

FEB 8 1993
Place On Calendar

Referred

HOUSE FILE 144
BY COMMITTEE ON ETHICS

(SUCCESSOR TO HSB 31)

Passed House, Date ^(p. 313) 2-19-93 Passed Senate, Date ^(p. 985) 4/2/92
Vote: Ayes 99 Nays 0 Vote: Ayes 47 Nays 1
Approved 5/28/93

A BILL FOR

1 An Act relating to government ethics, providing penalties,
2 transition provisions, providing for retroactive
3 applicability, and an effective date.

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

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HF 144

1 Section 1. Section 68B.2, Code 1993, is amended to read as
2 follows:

3 68B.2 DEFINITIONS.

4 As used in this chapter, unless the context otherwise
5 requires:

6 1. "Agency" means a department, division, board,
7 commission, bureau, or office of the executive or legislative
8 branch of state government, the office of attorney general,
9 the state board of regents, community colleges, and the office
10 of the governor, including a regulatory agency, or any
11 political subdivision of the state.

12 2. "Agency of state government" means a department,
13 division, board, commission, bureau, or office of the
14 executive or legislative branch of state government, the
15 office of attorney general, the state board of regents,
16 community colleges, and the officer of the governor, including
17 a regulatory agency.

18 3. "Candidate" means a candidate under chapter 56 but
19 does not include any judge standing for retention in a
20 judicial election.

21 4. "Candidate's committee" means the committee
22 designated by the candidate, as provided under chapter 56, to
23 receive contributions, expend funds, or incur indebtedness on
24 behalf of the candidate in the aggregate as follows:

25 a. For a state or county office, in excess of two hundred
26 fifty dollars in any calendar year.

27 b. For a city or school office, in excess of five hundred
28 dollars in any calendar year.

29 5. "Client" means a private person or a state, federal, or
30 local government entity that pays compensation to a lobbyist.

31 6. "Compensation" means any money, thing of value, or
32 financial benefit conferred in return for services rendered or
33 to be rendered.

34 7. "Contribution" means a gift, loan, advance, deposit,
35 rebate, refund, transfer of money, an in-kind transfer, or the

1 payment of compensation for the personal services of another
2 person.

3 6 8. a. "Gift" means a rendering of anything of value in
4 return for which legal consideration of equal or greater value
5 is not given and received, ~~if the donor is in any of the~~
6 ~~following categories:~~

7 (1) ~~--Is or is seeking to be a party to any one or any~~
8 ~~combination of sales, purchases, leases, or contracts to,~~
9 ~~from, or with the agency in which the donee holds office or is~~
10 ~~employed.~~

11 (2) ~~--Is engaged in activities which are regulated or~~
12 ~~controlled by a regulatory agency in which the donee holds an~~
13 ~~office or is employed.~~

14 (3) ~~--Will be directly and substantially affected~~
15 ~~financially by the performance or nonperformance of the~~
16 ~~donee's official duty in a way that is greater than the effect~~
17 ~~on the public generally or on a substantial class of persons~~
18 ~~to which the person belongs as a member of a profession,~~
19 ~~occupation, industry, or region.~~

20 (4) ~~--Is a lobbyist with respect to matters within the~~
21 ~~donee's jurisdiction.~~

22 b. ~~--However, "gift" does not mean any of the following:~~

23 (1) ~~--Contributions to a candidate or a candidate's~~
24 ~~committee.~~

25 (2) ~~--Informational material relevant to a public servant's~~
26 ~~official functions, such as books, pamphlets, reports,~~
27 ~~documents, or periodicals.~~

28 (3) ~~--Anything received from a person related within the~~
29 ~~fourth degree by kinship or marriage, unless the donor is~~
30 ~~acting as an agent or intermediary for another person not so~~
31 ~~related.~~

32 (4) ~~--An inheritance.~~

33 (5) ~~--Anything available or distributed to the public~~
34 ~~generally without regard to the official status of the~~
35 ~~recipient.~~

1 (6)--Actual expenses of a donee for food, beverages,
2 travel, and lodging for a meeting, which is given in return
3 for participation in a panel or speaking engagement at the
4 meeting when the expenses relate directly to the day or days
5 on which the donee has participation or presentation
6 responsibilities.

7 (7)--Plaques or items of negligible resale value given as
8 recognition for public services.

9 (8)--Items of food and drink with a value of less than
10 three dollars that are received from any one donor during one
11 calendar day.

12 (9)--Items or services solicited or given to a state,
13 national, or regional organization in which the state of Iowa
14 or a political subdivision of the state of Iowa is a member.

15 (10)--Items or services received as part of a regularly
16 scheduled event that is part of a conference, seminar, or
17 other meeting that is sponsored and directed by any state,
18 national, or regional organization in which the state of Iowa
19 or a political subdivision of the state of Iowa is a member.

20 c.--For purposes of determining the value of an item given
21 or received, an individual who gives an item on behalf of more
22 than one person shall not divide the value of the item by the
23 number of persons on whose behalf the item is given and the
24 value of an item received shall be the value actually received
25 by the donee.

26 7 9. a: "Honorarium" means anything of value that is
27 accepted by, or on behalf of, a public official or public
28 employee given as consideration for an appearance, speech, or
29 article if the person giving the thing of value is in any of
30 the following categories:

31 (1)--is or is seeking to be a party to any one or any
32 combination of sales, purchases, leases, or contracts to
33 from, or with the agency in which the public official or
34 public employee serves or is employed.

35 (2)--is engaged in activities which are regulated or

1 controlled-by-a-regulatory-agency-in-which-the-public-official
2 holds-an-office-or-the-public-employee-is-employed.

3 (3)--Will-be-directly-and-substantially-affected
4 financially-by-the-performance-or-nonperformance-of-the
5 donee's-official-duty-in-a-way-that-is-greater-than-the-effect
6 on-the-public-generally-or-on-a-substantial-class-of-persons
7 to-which-the-person-belongs-as-a-member-of-a-profession,
8 occupation, industry, or region.

9 (4)--is-a-lobbyist-with-respect-to-matters-within-the
10 public-official's-or-public-employee's-jurisdiction.

11 b.--"Honorarium" does not include any of the following:

12 (1)--Actual expenses of a donee for food, beverages,
13 travel, and lodging paid as provided under subsection 6,
14 paragraph "b", subparagraph (6).

15 (2)--A nonmonetary gift or series of nonmonetary gifts
16 donated within thirty days to a public body, a bona fide
17 educational or charitable organization, or the department of
18 general services as provided in section 68B.22, subsection 3.

19 (3)--A payment made to a public official or public employee
20 for services rendered as part of a bona fide private business,
21 trade, or profession in which the public official or public
22 employee is engaged if the payment is commensurate with the
23 actual services rendered and is not being made because of the
24 person's status as a public official or public employee, but,
25 rather, because of some special expertise or other
26 qualification.

27 8 10. "Immediate family members" means the spouse and
28 minor dependent children of a public official or public
29 employee.

30 9 11. "Legislative employee" means a permanent full-time
31 official or employee of the general assembly but does not
32 include members of the general assembly.

33 10 12. a. "Lobbyist" means a person an individual who, by
34 acting directly, does any of the following:

35 (1) is paid Receives compensation for encouraging to

1 encourage the passage, defeat, approval, veto, or modification
2 of legislation or regulation, or for influencing the decision
3 of, a rule, or an executive order by the members of the
4 general assembly, a state agency, or any statewide elected
5 official.

6 (2) ~~Represents on a regular basis~~ Acts as the designated
7 representative of an organization which has as one of its
8 purposes the encouragement of the passage, defeat, approval,
9 veto, or modification of legislation or regulation, or the
10 influencing of a decision of the members of, a rule, or an
11 executive order before the general assembly, a state agency,
12 or any statewide elected official.

13 (3) ~~Is~~ Represents the position of a federal, state, or
14 local government official or employee who represents the
15 official position of the official or employee's agency and who
16 encourages, in which the person serves or is employed as the
17 designated representative, for purposes of encouraging the
18 passage, defeat, approval, veto, or modification of
19 legislation, or regulation, or the influencing of decision of
20 the a rule, or an executive order by members of the general
21 assembly, a state agency, or the office of the governor any
22 statewide elected official.

23 (4) Makes expenditures of more than one thousand dollars in
24 a calendar year, other than to pay compensation to an
25 individual who provides the services specified under
26 subparagraph (1) or to communicate with only the members of
27 the general assembly who represent the district in which the
28 individual resides, to communicate in person with members of
29 the general assembly, a state agency, or any statewide elected
30 official for purposes of encouraging the passage, defeat,
31 approval, veto, or modification of legislation, a rule, or an
32 executive order.

33 b. "Lobbyist" does not mean:

34 (1) Officials and employees of a political party organized
35 in the state of Iowa representing more than two percent of the

1 total votes cast for governor in the last preceding general
2 election, but only when representing the political party in an
3 official capacity.

4 (2) Representatives of the news media only when engaged in
5 the reporting and dissemination of news and editorials.

6 ~~The-governor-and-lieutenant-governor-of-the-state-of~~
7 ~~Iowa,-all-other-statewide~~ All federal, state, and local
8 ~~electd officials, and-electd-federal-officials~~ while
9 performing the duties and responsibilities of office.

10 (4) Persons whose activities are limited to ~~formal~~
11 appearances to give testimony or provide information or
12 assistance at public sessions of committees of the general
13 assembly or at public hearings of state agencies and-whose
14 appearances-as-a-result-of-testifying,-are-recorded-in-the
15 records-of-the-committee-or-agency or who are giving testimony
16 or providing information or assistance at the request of
17 public officials or employees.

18 ~~A-person-who-appears-or-communicates-as-a-lawyer~~
19 ~~licensed-to-practice-law-in-this-state-representing-a-client~~
20 ~~before-any-agency-or-in-a-contested-case-proceeding-under~~
21 ~~chapter-17A-~~

22 ~~(6)~~ Members of ~~legislative~~ the staff of the United States
23 congress or the Iowa general assembly.

24 ~~(7)~~ (6) Agency officials and employees ~~who-influence-the~~
25 ~~decisions-of~~ while they are engaged in activities within the
26 agency in which they serve or are employed or with another
27 agency with which the official's or employee's agency is
28 involved in a collaborative project.

29 (7) Persons when they are responding to requests for
30 information or assistance that are made by public officials or
31 public employees.

32 ~~13.~~ 13. "Local employee" means a person employed by a
33 political subdivision of this state.

34 ~~14.~~ 14. "Local official" means an officeholder of a
35 political subdivision of this state.

1 13 15. "Member of the general assembly" means an
2 individual duly elected to the senate or the house of
3 representatives of the state of Iowa.

4 14 16. "Official" means ~~an officer of the state of Iowa~~
5 ~~receiving a salary or per diem whether elected or appointed or~~
6 ~~whether serving full time or part time but does not include~~
7 ~~officers or employees of political subdivisions of the state.~~
8 "Official" ~~includes but is not limited to supervisory~~
9 ~~personnel, members and employees of the governor's office,~~
10 ~~members of other statewide elected offices, and members of~~
11 state agencies and the governor, lieutenant governor, all
12 statewide elected officials, the executive or administrative
13 head or heads of an agency of state government, the deputy
14 executive or administrative head or heads of an agency of
15 state government, members of boards or commissions as defined
16 under section 7E.4, and heads of the major subunits of
17 departments or independent state agencies whose positions
18 involve a substantial exercise of administrative discretion or
19 the expenditure of public funds as defined under rules of the
20 department or agency adopted pursuant to chapter 17A.
21 "Official" does not include officers or employees of political
22 subdivisions of the state, members of the general assembly,
23 legislative employees, or officers or employees of the
24 judicial branch of government who are not members or employees
25 of the office of attorney general, or members of state
26 government entities which are or exercise the same type of
27 authority that is exercised by councils or committees as
28 defined under section 7E.4.

29 15 17. "Person" means, without limitation, any individual,
30 corporation, business trust, estate, trust, partnership or
31 association, labor union, or any other legal entity.

32 16 18. "Public disclosure" means a written report filed by
33 a person as required by this chapter or required by rules
34 adopted and issued pursuant to this chapter.

35 17 19. "Public employee" means state employees,

1 legislative employees, and local employees.

