its own motion by filing a complaint accompanied by such an affidavit. Within twenty-four hours after receipt of a complaint or initiation of its own complaint, the commission shall notify the person, candidate or committee against whom the complaint is made of receipt or initiation of the complaint, and until it has done so it shall make no investigation of any kind into the campaign affairs of the person, candidate or committee. Unless the commission concludes that there is no reasonable basis for a complaint which has been filed, it shall set a date for a hearing on the complaint which shall be not more than fifteen days after the date the complaint is received or initiated by the

commission. The commission shall serve the person, candidate or committee against whom the complaint is made a copy of the complaint and supporting affidavit and notice of the hearing in the manner provided by the Rules of Civil Procedure. Copies of the complaint, affidavit and notice shall also be sent to each of the other candidates, if any, for the office affected. If a complaint is filed or initiated less than fifteen days before the election at which the office affected is to be filled, the commission shall set the hearing at the earliest possible date so as to allow the issue to be resolved prior to the election. An extension of time for the hearing may be granted when both parties mutually agree on an alternate date for the hearing.

Sec. 9. Section fifty-six point eleven (56.11), subsections two (2) and three (3), Code 1975, are amended to read as follows:

2. The commission shall investigate the complaint and conduct the hearing. Upon request of the commission, the county attorney or the attorney general shall assist the commission in any investigation and report to it as directed. The commission shall have the power to subpoena and review all records of a candidate or ~~political~~ committee required to be kept under this chapter. Due process, including the right to be represented by counsel, shall be accorded the accused. The commission shall provide for the confidentiality of the records of a candidate or ~~political~~ committee during the investigation and hearing process and shall provide for confidential hearings only if requested by either party to the complaint, except that if the commission itself is a complainant it may not request a confidential hearing. After the hearing the commission shall determine whether or not there ~~is-a~~ are reasonable ~~belief~~ belief grounds to believe that a violation of the provisions of this chapter did occur. The commission shall send a copy of its findings of fact and decision to the person, candidate or ~~political~~ committee against which the complaint was filed and to each candidate for the public office affected. The ~~campaign-finance~~

~~disclosure~~ commission may assess the cost of such hearings against either party involved in the hearing.

3. If the commission finds reasonable grounds to believe that the person, candidate, or ~~political~~ committee has engaged in any an act or practice which constitutes a violation of this chapter, the commission shall report ~~such-a~~ the suspected violation of law to the United States attorney, the attorney general, or the county attorney, as the case may be, with a recommendation of appropriate action to be taken.

Sec. 10. Section fifty-six point seventeen (56.17), Code 1975, is amended to read as follows:

56.17 APPLICABILITY TO FEDERAL CANDIDATES.

1. This The requirements of this chapter relative to disclosure of contributions shall apply to candidates and political committees for federal office only in the event such candidates are not subject to a federal law requiring the disclosure of campaign financing. Any such federal law shall supersede the provisions of this chapter.

2. The provisions of this chapter under which money from the Iowa election campaign fund may be made available to or used for the benefit of candidates and candidates' committees shall apply to candidates for federal office and their candidates' committees only if matching funds to pay a portion of their campaign expenses are not available to such candidates or their committees from the federal government.

Sec. 11. Section fifty-six point nineteen (56.19), Code 1975, is amended to read as follows:

56.19 FUND CREATED. The "Iowa election campaign fund" is created within the office of the treasurer of state. The fund shall consist of funds paid by persons having an Iowa income tax liability as provided in section 56.18. The director of revenue shall remit funds collected as provided in section 56.18 to the treasurer of state who shall deposit such funds in the appropriate account within the Iowa election campaign fund. Any interest income received by the treasurer of state from investment of moneys deposited in the fund shall be deposited in the Iowa election campaign fund. Such funds

shall be subject to payment to the chairman chairperson of the specified political party by the state comptroller in the manner provided in this chapter by section fifty-six point twenty-two (56.22) of the Code.