2 18 20. "Public office" means any state, county, city, or
3 school office or any other office of a political subdivision
4 of the state that is filled by election.

5 19 21. "Public official" means officials, local officials,
6 and members of the general assembly.

7 20 22. "Regulatory agency" means the department of
8 agriculture and land stewardship, department of employment
9 services, department of commerce, Iowa department of public
10 health, department of public safety, department of education,
11 state board of regents, department of human services,
12 department of revenue and finance, department of inspections
13 and appeals, department of personnel, public employment
14 relations board, state department of transportation, civil
15 rights commission, department of public defense, and
16 department of natural resources.

17 23. "Restricted donor" means a person who is in any of the
18 following categories:

19 a. Is or is seeking to be a party to any one or any
20 combination of sales, purchases, leases, or contracts to,
21 from, or with the agency in which the donee holds office or is
22 employed.

23 b. Will personally be, or is the agent of a person who
24 will be, directly and substantially affected financially by
25 the performance or nonperformance of the donee's official duty
26 in a way that is greater than the effect on the public
27 generally or on a substantial class of persons to which the
28 person belongs as a member of a profession, occupation,
29 industry, or region.

30 c. Is a lobbyist or a client of a lobbyist with respect to
31 matters within the donee's jurisdiction.

32 21 24. "State employee" means a person who is not an
33 official and is a paid employee of the state of Iowa and does
34 not include an independent contractor, an employee of the
35 judicial department who is not an employee of the office of

1 attorney general, a legislative employee, or an employee of a
2 political subdivision of the state. "~~State-employee--includes~~
3 ~~but-is-not-limited-to-all-clerical-personnel-~~

4 Sec. 2. NEW SECTION. 68B.2A CONFLICTS OF INTEREST.

5 1. Any person who serves or is employed by the state or a
6 political subdivision of the state shall not engage in any
7 outside employment or activity which is in conflict with the
8 person's official duties and responsibilities. In determining
9 whether particular outside employment or activity creates an
10 unacceptable conflict of interest, situations in which an
11 unacceptable conflict shall be deemed to exist shall include,
12 but not to be limited to, any of the following:

13 a. The outside employment or activity involves the use of
14 the state's or the political subdivision's time, facilities,
15 equipment, and supplies or the use of the state or political
16 subdivision badge, uniform, business card, or other evidences
17 of office or employment to give the person or member of the
18 person's immediate family an advantage or pecuniary benefit
19 that is not available to other similarly situated members or
20 classes of members of the general public. This paragraph does
21 not apply to off-duty peace officers who provide private duty
22 security or fire fighters or basic or advanced emergency
23 medical care providers certified under chapter 147 or 147A who
24 provide private duty fire safety or emergency medical services
25 while carrying their badge or wearing their official uniform,
26 provided that the person has secured the prior approval of the
27 agency or political subdivision in which the person is
28 regularly employed to engage in the activity. For purposes of
29 this subsection, a person is not "similarly situated" merely
30 by being or being related to a person who serves or is
31 employed by the state or a political subdivision of the state.

32 b. The outside employment or activity involves the receipt
33 of, promise of, or acceptance of money or other consideration
34 by the person, or a member of the person's immediate family,
35 from anyone other than the state or the political subdivision

1 for the performance of any act that the person would be
2 required or expected to perform as a part of the person's
3 regular duties or during the hours during which the person
4 performs service or work for the state or political
5 subdivision of the state.

6 c. The outside employment or activity may later be
7 subject, directly or indirectly, to the official control,
8 inspection, review, audit, or enforcement authority of the
9 person, during the performance of the person's duties of
10 office or employment.

11 2. If the outside employment or activity is employment or
12 activity described in subsection 1, paragraph "a" or "b", the
13 person shall immediately cease the employment or activity. If
14 the outside employment or activity is employment or activity
15 described in subsection 1, paragraph "c", unless otherwise
16 provided by law, the person shall take one of the following
17 courses of action:

18 a. Cease the outside employment or activity.

19 b. Publicly disclose the existence of the conflict and
20 refrain from taking any official action or performing any
21 official duty that would detrimentally affect or create a
22 benefit for the outside employment or activity. For purposes
23 of this paragraph, "official action" or "official duty"
24 includes, but is not limited to, participating in any vote,
25 granting any license or permit, determining the facts or law
26 in a contested case or rule making proceeding, conducting any
27 inspection, or providing any other official service or thing
28 that is not available generally to members of the public in
29 order to further the interests of the outside employment or
30 activity.

31 3. Unless otherwise specifically provided the requirements
32 of this section shall be in addition to, and shall not
33 supersede, any other rights or remedies provided by law.

34 Sec. 3. Section 68B.3, subsection 1, Code 1993, is amended
35 to read as follows:

1 1. An official, a state employee, a member of the general
2 assembly, or a legislative employee shall not sell, in any one
3 occurrence, any goods or services having a value in excess of
4 ~~five-hundred~~ two thousand dollars to any state agency unless
5 the sale is made pursuant to an award or contract let after
6 public notice and competitive bidding. This subsection shall
7 not apply to the publication of resolutions, advertisements,
8 or other legal propositions or notices in newspapers
9 designated pursuant to law for the publication of legal
10 propositions or notices and for which rates are fixed pursuant
11 to law. This subsection shall also not apply to sales of
12 services by persons subject to the requirements of this
13 section to state executive branch agencies or subunits of
14 departments or independent agencies as defined under section
15 7E.4 that are not the subunit of the department or independent
16 agency in which the person serves or is employed or are not a
17 subunit of a department or independent agency with which the
18 person has substantial and regular contact as part of the
19 person's duties.

20 For purposes of this section, "services" does not include
21 instruction at an accredited education institution if the
22 person providing the instruction meets the minimum education
23 and licensing requirements established for **teachers**
24 instructors at the education institution.

25 Sec. 4. Section 68B.5A, Code 1993, is amended to read as
26 follows:

27 68B.5A **TWO-YEAR BAN ON CERTAIN LOBBYING ACTIVITIES AFTER**
28 **SERVICE.**

29 1. A person who serves as the governor, lieutenant
30 governor, a statewide elected official, the executive or
31 administrative head of an agency of state government, the
32 deputy executive or administrative head of an agency of state
33 government, the head of a major subunit of a department or
34 independent state agency whose position involves a substantial
35 exercise of administrative discretion or the expenditure of

1 public funds as defined under rules of the department or
2 agency adopted pursuant to chapter 17A, a full-time employee
3 of an office of a statewide elected official or the office of
4 the governor whose position involves a substantial exercise of
5 administrative discretion or the expenditure of public funds
6 as defined under rules of the office or agency, a legislative
7 employee whose position involves a substantial exercise of
8 administrative discretion or the expenditure of public funds
9 as defined under rules of the agency, or a member of the
10 general assembly shall not act as a lobbyist during the time
11 in which the person serves or is employed by the state unless
12 the person is designated, by the agency in which the person
13 serves or is employed, to represent the official position of
14 the agency.

15 ~~1~~ 2. ~~A person who has served as an official, state~~
16 ~~employee, member of the general assembly, or legislative~~
17 ~~employee~~ who is subject to the requirements of subsection 1
18 shall not within two years after the termination of service or
19 employment become a lobbyist.

20 3. A person who has served as a state employee, and who
21 was not a full-time employee of an office of a statewide
22 elected official or the office of the governor whose position
23 involves a substantial exercise of administrative discretion
24 or the expenditure of public funds, shall not, within two
25 years after termination of employment, become a lobbyist
26 before the agency in which the person was employed or before
27 state agencies or officials or employees with whom the person
28 had substantial and regular contact as part of the person's
29 former duties.

30 4. This section shall not apply to a person ~~who is a~~
31 ~~former official, state employee, member of the general~~
32 ~~assembly, or legislative employee~~ who is subject to the
33 requirements of subsections 1, 2, or 3 and who, within two
34 years of leaving service or employment with the state, is
35 elected to, appointed to, or employed by another office of the

1 state, or to an office of a political subdivision of the
2 state, or the federal government and appears or communicates
3 on behalf of that office.

4 Sec. 5. Section 68B.6, Code 1993, is amended to read as
5 follows:

6 68B.6 SERVICES AGAINST STATE PROHIBITED.

7 1. No-official The governor, lieutenant governor, all
8 statewide elected officials, the executive or administrative
9 head or heads of an agency of state government, the deputy
10 executive or administrative head or heads of an agency of
11 state government, the heads of the major subunits of
12 departments or independent state agencies whose positions
13 involve a substantial exercise of administrative discretion or
14 the expenditure of public funds as defined under rules of the
15 department or agency under chapter 17A, state employee, or
16 legislative employee shall not receive, directly or
17 indirectly, or enter into any agreement, express or implied,
18 for any compensation, in whatever form, for the appearance or
19 rendition of services by that person or another against the
20 interest of the state in relation to any case, proceeding,
21 application, or other matter before any state agency, any
22 court of the state of Iowa, any federal court, or any federal
23 bureau, agency, commission or department.

24 2. A person who is an official, but who is not subject to
25 the requirements of subsection 1, shall not receive, directly
26 or indirectly, or enter into any agreement, express or
27 implied, for any compensation, in whatever form, for the
28 appearance or rendition of services by that person or another
29 against the interest of the state in relation to any case,
30 proceeding, application, or other matter before the subunit of
31 a department or independent agency in which the person serves,
32 is employed, or with which the person has substantial and
33 regular contact as part of the person's duties.

34 Sec. 6. Section 68B.22, Code 1993, is amended by striking
35 the section and inserting in lieu thereof the following:

1 68B.22 GIFTS ACCEPTED OR RECEIVED.

2 1. Except as otherwise provided in this section, a public
3 official, public employee, or candidate, or that person's
4 immediate family member shall not, directly or indirectly,
5 accept or receive any gift or series of gifts from a
6 restricted donor. A public official, public employee,
7 candidate, or the person's immediate family member shall not
8 solicit any gift or series of gifts at any time.

9 2. Except as otherwise provided in this section, a
10 restricted donor shall not, directly or indirectly, offer or
11 make a gift or a series of gifts to a public official, public
12 employee, or candidate. Except as otherwise provided in this
13 section, a restricted donor shall not, directly or indirectly,
14 join with one or more other restricted donors to offer or make
15 a gift or a series of gifts to a public official, public
16 employee, or candidate.

17 3. A restricted donor may give, and a public official,
18 public employee, or candidate, or the person's immediate
19 family member, may accept an otherwise prohibited nonmonetary
20 gift or a series of otherwise prohibited nonmonetary gifts and
21 not be in violation of this section if the nonmonetary gift or
22 series of nonmonetary gifts is donated within thirty days to a
23 public body, the department of general services, or a bona
24 fide educational or charitable organization, if no part of the
25 net earnings of the educational or charitable organization
26 inures to the benefit of any private stockholder or other
27 individual. All such items donated to the department of
28 general services shall be disposed of by assignment to state
29 agencies for official use or by public sale.

30 4. Notwithstanding subsections 1 and 2, the following
31 gifts may be received by public officials, public employees,
32 candidates, or members of the immediate family of public
33 officials, public employees, or candidates:

34 a. Contributions to a candidate or a candidate's
35 committee.

1 b. Informational material relevant to a public servant's
2 official functions, such as books, pamphlets, reports,
3 documents, periodicals, or other information that is recorded
4 in a written, audio, or visual format.

5 c. Anything received from anyone related within the fourth
6 degree by kinship or marriage, unless the donor is acting as
7 an agent or intermediary for another person not so related.

8 d. An inheritance.

9 e. Anything available or distributed free of charge to
10 members of the general public without regard to the official
11 status of the recipient.

12 f. Actual expenses of a donee for food, beverages,
13 registration, travel, and lodging for a meeting, which is
14 given in return for participation in a panel or speaking
15 engagement at the meeting when the expenses relate directly to
16 the day or days on which the donee has participation or
17 presentation responsibilities.

18 g. Plaques or items of negligible resale value which are
19 given as recognition for the public services of the recipient.

20 h. Items of food and drink with a value of less than three
21 dollars that are received from any one donor during one
22 calendar day.

23 i. Items or services solicited by or given to, for
24 purposes of an educational conference, seminar, or other
25 meeting, a state, national, or regional government
26 organization in which the state of Iowa or a political
27 subdivision of the state is a member, or solicited by or given
28 for the same purposes to state, national, or regional
29 government organizations whose memberships and officers are
30 primarily composed of state or local government officials or
31 employees.

32 j. Items or services received by members or
33 representatives of members at a regularly scheduled event that
34 is part of an educational conference, seminar, or other
35 meeting that is sponsored and directed by any state, national,

1 or regional government organization in which the state of Iowa
2 or a political subdivision of the state is a member, or
3 received at such an event by members or representatives of
4 members of state, national, or regional government
5 organizations whose memberships and officers are primarily
6 composed of state or local government officials or employees.

7 k. Funeral flowers.

8 l. Payment of salary or expenses by a person's employer or
9 the firm in which the person is a member for the cost of
10 attending a meeting of a subunit of an agency when the person
11 whose expenses are being paid serves on a board, commission,
12 committee, council, or other subunit of the agency and the
13 person is not entitled to receive compensation or
14 reimbursement of expenses from the state or a political
15 subdivision of the state for attending the meeting.

16 m. Payment of expenses for food, beverages, registration,
17 travel, and lodging for a conference, seminar, business or
18 educational meeting, or similar activity, if the expenses are
19 incurred during the course of and as a part of the performance
20 of the official duties of the official, state employee, member
21 of the general assembly, or legislative employee and prior
22 approval for the payment has been obtained from the executive
23 council, in the case of officials or state employees, or from
24 the legislative council, in the case of members of the general
25 assembly or legislative employees.

26 n. Gifts of food, beverages, travel, or lodging received
27 by a public official or public employee if all of the
28 following apply:

29 (1) The public official or public employee is officially
30 representing an agency in a delegation whose sole purpose is
31 to attract a specific new business to locate in the state or
32 encourage expansion or retention of an existing business
33 already established in the state.

34 (2) The donor of the gift is not the business being
35 contacted. However, food or beverages provided by the

1 business being contacted which are consumed during the meeting
2 are not a gift under section 68B.2, subsection 8, or this
3 section.

4 (3) The public official or public employee plays a
5 significant role in the presentation to the business on behalf
6 of the public official's or public employee's agency.

7 o. Gifts other than food, beverages, travel, and lodging
8 received by a public official or public employee which are
9 received from a person who is a citizen of a country other
10 than the United States and is given during a ceremonial
11 presentation or as a result of a custom of the other country
12 and is of personal value only to the donee.

13 5. For purposes of determining the value of an item given
14 or received, an individual who gives an item on behalf of more
15 than one person shall not divide the value of the item by the
16 number of persons on whose behalf the item is given and the
17 value of an item received shall be the value actually received
18 by the donee.

19 6. A gift shall not be considered to be received by a
20 public official or public employee if the state is the donee
21 of the gift and the public official or public employee is
22 required to receive the gift on behalf of the state as part of
23 the performance of the person's duties of office or
24 employment.

25 7. A person shall not request, and a member of the general
26 assembly shall not agree, that a member of the general
27 assembly sell tickets for a community related social event
28 that is to be held for members of the general assembly in Polk
29 county during the legislative session. This section shall not
30 apply to Polk county or city of Des Moines events that are
31 open to the public generally or are held only for Polk county
32 or city of Des Moines legislators.

33 Sec. 7. Section 68B.23, Code 1993, is amended by striking
34 the section and inserting in lieu thereof the following:

35 68B.23 HONORARIA -- BANNED.

1 1. Except as provided in subsection 2, a public official
2 or public employee shall not seek or accept an honorarium from
3 a restricted donor.

4 2. A public official or public employee may accept an
5 honorarium from any person under the following circumstances:

6 a. The honorarium consists of payment of actual expenses
7 of a donee for registration, food, beverages, travel, and
8 lodging paid in return for participation in a panel or
9 speaking engagement at a meeting when the expenses relate
10 directly to the day or days on which the recipient has
11 participation or presentation responsibilities.

12 b. The honorarium consists of a nonmonetary item or series
13 of nonmonetary items that the public official or public
14 employee donates within thirty days to a public body, a bona
15 fide educational or charitable organization, or the department
16 of general services as provided in section 68B.22, subsection
17 3.

18 c. The honorarium consists of a payment made to a public
19 official or public employee for services rendered as part of a
20 bona fide private business, trade, or profession in which the
21 public official or public employee is engaged if the payment
22 is commensurate with the actual services rendered and is not
23 being made because of the person's status as a public official
24 or public employee, but, rather, because of some special
25 expertise or other qualification.

26 Sec. 8. Section 68B.24, Code 1993, is amended to read as
27 follows:

28 68B.24 LOANS -- RECEIPT FROM LOBBYISTS PROHIBITED.

29 1. An official, member of the general assembly, state
30 employee, legislative employee, or candidate for state office
31 shall not, directly or indirectly, seek or accept a loan or
32 series of loans from a person who is a lobbyist.

33 2. A lobbyist shall not, directly or indirectly, offer or
34 make a loan or series of loans to an official, member of the
35 general assembly, state employee, legislative employee, or

1 candidate for state office. A lobbyist shall also not,
2 directly or indirectly, join with one or more persons to offer
3 or make a loan or series of loans to an official, member of
4 the general assembly, state employee, legislative employee, or
5 candidate for state office.

6 3. This section shall not apply to loans made in the
7 ordinary course of business. For purposes of this section, a
8 loan is "made in the ordinary course of business" when it is
9 made by a person who is regularly engaged in a business that
10 makes loans to members of the general public and the finance
11 charges and other terms of the loan are the same or
12 substantially similar to the finance charges and loan terms
13 that are available to members of the general public.

14 Sec. 9. Section 68B.25, Code 1993, is amended by striking
15 the section and inserting in lieu thereof the following:

16 68B.25 ADDITIONAL PENALTY.

17 In addition to any penalty contained in any other provision
18 of law, a person who knowingly and intentionally violates a
19 provision of sections 68B.2A through 68B.7, sections 68B.21
20 through 68B.24, or sections 68B.35 through 68B.38 is guilty of
21 a serious misdemeanor and may be reprimanded, suspended, or
22 dismissed from the person's position or otherwise sanctioned.

23 Sec. 10. Section 68B.31, subsection 4, Code 1993, is
24 amended by adding the following new unnumbered paragraph:

25 NEW UNNUMBERED PARAGRAPH. The ethics committee may employ
26 independent legal counsel to assist the committee in carrying
27 out their duties under this chapter. Payment of costs for the
28 independent legal counsel shall be made from funds
29 appropriated pursuant to section 2.12.

30 Sec. 11. Section 68B.31, subsection 6, unnumbered
31 paragraph 1, Code 1993, is amended to read as follows:

32 The ethics committee shall promptly notify any party
33 alleged to have committed a violation of the code of ethics or
34 this chapter of the filing of a complaint by causing a copy of
35 the complaint to be served or personally delivered to the

1 party charged, unless service is waived by the party charged,
2 and shall review a the complaint to determine if the complaint
3 meets the requirements for formal sufficiency. If the
4 complaint is deficient as to form, the complaint shall be
5 returned to the complainant with a statement of the nature of
6 the deficiency and the party charged in the complaint shall be
7 notified that the complaint has been returned. If a
8 complaint, previously found to be deficient as to form, is
9 refiled in different form, the party charged in the complaint
10 shall be provided with a copy of the new document in the same
11 manner as provided for service of the initial complaint. Any
12 amendments to a complaint that are filed with the committee
13 shall also be served or personally delivered, unless service
14 is waived, to the party charged in the complaint. If the
15 complaint is sufficient as to form, the ethics committee shall
16 review the complaint to determine whether the complaint states
17 a valid charge which may be investigated. A valid complaint
18 must allege all of the following:

19 Sec. 12. Section 68B.31, subsection 11, Code 1993, is
20 amended to read as follows:

21 11. Violation of a provision of this chapter or rules
22 adopted relating to ethical conduct may result in censure,
23 reprimand, or other sanctions as determined by a majority of
24 the member's house. However, a member may be suspended or
25 expelled and the member's salary forfeited only if directed by
26 a two-thirds vote of the member's house. A suspension,
27 expulsion, or forfeiture of salary shall be for the duration
28 ~~specified in the directing resolution. However, it shall not~~
29 ~~extend beyond the end of the general assembly during which the~~
30 ~~violation occurred.~~ Violation of a rule relating to lobbyists
31 and lobbying activities may result in censure, reprimand, or
32 other sanctions as determined by a majority of the members of
33 the house in which the violation occurred. However, a
34 lobbyist may be suspended from lobbying activities for the
35 duration provided in the directing resolution only if directed

1 by a two-thirds vote of the house in which the violation
2 occurred.

3 Sec. 13. Section 68B.32, subsection 2, unnumbered
4 paragraph 1, and subsection 6, Code 1993, are amended to read
5 as follows:

6 The executive council shall promptly notify any party
7 alleged to have committed a violation of the code of ethics or
8 this chapter of the filing of a complaint by causing a copy of
9 the complaint to be served or personally delivered to the
10 party charged, unless service is waived by the party charged,
11 and shall review the complaint to determine if the complaint
12 meets the requirements for formal sufficiency. If the
13 complaint is deficient as to form, the complaint shall be
14 returned to the complainant with a statement of the nature of
15 the deficiency and the party charged in the complaint shall be
16 notified that the complaint has been returned. If a
17 complaint, previously found to be deficient as to form, is
18 refiled in different form, the party charged in the complaint
19 shall be provided with a copy of the new document in the same
20 manner as provided for service of the initial complaint. Any
21 amendments to a complaint that are filed with the committee
22 shall also be served or personally delivered, unless service
23 is waived, to the party charged in the complaint. If the
24 complaint is sufficient as to form, the executive council
25 shall review the complaint to determine whether the complaint
26 states a valid charge which may be investigated. A valid
27 complaint must allege all of the following:

28 6. A complaint which is supported by probable cause may be
29 prosecuted at an executive council hearing by the independent
30 special counsel. The executive council may employ legal
31 counsel and employ the services of an administrative law judge
32 to assist the council in carrying out the duties required
33 under this section.

34 Sec. 14. Section 68B.34, Code 1993, is amended to read as
35 follows:

1 68B.34 INVESTIGATION BY INDEPENDENT SPECIAL COUNSEL --
2 PROBABLE CAUSE.

3 The purpose of an investigation by the independent special
4 counsel is to determine whether there is probable cause to
5 proceed with an adjudicatory hearing on the matter. In
6 conducting investigations and holding hearings, the
7 independent special counsel may require by subpoena the
8 attendance and testimony of witnesses and may subpoena books,
9 papers, records, and any other real evidence relating to the
10 matter before the independent special counsel. The
11 independent special counsel shall have the additional
12 authority provided in section 17A.13. If the independent
13 special counsel determines at any stage in the proceedings
14 that take place prior to hearing that the complaint is without
15 merit, the independent special counsel shall report that
16 determination to the appropriate ethics committee or the
17 executive council and the complaint shall be dismissed and the
18 complainant and the party charged shall be notified. If,
19 after investigation, the independent special counsel
20 determines evidence exists which, if proven, would support a
21 finding of a violation of this chapter, a finding of probable
22 cause shall be made and reported to the ethics committee or
23 executive council, and a hearing shall be ordered by the
24 ethics committee as provided in section 68B.31 or by the
25 executive council as provided in section 68B.32. Independent
26 special counsel investigations are not meetings of a
27 governmental body within the meaning of chapter 21, and
28 records and information obtained by independent special
29 counsel during investigations are confidential until disclosed
30 to a legislative ethics committee or the executive council
31 under section 68B.31 or 68B.32.

32 Sec. 15. Section 68B.35, Code 1993, is amended to read as
33 follows:

34 68B.35 PERSONAL FINANCIAL DISCLOSURE -- OFFICIALS, MEMBERS
35 OF THE GENERAL ASSEMBLY, AND CANDIDATES.

1 1. Except as otherwise provided in this section, each
2 ~~official, member of the general assembly, and candidate for~~
3 ~~state office shall file~~ a statement of personal financial
4 disclosure ~~in the manner provided in this section~~ that
5 discloses the sources of the person's income and any
6 significant financial interests of the ~~official, member, or~~
7 ~~candidate~~ person shall be filed by the following persons and
8 in the manner required in this section:

9 a. The governor and lieutenant governor.

10 b. Any statewide elected official.