Sec. 12. Section fifty-six point twenty-one (56.21), Code 1975, is amended to read as follows:

56.21 FUNDS--APPLICATION TO COMPTROLLER. Any candidate for a partisan public office, except ~~president-or-vice president-of-the-United-States~~ as otherwise provided by section fifty-six point seventeen (56.17), subsection two (2) of the Code, may receive campaign funds ~~through-the-state-statutory political-committee-under-this-chapter~~ from the Iowa election campaign fund through the state central committee of the candidate's political party. However, the ~~chairman-of-the state statutory-political central~~ committee shall apply to ~~the-state-comptroller-for-these-funds-not-later-than-sixty-five-days-before-a-general-election~~ of each political party shall have discretion which of the party's candidates for public office shall be allocated campaign funds out of money received by that party from the Iowa election campaign fund.

~~The-state-comptroller-shall-remit-by-check-drawn-upon-the Iowa-election-campaign-fund-all-funds-in-the-party's-account to-the-chairman-upon-certification-by-the-state-commissioner that-the-party-has-qualified-to-have-candidate-names-placed on-the-official-general-election-ballot.~~

Sec. 13. Section fifty-six point twenty-two (56.22), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

56.22 DISTRIBUTION OF CAMPAIGN FUND--RESTRICTIONS ON USE.

1. The money accumulated in the Iowa election campaign fund to the account of each political party in the state shall be remitted to the party on the first business day of each month by warrant of the state comptroller drawn upon the fund in favor of the state chairperson of that party. The money received by each political party under this section shall be used as directed by the party's state statutory political committee.

2. Funds distributed to statutory political committees pursuant to this chapter shall not be used to support or oppose the nomination of any candidate. 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. 14. Acts of the Sixty-sixth General Assembly, 1975 Session, chapter fifty-seven (57), section sixteen (16), third new section, amending chapter fifty-six (56), Code 1975, is amended to read as follows:

NEW SECTION. 1. ~~It~~ Except as provided in subsection three (3) of this section, it shall be unlawful for any insurance company, savings and loan association, bank, and corporation organized pursuant to the laws of this state or any other state, territory, or foreign country, whether for profit or not, or any officer, agent, representative thereof acting for such insurance company, savings and loan association, bank, or corporation, to contribute any money, property, labor, or thing of value, directly or indirectly, to any committee, or for the purpose of influencing the vote of any elector, except that such resources may be so expended in connection with a utility franchise election held pursuant to section three hundred sixty-four point two (364.2), subsection four (4) of the Code, however all such expenditures shall be subject to the disclosure requirements of this chapter.

2. ~~It~~ Except as provided in subsection three (3) of this section, it shall be unlawful for any member of any committee, or employee or representative thereof, or candidate for any office or the representative of such candidate, to solicit, request, or knowingly receive from any insurance company, savings and loan association, bank, and corporation organized pursuant to the laws of this state or any other state, territory, or foreign country, whether for profit or not, or any officer, agent, or representative thereof, any money, property, or thing of value belonging to such insurance company, savings and loan association, bank, or corporation

for campaign expenses, or for the purpose of influencing the vote of any elector. Nothing in this section shall be construed to restrain or abridge the freedom of the press or prohibit the consideration and discussion therein of candidacies, nominations, public officers, or public questions.

3. It shall be lawful for any insurance company, savings and loan association, bank, and corporation organized pursuant to the laws of this state or any other state or territory, whether or not for profit, and for the officers, agents and representatives thereof, to use the money, property, labor, or any other thing of value of any such entity for the purposes of soliciting its stockholders, administrative officers and members for contributions to a committee sponsored by that entity and of financing the administration of a committee sponsored by that entity. The entity's employees to whom the foregoing authority does not extend may voluntarily contribute to such a committee but shall not be solicited for contributions. All contributions made under authority of this subsection shall be subject to the disclosure requirements of this chapter. A committee member, committee employee, committee representative, candidate or representative referred to in subsection two (2) of this section lawfully may solicit, request, and receive money, property and other things of value from a committee sponsored by an insurance company, savings and loan association, bank, or corporation as permitted by this subsection.

4. The restrictions imposed by this section relative to making, soliciting or receiving contributions shall not apply to a nonprofit corporation or organization which uses those contributions to encourage registration of voters and participation in the political process, or to publicize public issues, or both, but does not use any part of those contributions to endorse or oppose any candidate for public office or support or oppose ballot issues.

5. For the purposes of this section, labor unions or any group organized as a collective bargaining unit shall not be deemed to be a corporation, however contributions and

expenditures made by a labor union or a group organized as a collective bargaining unit in support of or opposition to a candidate or ballot issue shall be subject to the disclosure requirements of this chapter.