11 c. The executive or administrative head or heads of an
12 agency of state government.

13 d. The deputy executive or administrative head or heads of
14 an agency of state government.

15 e. The head of a major subunit of a department or
16 independent state agency whose position involves a substantial
17 exercise of administrative discretion or the expenditure of
18 public funds as defined under rules of the department or
19 agency adopted pursuant to chapter 17A.

20 f. Members of the banking board, the campaign finance
21 disclosure commission, the credit union review board, the
22 economic development board, the employment appeal board, the
23 environmental protection commission, the health facilities
24 council, the Iowa business investment corporation board of
25 directors, the Iowa finance authority, the Iowa product
26 development corporation, the Iowa public employees' retirement
27 system investment board, the lottery board, the natural
28 resource commission, the parole board, the petroleum under-
29 ground storage tank fund board, the public employment
30 relations board, the state racing and gaming commission, the
31 state board of regents, the tax review board, the
32 transportation commission, the office of consumer advocate,
33 and the utilities board and full-time members of other boards
34 and commissions as defined under section 7E.4 who receive an
35 annual salary for their service on the board or commission.

1 g. Members of the general assembly.

2 h. Candidates for state office.

3 i. Legislative employees who are the head or deputy head
4 of a legislative agency or whose position involves a
5 substantial exercise of administrative discretion or the
6 expenditure of public funds as defined under rules prescribed
7 by the legislative council.

8 2. For purposes of this section, "disclosure of sources of
9 income" includes disclosure of the nature of each business in
10 which the official, member, or candidate person is engaged and
11 receives more than one thousand dollars annually in gross
12 income and the nature of the business of each company in which
13 the official, member, or candidate person has an income-
14 producing interest that generates over one thousand dollars
15 annually in gross income.

16 PARAGRAPH DIVIDED. For purposes of this section,
17 "significant financial interests" includes investments in
18 stocks, bonds, bills, notes, mortgages, or other securities
19 offered for sale through recognized financial brokers if the
20 value of the investments equals either greater than five
21 percent of the total outstanding issue of any stocks, bonds,
22 bills, notes, mortgages, or other securities of the offering
23 entity or the percentage of ownership interest in the entity
24 which represents the fair market value of ten thousand
25 dollars, whichever is less as of December 31 of the year
26 preceding the year in which disclosure is to be made; any in-
27 state or out-of-state business, trade, labor, farm,
28 professional, religious, educational, or charitable
29 association, foundation, or organization which is involved in
30 supporting or opposing any measures brought before the body in
31 which the official, member, or candidate person holds office
32 and by which the official, member, or candidate person is
33 employed or retained or has rendered services for compensation
34 within the previous twelve months; any office or directorship
35 held during the previous twelve months by the official,

1 ~~member, or candidate~~ person in any corporation, firm,
2 enterprise, labor union, farm organization, cooperative,
3 ~~religious,~~ education, or charitable association or
4 organization or trade or professional association.

5 3. A candidate for state office shall file the statement
6 of personal financial disclosure with the campaign finance
7 disclosure commission concerning the year preceding the year
8 in which the election is to be held and concerning so much of
9 the year in which the election is to be held as has elapsed by
10 the date specified in section 43.11 for the filing of
11 nomination papers for state office. The statement shall be
12 filed no later than thirty days after the date on which the a
13 ~~person formally becomes a candidate~~ is required under section
14 43.11 to file nomination papers for state office. ~~Officials~~
15 Persons specified under subsection 1, paragraphs "a" through
16 "f", shall also file the statements at times, locations, and
17 in the manner designated by the executive council. Members of
18 the house of representatives and the senate shall also file
19 the statements with the ~~chief clerk of the house, and members~~
20 ~~of the senate shall file the statements with the secretary of~~
21 ~~the senate~~ campaign finance disclosure commission, at times
22 and in the manner designated by the ~~chief clerk and the~~
23 secretary commission. Disclosures filed by persons specified
24 under subsection 1, paragraphs "a" through "f", and members of
25 the general assembly shall be updated on no less than an
26 annual basis. The commission shall adopt rules to implement
27 this section.

28 Sec. 16. Section 68B.36, subsections 1 and 3, Code 1993,
29 are amended to read as follows:

30 1. All lobbyists shall, on or before the day their
31 lobbying activity begins, register by filing a lobbyist's
32 registration statement at times and in the manner provided in
33 this section by the campaign finance disclosure commission.
34 ~~Lobbyists engaged in lobbying activities before the general~~
35 ~~assembly shall file the statement with the chief clerk of the~~

1 ~~house-of-representatives-or-the-secretary-of-the-senate-~~
2 ~~lobbyists-engaged-in-lobbying-activities-before-the-office-of~~
3 ~~the-governor-or-any-state-agency-shall-file-the-statement-with~~
4 ~~the-executive-council-or-with-the-agency-before-which-the~~
5 ~~lobbyist-is-engaged-in-lobbying-activities. The chief-clerk~~
6 ~~of-the-house-and-the-secretary-of-the-senate~~ campaign finance
7 disclosure commission shall provide appropriate registration
8 forms to lobbyists ~~before-the-general-assembly. The-executive~~
9 ~~council-shall-prescribe-appropriate-registration-forms-for~~
10 ~~lobbyists-before-the-office-of-the-governor-and-state~~
11 ~~agencies.--Persons-receiving-registration-statement-filings~~
12 ~~from-lobbyists-in-the-office-of-the-governor-and-state~~
13 ~~agencies-shall-forward-a-copy-of-the-statements-to-the~~
14 ~~executive-council-~~

15 3. For persons registered to lobby before the general
16 assembly, registration expires upon the commencement of the
17 next regular session of the general assembly, except that the
18 ~~chief-clerk-of-the-house-and-the-secretary-of-the-senate~~
19 campaign finance disclosure commission may adopt and implement
20 a reasonable preregistration procedure in advance of each
21 regular session during which persons may register for that
22 session and the following legislative interim. For persons
23 registered to lobby before the office of the governor or a
24 state agency, registration expires upon the commencement of a
25 new calendar year. The ~~executive-council~~ campaign finance
26 disclosure commission may adopt and implement a reasonable
27 preregistration procedure in advance of each new calendar year
28 during which persons may register for that year.

29 Sec. 17. Section 68B.37, Code 1993, is amended to read as
30 follows:

31 68B.37 LOBBYIST REPORTING.

32 1. A lobbyist before the general assembly shall file with
33 the campaign finance disclosure commission, on forms
34 prescribed by the commission, a separate report disclosing the
35 following: the lobbyist's clients; all campaign contributions

1 made by the lobbyist during the prior calendar month; and the
2 recipient of the campaign contributions; and expenditures made
3 by the lobbyist for purposes of providing the services
4 enumerated under section 68B.2, subsection 12, paragraph "a".
5 For purposes of this subsection "expenditures" do not include
6 expenditures made by any club, committee, partnership,
7 organization, business, union, association, or corporation for
8 the purpose of publishing a newsletter or other release to its
9 officers, directors, members, shareholders, or employees.

10 2. A lobbyist before a state agency or the office of the
11 governor shall file with the campaign finance disclosure
12 commission, on forms prescribed by the commission, a report
13 disclosing the same items described in subsection 1.

14 3. The report of contributions, and expenditures, and
15 gifts must, for the thirty days immediately following the date
16 of registration, shall be filed within forty-five days of
17 registration as a lobbyist and thereafter on a monthly basis
18 on dates to be determined by the campaign finance disclosure
19 commission. In addition, a report shall be filed annually by
20 each lobbyist at the end of each calendar year, or at the time
21 of cancellation of the lobbyist's registration, whichever
22 first occurs. The campaign finance disclosure commission
23 shall prescribe forms and adopt rules to implement this
24 section.

25 Sec. 18. Section 68B.38, Code 1993, is amended to read as
26 follows:

27 68B.38 LOBBYIST'S CLIENT REPORTING.

28 1. No later than January 31 and July 31 of each year,
29 unless no payments are made, a lobbyist's client shall file
30 with the ~~general-assembly-or-the-executive-council~~ campaign
31 finance disclosure commission a report that contains
32 information on all salaries, fees, and retainers paid by the
33 lobbyist's client to the lobbyist for lobbying purposes during
34 the preceding six calendar months. Reports by lobbyists'
35 clients shall be filed with the ~~same-entity-with-which-the~~

1 lobbyist-filed-the-lobbyist's-report-and-registration campaign
2 finance disclosure commission.

3 2. The report due January 31 shall include a cumulative
4 total of all lobbying-expenditures salaries, fees, retainers,
5 and reimbursements of expenses paid to the lobbyist for
6 lobbying activities during the preceding calendar year. The
7 campaign finance disclosure commission shall develop forms to
8 implement this section.

9 3. An organization which is a client of a lobbyist, but is
10 not itself a restricted donor under section 68B.2, subsection
11 23, shall in addition to the items reported as provided in
12 subsections 1 and 2, report any monetary or nonmonetary items
13 or services provided that are given to an official, state
14 employee, member of the general assembly, or legislative
15 employee for which no legal consideration of equal or greater
16 value is given. Reports of items under this subsection shall
17 be made at the times and in the manner provided for reports
18 under subsections 1 and 2.

19 Sec. 19. Section 68B.39, Code 1993, is amended to read as
20 follows:

21 68B.39 SUPREME COURT RULES.

22 The supreme court of this state shall prescribe rules by
23 January 1, 1993, establishing a code of ethics for officials
24 and employees of the judicial department of this state, and
25 the immediate family members of the officials and employees.
26 Rules prescribed under this paragraph shall include provisions
27 relating to the receipt or acceptance of gifts and honoraria,
28 interests in public contracts, services against the state, and
29 financial disclosure which are substantially similar to the
30 requirements of this chapter.

31 The supreme court of this state shall also prescribe rules
32 which relate to activities by officials and employees of the
33 judicial department which constitute conflicts of interest.

34 Sec. 20. NEW SECTION. 68B.40 RULES BY EXECUTIVE COUNCIL,
35 GENERAL ASSEMBLY, AND THE CAMPAIGN FINANCE DISCLOSURE

1 COMMISSION.

2 Except as otherwise provided, the executive council shall
3 adopt rules establishing a code of ethics for officials and
4 state employees and otherwise providing for the implementation
5 of the provisions of this chapter that relate to officials,
6 state employees, and lobbyists of state agencies. The general
7 assembly shall, by resolution, prescribe rules providing for
8 the implementation of the provisions of this chapter that
9 relate to members of the general assembly, legislative
10 employees, other legislative staff, and lobbyists of the
11 general assembly.

12 In addition to the other duties required by this chapter,
13 the campaign finance disclosure commission shall adopt rules
14 establishing a procedure for persons, who are subject to
15 registration and reporting requirements that are administered
16 by the commission, to seek and receive advice from the
17 commission regarding the application and extent of those
18 requirements. Rules adopted may include a process for
19 submission or referral of certain questions to the office of
20 attorney general for formal opinions.

21 Sec. 21. Section 22.7, Code 1993, is amended by adding the
22 following new subsections:

23 NEW SUBSECTION. 29. Complaints received by a legislative
24 ethics committee or the executive council pursuant to chapter
25 68B, unless either the complainant or the alleged violator
26 publicly discloses the existence of a complaint or a
27 preliminary investigation.

28 NEW SUBSECTION. 30. Records and information obtained or
29 held by independent special counsel during the course of an
30 investigation conducted pursuant to section 68B.34.
31 Information that is disclosed to a legislative ethics
32 committee or the executive counsel subsequent to a
33 determination of probable cause by independent special counsel
34 and made pursuant to sections 68B.31 or 68B.32 is not a
35 confidential record unless otherwise provided by law.

1 Sec. 22. Section 56.42, subsection 1, Code 1993, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. e. Contributions to another candidate's
4 committee when the candidate for whom both committees are
5 formed is the same person.

6 Sec. 23. TRANSITION -- INTENT -- RETROACTIVE APPLICATION -
7 -EFFECTIVE DATE.

8 1. The provisions of section 4.13 shall apply to this Act
9 except as follows:

10 a. Requirements relating to registration that are under
11 chapter 68B prior to but not after the effective date of this
12 Act are void and any registrations made pursuant to those
13 requirements shall be given no effect as if never made.
14 Registrations made pursuant to chapter 68B prior to the
15 effective date of this Act, which are consistent with the
16 requirements of this Act shall be in full force and effect, as
17 if made pursuant to the requirements of this Act.

18 b. Requirements relating to financial disclosure that are
19 imposed under chapter 68B prior to but not after the effective
20 date of this Act are void retroactive to January 1, 1993.
21 Financial disclosures made prior to the effective date of this
22 Act, which are consistent with the requirements of this Act
23 shall be deemed to be in full force and effect, as if made
24 pursuant to the requirements of this Act.

25 c. The prohibition against serving as a lobbyist while
26 serving in certain state offices, or being a state or
27 legislative employee contained in subsection 1 of section
28 68B.5A as amended by this Act shall apply retroactively to
29 July 1, 1992. However, persons who are lobbyists as of the
30 effective date of this Act, and whose positions in state
31 government are in violation of subsection 1 of section 68B.5A
32 as amended by this Act, may remain in those positions until
33 January 1, 1995.

34 d. Section 8 of this Act, which amends section 68B.24,
35 shall apply retroactively to any loans made on or after

1 January 1, 1993. Any loans made during the period commencing
2 January 1, 1993, and ending on the effective date of this Act,
3 which are consistent with the requirements of section 8 of
4 this Act shall not be in violation of the requirements of
5 section 68B.24.

6 e. The portion of section 1 of this Act, amending
7 subsection 16 of section 68B.2 to exclude members of councils
8 or committees as defined under section 7E.4 from the
9 definition of official, shall apply retroactively to January
10 1, 1993, to exclude those persons from the requirements placed
11 upon officials.

12 2. Persons who served as governor's appointees to state
13 government entities which are or exercise the same type of
14 authority that is exercised by councils or committees as
15 defined under section 7E.4, prior to January 1, 1993, and who
16 resigned from those positions prior to the effective date of
17 this Act, may be reappointed by the governor, without senate
18 confirmation, to complete the unexpired term resulting from
19 the resignation, section 2.32 notwithstanding.

20 3. This Act, being deemed of immediate importance, takes
21 effect upon enactment.

22 EXPLANATION

23 Section 1 of this bill removes judges standing for
24 retention in a judicial election from the definition of the
25 term candidate, removes the term "gift" from the definition of
26 the term "contribution", and removes the conflicting term
27 "official" from the definition of the term "legislative
28 employee". Section 1 of the bill also provides that those
29 public officials and employees who are designated to represent
30 the official position of the officials' or employees' agency,
31 persons who are designated to represent the official position
32 of organizations that lobby before an agency, and persons
33 making certain expenditures to communicate personally with
34 members of the general assembly other than their own
35 representatives or senators are required to comply with the

1 registration and other requirements placed on lobbyists.
2 Persons who testify at legislative or agency hearings, persons
3 who are members of state or congressional legislative staffs,
4 persons who are responding to requests for information that
5 are made by public officials or public employees, persons who
6 request information from an agency, and elected federal,
7 state, and local officials are exempted from the definition of
8 the term "lobbyist."

9 The exception for lawyers who are representing clients
10 before agencies is eliminated. The definition of the term
11 "official" is also changed to include the governor, lieutenant
12 governor, heads and deputy heads of state agencies, members of
13 boards and commissions, and persons who are heads of major
14 state agency subdivisions who have certain kinds of authority.
15 The definition excludes those persons who are members of
16 governmental bodies that only have the authority to study
17 issues and make recommendations for action.

18 Section 1 of the bill also creates a definition of the term
19 "restricted donor". The persons listed as restricted donors
20 were previously listed under the gift and honorarium
21 definition except that the bill changes the list of restricted
22 donors to delete references relating to regulatory agencies,
23 and to add agents of persons who may be affected by official
24 action and clients of lobbyists to the list of possible
25 restricted donors.

26 The definition of "state employee" is changed in section 1
27 to exclude officials from and include employees of the office
28 of the attorney general in the definition. The reference to
29 clerical personnel is deleted from the definition of state
30 employee.

31 A definition of the term "client" is also added in section
32 1, which is used in the provisions relating to lobbyist and
33 client reporting.

34 Section 2 establishes a conflict of interest provision and
35 prohibits persons who serve or are employed by the state or a

1 political subdivision of the state from engaging in certain
2 kinds of outside employment or activities. The section
3 provides that the person is to cease an activity specified to
4 be a conflict of interest and provides for disclosure of
5 certain activities or employment. Violation of the provision
6 is a serious misdemeanor. Remedies and penalties provided
7 under the section are in addition to any other remedies or
8 rights available by law.

9 Section 3 of this bill provides that sales made by state
10 officials or employees to state agencies other than the one in
11 which the person holds office or is employed are not subject
12 to the competitive bid provisions of chapter 68B.

13 Section 4 of this bill makes the ban on lobbying apply to
14 current state office holders and employees, but adds transfers
15 of employment or changes in office within state government,
16 transfers to federal office or employment, or acting as a
17 state level legislative liaison to the types of activities
18 that are excluded from the lobbying ban. The lobbying ban is
19 qualified to permit lobbying by employees, if the lobbying is
20 confined to agencies, officials, or employees with whom the
21 employee was not employed or did not have substantial contact.

22 Section 5 of the bill changes the applicability of the
23 general prohibition against services against the state by
24 removing the term official and inserting a list of officials
25 to whom it applies. A specific prohibition is added for
26 persons not covered by the general prohibition, which prevents
27 services against the state in matter before the person's own
28 agency subunit or an agency subunit with which the person has
29 substantial and regular contact.

30 Section 6 of the bill provides that items received by a
31 public official or public employee as part of their official
32 duties from which they derive no direct personal benefit and
33 which are actually given to the state or a political
34 subdivision of the state are not gifts. The section also
35 permits receipt of funeral flowers by public officials and

1 employees and the receipt of salary or expenses from the
2 person's employer or firm if the person is not entitled to
3 receipt of reimbursement of expenses by the state or a
4 political subdivision. Registration expenses are also made
5 permissible gifts if given in return for a speaking
6 engagement.

7 Section 6 of the bill permits food and beverages consumed
8 during a meeting to be received from a business being
9 contacted and provides that a public official or employee play
10 a significant role in the presentation to the business being
11 contacted. Ceremonial gifts with only personal value are
12 permitted to be received from persons from foreign countries
13 under certain circumstances.

14 Section 7 of the bill amends the honoraria provision to add
15 language previously deleted from the definition of honorarium
16 and to reflect the addition of the definition of the term
17 "restricted donor".

18 Section 8 of the bill excepts loans made in the ordinary
19 course of business from the types of loans that lobbyists are
20 prohibited from making to officials, members of the general
21 assembly, state employees, or candidates for state office and
22 adds legislative employees to the list of persons prohibited
23 from receiving loans from lobbyists.

24 Section 9 of the bill strikes, replaces, and amends the
25 applicability of the penalty provision of chapter 68B to
26 include violations of the conflict of interest provision.

27 Section 10 of the bill permits the legislative ethics
28 committee of each house to employ the services of an
29 independent legal counsel to assist the committee in carrying
30 out their duties.

31 Section 11 of the bill provides for notification of a
32 person charged with an ethics violation of the existence and
33 contents of a complaint.

34 Section 12 of the bill removes the language that restricts
35 the duration of certain available remedies for ethical

1 violations to the general assembly in which the violation
2 occurred.

3 Section 13 of the bill permits the executive council to
4 retain the services of a legal counsel and an administrative
5 law judge when performing duties related to the hearings on
6 ethical violations by executive branch officials and
7 employees.

8 Section 14 of the bill provides that investigations by
9 independent special counsel are not public meetings under
10 chapter 21. The information or records obtained during the
11 investigation are not public records until they are disclosed
12 to an ethics body after the probable cause stage of the
13 investigation. Section 21 provides that the information
14 received during the investigations is a confidential record
15 until disclosed to the ethics bodies.

16 Section 15 of the bill limits the sources of income that
17 are to be disclosed in personal financial disclosure
18 statements to sources that produce gross income of more than
19 \$1000 annually, delineates persons required to make such
20 disclosures. An alternative \$10,000 threshold requirement is
21 added to the significant financial interest language which
22 would require disclosure of interests in a company that are
23 less than five percent of the outstanding issue but are
24 greater than \$10,000 in value.

25 Section 16 provides for the prescription of forms and
26 procedures for lobbyist registration by the campaign finance
27 disclosure commission.

28 Section 17 of the bill changes the place at which
29 lobbyists' reports must be filed to the campaign finance
30 disclosure commission. End of the year or end of lobbying
31 registration reports are also provided for.

32 Section 18 provides that a client of a lobbyist need not
33 report salaries, fees, or retainers if none were paid during
34 the reporting period and adds report of items given to state
35 officials and employees if the client does not meet the donor

1 definitions contained in the gift definition.

2 Section 19 provides that the rules to be prescribed by the
3 supreme court for judicial officials and employees are to
4 include provisions relating to conflicts of interest.

5 Section 20 provides for the adoption and prescription of
6 rules to implement chapter 68B by the executive council and
7 the general assembly, respectively. The section also provides
8 for the adoption of a code of ethics for the executive branch
9 of state government and creation of a process for the seeking
10 and receipt of advice relating to disclosure and reporting
11 requirements from the tax campaign finance disclosure
12 commission.

13 Section 21 provides for confidentiality of ethics
14 complaints, under certain circumstances, and for the
15 confidentiality of investigations by the independent special
16 prosecutor until the determination of probable cause is made
17 and turned over to a legislative ethics committee or the
18 executive council.

19 Section 22 provides that a candidate's committee may
20 transfer funds to another candidate's committee if the
21 candidate for whom both committees are formed is the same
22 person.

23 Section 23 establishes transition provisions and provides
24 that the bill takes effect upon enactment.

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**HOUSE FILE 144
FISCAL NOTE**

A fiscal note for House File 144 as amended by H-3077 (House Ethics Committee Amendment) is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 144 as amended by H-3077 makes further revisions to the State of Iowa Ethics Law. The amendment changes the bill by providing for creation of an Independent Ethics and Campaign Finance Board. The Board would replace the current 5 member Campaign Finance Disclosure Commission with a 6 member board. The bill as amended would include all the assumptions included in the fiscal note for the bill plus:

Assumptions:

1. Cost of an additional board member is estimated at \$2,000 per year.
2. The Board would need to employ independent legal counsel at an annual cost of \$62,400.

Fiscal Impact:

The bill as amended will increase General Fund expenditures by \$143,350 in FY 1994 and \$129,200 in FY 1995. These totals include one-time equipment costs of \$38,150 for FY 1994 and \$24,000 for FY 1995. The annual cost after FY 1995 will be \$105,200.

Sources: Campaign Finance Disclosure Commission
Secretary of State

(LSB 1697hv.2, MAS)

FILED FEBRUARY 17, 1993

BY DENNIS PROUTY, FISCAL DIRECTOR

**HOUSE FILE 144
FISCAL NOTE**

A fiscal note for House File 144 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 144 is a revision of the State of Iowa Ethics Law. Portions of the bill which may have a fiscal impact on the General Fund of the State include:

1. Designates the Campaign Finance Disclosure Commission as the official depository for statements of personal financial disclosure for officials, members of the General Assembly, and candidates; lobbyists' registration statements; lobbyists' reports; and, lobbyists' client reports.
2. Requires the Campaign Finance Disclosure Commission to prescribe forms and adopt rules to implement reporting requirements.
3. Requires the Campaign Finance Disclosure Commission to adopt rules establishing a procedure for persons to seek and receive advice (advisory opinions) regarding application and extent of reporting requirements.

Assumptions:

1. The Campaign Finance Disclosure Commission would hire an Administrative Assistant II at an annual cost of \$38,400.
2. The Commission would enter into a 28E agreement with the Secretary of State's Office to utilize the optical disc scanning equipment for scanning the reports and statements received by the Commission.
3. No additional staff would be necessary in the Secretary of State's Office.
4. An optical disc display terminal would be installed in the Capitol with printing capabilities to provide public access to information filed.
5. A similar display unit would be installed at the Commission for public access in FY 1995 when a new permanent location is determined. During FY 1994 the Commission will utilize a dial-up service that would allow copies of documents requested to be sent to a fax machine.