6. Any person convicted of a violation of any of the provisions of this section shall be subject to imprisonment in the county jail for not more than one year and by a fine not to exceed one thousand dollars.

Sec. 15. The provisions of sections three (3), five (5), six (6) and eight (8) through thirteen (13) of this Act shall take effect January 1, 1977. However, reports due to be submitted to the commission or the commissioner on or before January 25, 1977 may be submitted on forms calling for the information required by law for the period ending December 31, 1976.

Sec. 16. Sections fifty-six point fourteen (56.14) and fifty-six point fifteen (56.15), Code 1975, are repealed.

Sec. 17. There is appropriated from the general fund of the state to the campaign finance disclosure commission for the fiscal year beginning July 1, 1976 and ending June 30, 1977, for salaries, support, maintenance and miscellaneous purposes, the sum of sixty-one thousand five hundred ninety-two (61,592) dollars, or so much thereof as may be necessary.

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 1346, Sixty-sixth General Assembly.

Approved June 28, 1976

STEVEN C. CROSS
Secretary of the Senate

ROBERT D. RAY
Governor



Office of the Governor

STATE CAPITOL
DES MOINES, IOWA 50319

ROBERT D. RAY
GOVERNOR

June 28, 1976

The Honorable Melvin D. Synhorst
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit Senate File 1346, An Act to revise the campaign disclosure-income tax checkoff act by clarifying the powers, duties and procedures of the campaign finance disclosure commission, repealing certain provisions of the act in accordance with a recent decision of the united states supreme court, clarifying the restrictions upon and the uses which may be made of certain contributions by corporations and other entities, and to appropriate funds to the office of the campaign finance disclosure commission.

Senate File 1346 is approved June 28, 1976, with the following exception which I hereby disapprove.

I am unable to approve the item designated in the Act as Subsection 5 of Section 14 which reads as follows:

"5. For the purposes of this section, labor unions or any group organized as a collective bargaining unit shall not be deemed to be a corporation, however contributions and expenditures made by a labor union or a group organized as a collective bargaining unit in support of or opposition to a candidate or ballot issue shall be subject to the disclosure requirements of this chapter."

This item makes legal in Iowa any direct transfer of funds from labor union treasuries to candidates, candidates' committees, or any other political committees. For the first time Iowa law would specifically authorize labor unions to contribute directly their assets to state and local campaigns.

Business corporations in Iowa have long been prohibited from contributing "any money, property, labor, or thing of value, directly or indirectly" to political campaigns. On the other hand, Iowa law has been silent up to now on union contributions for political purposes.

The Honorable Melvin D. Synhorst
June 28, 1976
Page Two

Since 1925 federal law has prohibited contributions or expenditures by corporations and labor organizations to federal political campaigns. 18 U. S. C. § 610 has provided:

"It is unlawful . . . for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section."

The Federal Election Campaign Act Amendments of 1976 recodified the foregoing section to provide for the establishment and operation of political action committees by corporations and labor unions. To bring Iowa law into accord with the new federal law, the legislature provided in Senate File 1346 the authority for corporations to establish political action committees in Iowa for state and local campaigns.

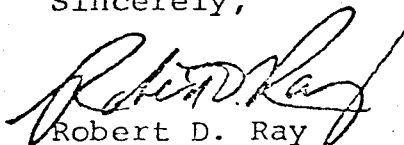
But our legislature went further and attached the item in question to Senate File 1346 to exempt unions from the restrictions Iowa law places on corporations.

As a result, labor unions, whether incorporated or not, would be able to use union dues and any other union funds to make direct contributions to the campaigns of candidates in Iowa. This is something they cannot do under federal law. And it is something corporations cannot do under either federal or state law.

Federal law treats unions and corporations in a similar manner regarding campaign contributions. Iowa law can be made more consistent and treat both in a like fashion by removing Subsection 5 of Section 14 of Senate File 1346. Of course, labor unions and corporations and their individual members and stockholders will still be able to contribute to political campaigns individually or through their political action committees.

For these reasons, I hereby disapprove this item in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 1346 are hereby approved this date.

Sincerely,


Robert D. Ray
Governor

RDR:kjd

c: Secretary of the Senate
Chief Clerk of the House