Fiscal Impact:

This bill will increase General Fund expenditures by \$75,450 in FY 1994 and \$64,800 in FY 1995. These totals include one-time equipment costs of \$34,650 for FY 1994 and \$24,000 for FY 1995. The annual cost for FY 1996 and later would be \$40,800.

Sources: Campaign Finance Disclosure Commission
Secretary of State

(LSB 1697hv, MAS)

FILED FEBRUARY 17, 1993

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 144

H-3074

1 Amend House File 144 as follows:

2 1. By striking page 26, line 29, through page 27,
3 line 24, and inserting the following:

4 "Sec. ____ Section 68B.37, Code 1993, is amended
5 by striking the section and inserting in lieu thereof
6 the following:

7 68B.37 LOBBYIST REPORTING.

8 1. A lobbyist before the general assembly shall
9 file with the campaign finance disclosure commission,
10 on forms jointly prescribed by the commission and the
11 legislative council, a report disclosing all of the
12 following:

13 a. The lobbyist's clients.

14 b. Campaign contributions made by the lobbyist
15 during calendar months during the reporting period
16 when the general assembly is not in session.

17 c. The recipient of the campaign contributions.

18 d. Expenditures made by the lobbyist for the
19 purposes of providing the services enumerated under
20 section 68B.2, subsection 12, paragraph "a".

21 For purposes of this subsection, "expenditures" do
22 not include expenditures made by any organization for
23 publishing a newsletter or other informational release
24 for its members.

25 2. A lobbyist before a state agency or the office
26 of the governor shall file with the campaign finance
27 disclosure commission, on forms prescribed by the
28 commission, a report disclosing the same items
29 described in subsection 1.

30 3. The reports required in this section shall be
31 filed on or before April 30, July 31, October 31, and
32 January 31, for the preceding calendar quarter or
33 parts thereof during which the person was engaged in
34 lobbying. If a person cancels the person's lobbyist
35 registration at any time during the calendar year, the
36 reports required by this section are due on the dates
37 required by this section or fifteen days after
38 cancellation, whichever is earlier. The report due
39 January 31, or after the time of cancellation of a
40 lobbyist's registration, shall include all reportable
41 items for the preceding calendar year in addition to
42 containing the quarterly reportable items."

By CARPENTER of Polk

H-3074 FILED FEBRUARY 16, 1993

out of order 2-19-93

HOUSE FILE 144

H-3075

1 Amend House File 144 as follows:

2 1. Page 16, by striking lines 16 through 25.

3 2. By renumbering as necessary.

By HALVORSON of Webster

H-3075 FILED FEBRUARY 16, 1993

Adopted 2-19-93

HOUSE FILE 144

H-3060

1 Amend House File 144 as follows:

2 1. Page 1, line 16, by striking the word
3 "officer" and inserting the following: "office".

By FALLON of Polk

H-3060 FILED FEBRUARY 11, 1993

OUT OF ORDER 2-18-93

HOUSE FILE 144

H-3066

1 Amend House File 144 as follows:

A

2 1. Page 5, line 23, by striking the words "one
3 thousand" and inserting the following: "two hundred
4 fifty"

B

5 2. Page 12, line 18, by striking the word "two"
6 and inserting the following: "two four".

7 3. Page 12, line 24, by striking the word "two"
8 and inserting the following: "four".

9 4. Page 12, line 33, by striking the word "two"
10 and inserting the following: "two four".

By FALLON of Polk

H-3066 FILED FEBRUARY 15, 1993

A - Lost
B - Lost 2-19-93

HOUSE FILE 144

H-3067

1 Amend House File 144 as follows:

2 1. Page 1, line 12, by inserting after the word
3 "government" the following: "or "state agency".

4 2. Page 1, line 16, by striking the word
5 "officer" and inserting the following: "office".

6 3. Page 13, line 15, by striking the word
7 "employee" and inserting the following: "employee
8 employees".

9 4. Page 13, line 16, by striking the word
10 "employee" and inserting the following: "employee
11 employees".

12 5. Page 13, by striking line 17, and inserting
13 the following: "indirectly, or enter into any express
14 or implied agreement for, express-or-implied".

15 6. Page 13, line 18, by striking the words "for
16 any" and inserting the following: "for any".

17 7. Page 15, line 1, by striking the word
18 "servant's" and inserting the following: "official's
19 or public employee's".

20 8. Page 19, line 27, by striking the word "their"
21 and inserting the following: "the committee's".

ADOPTED 2-18-93

By FALLON of Polk

H-3067 FILED FEBRUARY 15, 1993

HOUSE FILE 144

H-3068

1 Amend House File 144 as follows:

2 1. Page 29, by inserting after line 20 the fol-
3 lowing:

4 "Sec. . NEW SECTION. 2.22A PENALTY FOR
5 FAILING TO MEET DEADLINES.

6 If the general assembly establishes a statutory
7 deadline for action by the general assembly on a
8 particular bill, resolution, statute, or other measure
9 and fails to act as required in the statute, each
10 member of the general assembly shall pay a fine of
11 twenty-five dollars for each day on which the general
12 assembly is in session beyond the deadline until the
13 general assembly acts as required. Moneys paid under
14 this section shall be deposited in the general fund of
15 the state."

16 2. By renumbering as necessary.

By FALLON of Polk

H-3068 FILED FEBRUARY 15, 1993

WITHDRAWN
2-19-93

HOUSE FILE 144

H-3077

- 1 Amend House File 144 as follows:
2 1. Page 1, by inserting after line 17, the
3 following:
4 "2A. "Board" means the Iowa ethics and campaign
5 disclosure board."
6 2. Page 1, line 30, by inserting after the words
7 "compensation to" the following: "or designates an
8 individual to be".
9 3. Page 5, line 6, by striking the words "Acts
10 as" and inserting the following "Is".
11 4. Page 6, by striking lines 29 through 31.
12 5. Page 6, by inserting before line 32, the
13 following:
14 "(7) An individual who is a member, director,
15 trustee, officer, or committee member of a business,
16 trade, labor, farm, professional, religious,
17 education, or charitable association, foundation, or
18 organization who either is not paid compensation or is
19 not specifically designated as provided in paragraph
20 "a", subparagraph (1) or (2)."
21 6. Page 10, line 6, by striking the words "may
22 later be" and inserting the following: "is".
23 7. Page 10, line 7, by striking the words "
24 directly or indirectly,".
25 8. Page 15, lines 20 and 21, by striking the
26 words "less than three dollars" and inserting the
27 following: "three dollars or less".
28 9. Page 15, line 24, by striking the word "an"
29 and inserting the following: "a business or".
30 10. Page 15, line 34, by striking the word "an"
31 and inserting the following: "a business or".
32 11. Page 16, by striking lines 24 and 25, and
33 inserting the following: "the following persons, in
34 the case of members of the general assembly or
35 legislative employees:
36 (1) From the legislative council, in the case of
37 legislative employees who are members of central
38 legislative staff agencies.
39 (2) From the speaker of the house in the case of
40 members and legislative employees of the majority
41 party of the house of representatives.
42 (3) From the minority leader of the house in the
43 case of members and legislative employees of the
44 minority party of the house of representatives.
45 (4) From the majority leader of the senate in the
46 case of members and legislative employees of the
47 majority party of the senate.
48 (5) From the minority leader of the senate in the
49 case of members and legislative employees of the
50 minority party of the senate."

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Page 2

1 12. Page 19, line 19, by striking the figure
2 "68B.21" and inserting the following: "68B.22".

3 13. Page 19, by inserting after line 22 the
4 following:

5 "Sec. _____. Section 68B.26, Code 1993, is amended
6 to read as follows:

7 68B.26 ACTIONS COMMENCED.

8 Actions against public officials or public
9 employees to enforce the provisions of this chapter
10 may be commenced by the filing of a complaint with the
11 county attorney by any legal resident of the state of
12 Iowa who is eighteen years of age or more at the time
13 of commencing the action or by the attorney general.
14 Complaints regarding conduct of local officials or
15 local employees which violates this chapter shall be
16 filed with the county attorney in the county where the
17 accused resides."

18 14. Page 19, lines 30 and 31, by striking the
19 words "unnumbered paragraph 1,".

20 15. Page 19, line 32 by inserting before the word
21 "The" the following: "6."

22 16. Page 19, line 33, by inserting after the word
23 "ethics" the following: "rules governing
24 lobbyists,".

25 17. Page 20, by inserting after line 18 the
26 following:

27 "a. Facts, that if true, establish a violation of
28 a provision of this chapter, the rules governing
29 lobbyists, or the code of ethics for which penalties
30 or other remedies are provided.

31 b. That the conduct providing the basis for the
32 complaint occurred within three years of the filing of
33 the complaint.

34 c. That the party charged with a violation is a
35 party subject to the jurisdiction of the ethics
36 committee."

37 18. Page 21, by striking lines 3 through 33, and
38 inserting the following:

39 "Sec. _____. Section 68B.32, Code 1993, is amended
40 by striking the section and inserting in lieu thereof
41 the following:

42 68B.32 INDEPENDENT ETHICS AND CAMPAIGN DISCLOSURE
43 BOARD -- ESTABLISHED.

44 1. An Iowa ethics and campaign disclosure board is
45 established as an independent agency. Effective
46 January 1, 1994, the board shall administer and set
47 standards for, investigate complaints relating to, and
48 monitor the ethics and campaign finance practices of
49 officials and employees in the executive branch of
50 state government and of candidates for public office.

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1 The board shall consist of six members and shall be
2 balanced as to political affiliation as provided in
3 section 69.16. The members shall be appointed by the
4 governor, subject to confirmation by the senate.

5 2. Members shall serve staggered six-year terms
6 beginning and ending as provided in section 69.19.
7 Any vacancy on the board shall be filled by
8 appointment for the unexpired portion of the term,
9 within ninety days of the vacancy and in accordance
10 with the procedures for regular appointments. A
11 member of the board may be reappointed to serve
12 additional terms on the board. Members may be removed
13 in the manner provided in chapter 69.

14 3. The board shall annually elect one member to
15 serve as the chairperson of the board and one member
16 to serve as vice chairperson. The vice chairperson
17 shall act as the chairperson in the absence or
18 disability of the chairperson or in the event of a
19 vacancy in that office.

20 4. Members of the board shall receive a per diem
21 as specified in section 7E.6 while conducting business
22 of the board, and payment of actual and necessary
23 expenses incurred in the performance of their duties.
24 Members of the board shall file statements of
25 financial interest under section 68B.35.

26 5. The board shall employ a full-time executive
27 secretary who shall be the board's chief
28 administrative officer. The board shall employ or
29 contract for the employment of legal counsel
30 notwithstanding section 13.7, and any other personnel
31 as may be necessary to carry out the duties of the
32 board. The board's legal counsel shall be the chief
33 legal officer of the board, shall advise the board on
34 all legal matters, and, upon the instructions of the
35 board, may commence any actions as may be appropriate.
36 Notwithstanding section 19A.3, all of the board's
37 employees, except for the executive secretary and
38 legal counsel, shall be employed subject to the merit
39 system provisions of chapter 19A.

40 Sec. ____ . NEW SECTION. 68B.32A DUTIES OF THE
41 BOARD.

42 The duties of the board shall include, but are not
43 limited to, all of the following:

44 1. Adopt rules pursuant to chapter 17A and conduct
45 hearings under section 68B.32A and chapter 17A, as
46 necessary to carry out the purposes of this chapter
47 and chapter 56.

48 2. Develop, prescribe, furnish, and distribute any
49 forms necessary for the implementation of the
50 procedures contained in this chapter and chapter 56

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1 for the filing of reports and statements by persons
2 required to file the reports and statements under this
3 chapter and chapter 56.

4 3. Review the contents of all campaign finance
5 disclosure reports and statements filed with the board
6 and promptly advise each person or committee of errors
7 found. The board may verify information contained in
8 the reports with other parties to assure accurate
9 disclosure. The board, upon its own motion, may
10 initiate action and conduct a hearing relating to
11 requirements under chapter 56. The board may require
12 a county commissioner of elections to periodically
13 file summary reports with the board.

14 4. Receive and file lobbyist registration and
15 reporting client disclosure, and personal financial
16 disclosure information. The board, upon its own
17 motion, may initiate action and conduct a hearing
18 relating to reporting requirements under this chapter.

19 5. Prepare and publish a manual setting forth
20 examples of approved uniform systems of accounts and
21 approved methods of disclosure for use by persons
22 required to file statements and reports under this
23 chapter and chapter 56. The board shall also prepare
24 and publish other educational materials, and any other
25 reports or materials deemed appropriate by the board.
26 The board shall annually provide all officials and
27 state employees with notification of the contents of
28 this chapter and chapter 56 by distributing copies of
29 educational materials to associations that represent
30 the interests of the various governmental entities for
31 dissemination to their membership.

32 6. Assure that the statements and reports which
33 have been filed in accordance with this chapter and
34 chapter 56 are available for public inspection and
35 copying during the regular office hours of the office
36 in which they are filed and not later than by the end
37 of the day during which a report or statement was
38 received. Rules adopted relating to public inspection
39 and copying of statements and reports may include a
40 charge for any copying and mailing of the reports and
41 statements, shall provide for the mailing of copies
42 upon the request of any person and upon prior receipt
43 of payment of the costs by the board, and shall
44 prohibit the use of the information copied from
45 reports and statements for soliciting contributions or
46 for any commercial purpose by any person other than
47 statutory political committees.

48 7. Require that the candidate of a candidate's
49 committee, or the chairperson of a political
50 committee, is responsible for filing disclosure

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1 reports under chapter 56, and shall receive notice
2 from the board if the committee has failed to file a
3 disclosure report at the time required under chapter
4 56. A candidate of a candidate's committee, or the
5 chairperson of a political committee may be subject to
6 a civil penalty for failure to file a disclosure
7 report required under section 56.6, subsection 1.

8 8. Establish and impose penalties, and
9 recommendations for punishment of persons who are
10 subject to penalties of or punishment by the board or
11 by other bodies, for the failure to comply with the
12 requirements of this chapter or chapter 56.

13 9. Determine, in case of dispute, at what time a
14 person has become a candidate.

15 10. Preserve copies of reports and statements
16 filed with the board for a period of five years from
17 the date of receipt.

18 11. Establish a procedure for requesting and
19 issuing formal and informal board opinions to persons
20 subject to the authority of the board under this
21 chapter or chapter 56. Advice contained in formal
22 board opinions shall, if followed, constitute a
23 defense to a complaint alleging a violation of this
24 chapter, chapter 56, or rules of the board that is
25 based on the same facts and circumstances.

26 12. Establish rules relating to ethical conduct
27 for persons holding a state office, including
28 candidates, and for employees of the executive branch
29 of state government and regulations governing the
30 conduct of lobbyists, including but not limited to
31 conflicts of interest, abuse of office, misuse of
32 public property, use of confidential information,
33 participation in matters in which an official or state
34 employee, has a financial interest, and rejection of
35 improper offers.

36 13. Establish fees, where necessary, to cover the
37 costs associated with preparing, printing, and
38 distributing materials to persons subject to the
39 authority of the board.

40 Sec. ____ . NEW SECTION. 68B.32B COMPLAINT
41 PROCEDURES.

42 1. Any person may file a complaint alleging that a
43 candidate, committee, or other person has committed a
44 violation of this chapter or rules adopted by the
45 board. The board shall prescribe and provide forms
46 for this purpose. A complaint must include the name
47 and address of the complainant, a statement of the
48 facts believed to be true that form the basis of the
49 complaint, including the sources of information and
50 approximate dates of the acts alleged, and a

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1 certification by the complainant under penalty of
2 perjury that the facts stated to be true are true to
3 the best of the complainant's knowledge.

4 2. The board staff shall review the complaint to
5 determine if the complaint is sufficient as to form.
6 If the complaint is deficient as to form, the
7 complaint shall be returned to the complainant with a
8 statement of the deficiency and an explanation
9 describing how the deficiency may be cured. If the
10 complaint is sufficient as to form, the complaint
11 shall be referred for legal review.

12 3. Unless the chairperson of the board concludes
13 that immediate notification would prejudice a
14 preliminary investigation or subject the complainant
15 to an unreasonable risk, the board shall mail a copy
16 of the complaint to the subject of the complaint
17 within three working days of the acceptance of the
18 complaint. If a determination is made by the
19 chairperson not to mail a copy of the complaint to the
20 subject of the complaint within the three working days
21 time period, the board shall approve and establish the
22 time and conditions under which the subject will be
23 informed of the filing and contents of the complaint.

24 4. Upon completion of legal review, the
25 chairperson of the board shall be advised whether, in
26 the opinion of the legal advisor, the complaint states
27 an allegation which is legally sufficient. A legally
28 sufficient allegation must allege all of the
29 following:

30 a. Facts that would establish a violation of a
31 provision of this chapter, chapter 56, or rules
32 adopted by the board.

33 b. Facts that would establish that the conduct
34 providing the basis for the complaint occurred within
35 three years of the complaint.

36 c. Facts that would establish that the subject of
37 the complaint is a party subject to the jurisdiction
38 of the board.

39 5. After receiving an evaluation of the legal
40 sufficiency of the complaint, the chairperson shall
41 refer the complaint to the board for a formal
42 determination by the board of the legal sufficiency of
43 the allegations contained in the complaint.

44 6. If the board determines that none of the
45 allegations contained in the complaint are legally
46 sufficient, the complaint shall be dismissed. The
47 complainant shall be sent a notice of dismissal
48 stating the reason or reasons for the dismissal. If a
49 copy of the complaint was sent to the subject of the
50 complaint, a copy of the notice shall be sent to the

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1 subject of the complaint. If the board determines
2 that any allegation contained in the complaint is
3 legally sufficient, the complaint shall be referred to
4 the board staff for investigation of any legally
5 sufficient allegations.

6 7. Notwithstanding subsections 1 through 6, the
7 board may, on its own motion and without the filing of
8 a complaint by another person, initiate investigations
9 into matters that the board believes may be subject to
10 the board's jurisdiction. This section does not
11 preclude persons from providing information to the
12 board for possible board-initiated investigation
13 instead of filing a complaint.

14 8. The purpose of an investigation by the board's
15 staff is to determine whether there is probable cause
16 to believe that there has been a violation of this
17 chapter or of rules adopted by the board. To
18 facilitate the conduct of investigations, the board
19 may issue and seek enforcement of subpoenas requiring
20 the attendance and testimony of witnesses and
21 subpoenas requiring the production of books, papers,
22 records, and other real evidence relating to the
23 matter under investigation. Upon the request of the
24 board, an appropriate county attorney or the attorney
25 general shall assist the staff of the board in its
26 investigation.

27 9. If the board determines on the basis of an
28 investigation by board staff that there is probable
29 cause to believe the existence of facts that would
30 establish a violation of this chapter, or of rules
31 adopted by the board, the board shall issue a
32 statement of charges and notice of a contested case
33 proceeding to the complainant and to the person who is
34 the subject of the complaint, in the manner provided
35 for the issuance of statements of charges under
36 chapter 17A. If the board determines on the basis of
37 an investigation by staff that there is no probable
38 cause to believe that a violation has occurred, the
39 board shall close the investigation, dismiss any
40 related complaint, and the subject of the complaint
41 shall be notified of the dismissal. If the
42 investigation originated from a complaint filed by a
43 person other than the board, the person making the
44 complaint shall also be notified of the dismissal.

45 10. At any stage during the investigation or after
46 the initiation of a contested case proceeding, the
47 board may approve a settlement regarding an alleged
48 violation. Terms of a settlement shall be reduced to
49 writing and be available for public inspection. An
50 informal settlement may provide for any remedy

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1 specified in section 68B.32D. However, the board
2 shall not approve a settlement unless the board
3 determines that the terms of the settlement are in the
4 public interest and are consistent with the purposes
5 of this chapter and rules of the board. In addition,
6 the board may authorize board staff to seek informal
7 voluntary compliance in routine matters brought to the
8 attention of the board or its staff.

9 11. A complaint shall be a public record, but some
10 or all of the contents may be treated as confidential
11 under section 22.7, subsection 18, to the extent
12 necessary under subsection 3. Information informally
13 reported to the board and board staff which results in
14 a board-initiated investigation shall be a public
15 record but may be treated as confidential information
16 consistent with the provisions of section 22.7,
17 subsection 18. If the complainant, the person who
18 provides information to the board, or the person who
19 is the subject of an investigation publicly discloses
20 the existence of an investigation, the board may
21 publicly confirm the existence of the disclosed formal
22 complaint or investigation and, in the board's
23 discretion, make the complaint or the informal
24 referral public, as well as any other documents that
25 were issued by the board to any party to the
26 investigation. However, investigative materials may
27 be furnished to the appropriate law enforcement
28 authorities by the board at any time. Upon the
29 commencement of a contested case proceeding by the
30 board, all investigative material relating to that
31 proceeding shall be made available to the subject of
32 the proceeding. The entire record of any contested
33 case proceeding initiated under this section shall be
34 a public record.

35 12. Board records used to achieve voluntary
36 compliance to resolve discrepancies and deficiencies
37 shall not be confidential unless otherwise required by
38 law.

39 Sec. ____ . NEW SECTION. 68B.32C CONTESTED CASE
40 PROCEEDINGS.

41 1. Contested case proceedings initiated as a
42 result of the issuance of a statement of charges
43 pursuant to section 68B.32B, subsection 9, shall be
44 conducted in accordance with the requirements of
45 chapter 17A. A preponderance of the evidence shall be
46 required to support a finding that a person has
47 violated this chapter or any rules adopted by the
48 board. The case in support of the statement of
49 charges shall be presented at the hearing by one of
50 the board's attorneys or staff unless, upon the

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1 request of the board, the charges are prosecuted by
2 another legal counsel designated by the attorney
3 general. A person making a complaint under section
4 68B.32B, subsection 1, is not a party to contested
5 case proceedings conducted relating to allegations
6 contained in the complaint.

7 2. Hearings held pursuant to this chapter shall be
8 heard by a quorum of the board, unless the board
9 designates a board member or an administrative law
10 judge to preside at the hearing. If a quorum of the
11 board does not preside at the hearing, the board
12 member or administrative law judge shall make a
13 proposed decision. The board or presiding board
14 member may be assisted by an administrative law judge
15 in the conduct of the hearing and the preparation of a
16 decision.

17 3. Upon a finding by the board that the party
18 charged has violated this chapter or rules adopted by
19 the board, the board may impose any penalty provided
20 for by section 68B.32D. Upon a final decision of the
21 board finding that the party charged has not violated
22 this chapter or the rules of the board, the complaint
23 shall be dismissed and the party charged and the
24 original complainant, if any, shall be notified.

25 4. The right of an appropriate county attorney or
26 the attorney general to commence and maintain a
27 district court prosecution for criminal violations of
28 the law is unaffected by any proceedings under this
29 section.

30 5. The board shall adopt rules, pursuant to
31 chapter 17A, establishing procedures to implement this
32 section.

33 Sec. ____ . NEW SECTION. 68B.32D PENALTIES --
34 RECOMMENDED ACTIONS.

35 1. The board, after a hearing and upon a finding
36 by a preponderance of clear and convincing evidence
37 that a violation of a provision of this chapter,
38 chapter 56, or rules adopted by the board has
39 occurred, may do one or more of the following:

40 a. Issue an order requiring the violator to cease
41 and desist from the violation found.

42 b. Issue an order requiring the violator to take
43 any remedial action deemed appropriate by the board.

44 c. Issue an order requiring the violator to file
45 any report, statement or other information as required
46 by this chapter, chapter 56, or rules adopted by the
47 board.

48 d. Publicly reprimand the violator for violations
49 of this chapter, chapter 56, or rules adopted by the
50 board in writing and provide a copy of the reprimand

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1 to the violator's appointing authority.

2 e. Make a written recommendation to the violator's
3 appointing authority that the violator be removed or
4 suspended from office, and include in the
5 recommendation the length of the suspension.

6 f. If the violation is a violation of this chapter
7 or rules adopted by the board pursuant to this chapter
8 and the violator is an elected official of the
9 executive branch of state government, other than an
10 official who can only be removed by impeachment, make
11 a written recommendation to the attorney general or
12 the appropriate county attorney that an action for
13 removal from office be initiated pursuant to chapter
14 66.

15 g. If the violation is a violation of this chapter
16 or rules adopted by the board pursuant to this chapter
17 and the violator is a lobbyist of the executive branch
18 of state government, censure, reprimand, or impose
19 other sanctions deemed appropriate by the board. A
20 lobbyist may also be suspended from lobbying
21 activities if the board finds that suspension is an
22 appropriate sanction for the violation committed.

23 h. Issue an order requiring the violator to pay a
24 civil penalty of not more than two thousand dollars
25 for each violation of this chapter, chapter 56, or
26 rules adopted by the board.

27 i. Refer the complaint and supporting information
28 to the attorney general or appropriate county attorney
29 with a recommendation for prosecution or enforcement
30 of criminal penalties.

31 2. At any stage during an investigation or during
32 the board's review of routine compliance matters, the
33 board may resolve the matter by admonishment to the
34 alleged violator or by any other means not specified
35 in subsection 1 as a posthearing remedy.

36 3. If a person fails to comply with an order of
37 the board under subsection 1, paragraphs "a" "b", "c",
38 or "h", the board may petition the district court
39 having jurisdiction for an order for enforcement of
40 the order of the board. The enforcement proceeding
41 shall be conducted as provided in section 68B.33."

42 19. Page 22, lines 16 and 17, by striking the
43 words "or the executive council" and inserting the
44 following: "~~or-the-executive-council~~".

45 20. Page 22, lines 22 and 23, by striking the
46 words "or executive council" and inserting the
47 following: "~~or-executive-council~~".

48 21. Page 22, lines 24 and 25, by striking the
49 words "or by the executive council as provided in
50 section 68B.32" and inserting the following: "or-by

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- 1 ~~the executive council as provided in section 68B.32~~.
2 22. Page 22, line 30, by striking the words "or
3 the executive council".
4 23. Page 22, line 31, by striking the word and
5 figure "or 68B.32".
6 24. Page 23, line 3, by inserting after the word
7 "file" the following: "effective January 1, 1994,".
8 25. Page 25, lines 6 and 7, by striking the words
9 "campaign finance disclosure commission" and inserting
10 the following: "campaign-finance-disclosure
11 commission board".
12 26. Page 25, line 17, by striking the words
13 "executive council" and inserting the following:
14 "executive-council board".
15 27. Page 25, line 18, by striking the words "and
16 the senate" and inserting the following: ", the
17 senate, and legislative employees who are required to
18 file disclosure statements".
19 28. Page 25, line 21, by striking the words
20 "campaign finance disclosure commission" and inserting
21 the following: "board".
22 29. Page 25, line 23, by striking the word
23 "commission" and inserting the following: "board".
24 30. Page 25, line 26, by striking the word
25 "commission" and inserting the following: "board".
26 31. Page 25, line 33, by striking the words
27 "campaign finance disclosure commission" and inserting
28 the following: "board".
29 32. Page 26, lines 6 and 7, by striking the words
30 "campaign finance disclosure commission" and inserting
31 the following: "board".
32 33. Page 26, line 19, by striking the words
33 "campaign finance disclosure commission" and inserting
34 the following: "board".
35 34. Page 26, lines 25 and 26, by striking the
36 words "campaign finance disclosure commission" and
37 inserting the following: "board".
38 35. Page 26, line 32, by striking the word "A"
39 and inserting the following: "A Effective January 1,
40 1994, a".
41 36. Page 26, line 33, by striking the words
42 "campaign finance disclosure commission" and inserting
43 the following: "campaign-finance-disclosure
44 commission board".
45 37. Page 27, lines 11 and 12, by striking the
46 words "campaign finance disclosure commission" and
47 inserting the following: "campaign-finance-disclosure
48 commission board".
49 38. Page 27, lines 18 and 19, by striking the
50 words "campaign finance disclosure commission" and

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Page 12

1 inserting the following: "~~campaign-finance-disclosure~~
2 commission board".

3 39. Page 27, line 22, by striking the words
4 "campaign finance disclosure commission" and inserting
5 the following: "board".

6 40. Page 27, line 28, by striking the word "No"
7 and inserting the following: "No Beginning in 1994,
8 no".

9 41. Page 27, lines 30 and 31, by striking the
10 words "campaign finance disclosure commission" and
11 inserting the following: "board".

12 42. Page 27, by striking lines 34 and 35, and
13 inserting the following: "the preceding six calendar
14 months. ~~Reports-by-lobbyists+clients-shall-be-filed~~
15 ~~with-the-same-entity-with-which-the~~".

16 43. Page 28, lines 1 and 2, by striking the words
17 "campaign finance disclosure commission".

18 44. Page 28, line 7, by striking the words
19 "campaign finance disclosure commission" and inserting
20 the following: "board".

21 45. Page 28, by striking lines 9 through 18.

22 46. By striking page 28, line 34 through page 29,
23 line 20.

24 47. Page 30, by inserting before line 1, the
25 following:

26 "Sec. _____. Section 56.2, Code 1993, is amended by
27 adding the following new subsection:

28 NEW SUBSECTION. 1A. "Board" means the Iowa ethics
29 and campaign finance board established under section
30 68B.32.

31 Sec. _____. Section 56.2, subsection 11, Code 1993,
32 is amended to read as follows:

33 11. "Disclosure report" means a statement of
34 contributions received, expenditures made, and
35 indebtedness incurred on forms prescribed by rules
36 adopted by the commission board in accordance with
37 chapter 17A.

38 Sec. _____. Section 56.5, subsections 3 and 5, Code
39 1993, are amended to read as follows:

40 3. Any change in information previously submitted
41 in a statement of organization or notice in case of
42 dissolution of the committee shall be reported to the
43 commission board or commissioner not more than thirty
44 days from the date of the change or dissolution.

45 5. A committee not domiciled in Iowa which makes a
46 contribution to a candidate's committee or political
47 committee domiciled in Iowa shall disclose each
48 contribution to the commission board. A committee not
49 domiciled in Iowa which is not registered and filing
50 full disclosure reports of all financial activities

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1 with the federal election commission or another
 2 state's disclosure commission shall register and file
 3 full disclosure reports with the board pursuant to
 4 this chapter. A committee which is currently filing a
 5 disclosure report in another jurisdiction shall either
 6 file a statement of organization under subsections 1
 7 and 2 and file disclosure reports, the same as those
 8 required of Iowa-domiciled committees, under section
 9 56.6, or shall file one copy of a verified statement
 10 with the commission board and a second copy with the
 11 treasurer of the committee receiving the contribution.
 12 The form shall be completed and filed at the time the
 13 contribution is made. The verified statement shall be
 14 on forms prescribed by the commission board. The form
 15 shall include the complete name, address, and
 16 telephone number of the contributing committee, the
 17 state or federal jurisdiction under which it is
 18 registered or operates, the identification of any
 19 parent entity or other affiliates or sponsors, its
 20 purpose, the name and address of an Iowa resident
 21 authorized to receive service of original notice and
 22 the name and address of the receiving committee, the
 23 amount of the cash or in-kind contribution, and the
 24 date the contribution was made.

25 Sec. ____ . Section 331.756, subsection 15, Code
 26 1993, is amended to read as follows:

27 15. Review the report and recommendations of the
 28 campaign-finance-disclosure-commission independent
 29 ethics and campaign finance board and proceed to
 30 institute the recommended actions or advise the
 31 commission board that prosecution is not merited as
 32 provided in section ~~56.11, subsection 4~~ 68B.32C.

33 Sec. ____ . Sections 56.4, 56.6, 56.13, 56.20, and
 34 56.23, Code 1993, are amended by striking the word
 35 "commission" or "campaign finance disclosure
 36 commission" and inserting the following: "commission
 37 board" or "campaign-finance-disclosure-commission
 38 board."

39 48. Page 31, by inserting after line 21, the
 40 following:

41 "Sec. ____ . Sections 56.9, 56.10, and 56.11, Code
 42 1993, are repealed."

43 49. By numbering, renumbering, and changing
 44 internal references as necessary.

| | |
|----------------------|---------------------|
| By CARPENTER of Polk | HURLEY of Fayette |
| NEUHAUSER of Johnson | PETERSON of Carroll |
| BEATY of Warren | ROYER of Page |

H-3077 FILED FEBRUARY 16, 1993

Adopted 2-19-93

HOUSE FILE 144

1 Amend House File 144 as follows:

2 1. Page 15, by striking lines 27 through 31 and
 3 inserting the following: "subdivision of the state is
 4 a member."

5 2. Page 16, by striking lines 2 through 6 and in-
 6 serting the following: "or a political subdivision of
 7 the state is a member."

LOST 2-19-93

By HALVORSON of Webster

H-3076 FILED FEBRUARY 16, 1993

H-3080

1 Amend the amendment, H-3077, to House File 144, as
2 follows:

3 1. Page 13, by inserting after line 38, the
4 following:

5 " . Page 30, line 24, by inserting after the
6 word "Act." the following: "However, if no financial
7 disclosure statement was filed in 1993, the initial
8 financial disclosure statements which are filed in
9 1994, shall include information regarding sources of
10 income and significant financial interests held in
11 1992 by the person filing the statement."

12 . Page 31, by inserting after line 19, the
13 following:

14 " . Notwithstanding section 68B.37, the initial
15 lobbyist report filed pursuant to that section shall
16 contain the information required by that section and
17 the same information for the previous calendar year.

18 . Notwithstanding section 68B.38, the client
19 report filed on January 31, 1994, shall contain the
20 information required under that section for the
21 previous twelve months."

22 2. By numbering and renumbering as necessary.

By HALVORSON of Webster

H-3080 FILED FEBRUARY 17, 1993

WITHDRAWN
2-19-93

HOUSE FILE 144

H-3081

1 Amend the amendment, H-3077, to House File 144, as
2 follows:

3 1. Page 1, by striking lines 32 through 50.

4 2. By renumbering as necessary.

By HALVORSON of Webster

H-3081 FILED FEBRUARY 17, 1993

Adopted 2-18-93 - motion to R/C by Spenner 2/18/93 (P. 338)
Motion to R/C by Spenner Withdrawn 2-19-93

HOUSE FILE 144

H-3093

1 Amend House File 144 as follows:

2 1. Page 24, by inserting after line 7, the
3 following:

4 "j. Local elected officials who earn a salary of
5 more than five thousand dollars annually or receive
6 reimbursement of expenses of more than five thousand
7 dollars annually."

8 2. Page 25, by inserting after line 27, the
9 following:

10 "4. Local elected officials, who are required to
11 file statements, shall file the statements annually,
12 at times specified by the campaign finance disclosure
13 commission, with the county auditor of the county in
14 which the person holds the elective office.
15 Disclosures shall be filed on forms provided by the
16 campaign finance disclosure commission."

By HALVORSON of Webster

H-3093 FILED FEBRUARY 17, 1993

Just 2-19-93

HOUSE FILE 144

H-3091

1 Amend House File 144 as follows:

- 2 1. Page 27, line 33, by inserting after the word
3 "purposes" the following: ", and any other
4 expenditures made by the client for purposes of
5 encouraging the passage, defeat, approval, veto, or
6 modification of legislation, a rule, or an executive
7 order before the general assembly, a state agency, or
8 any statewide elected official,".
- 9 2. Page 28, line 6, by inserting after the word
10 "activities" the following: ", and any other
11 expenditures made by the client for purposes of
12 encouraging the passage, defeat, approval, veto, or
13 modification of legislation, a rule, or an executive
14 order before the general assembly, a state agency, or
15 any statewide elected official,".

By HALVORSON of Webster

H-3091 FILED FEBRUARY 17, 1993

Lost 2-19-93

HOUSE FILE 144

H-3092

1 Amend the amendment, H-3074, to House File 144, as
2 follows:

- 3 1. Page 1, line 9, by striking the words
4 "campaign finance disclosure commission" and inserting
5 the following: "board".
- 6 2. Page 1, lines 10 and 11, by striking the words
7 "commission and the legislative council" and inserting
8 the following: "board".
- 9 3. Page 1, lines 26 and 27, by striking the words
10 "campaign finance disclosure commission" and inserting
11 the following: "board".
- 12 4. Page 1, line 28, by striking the word
13 "commission" and inserting the following: "board".

By CARPENTER of Polk

H-3092 FILED FEBRUARY 17, 1993

Out of Order 2-19-93

HOUSE FILE 144

H-3082

1 Amend the amendment, H-3077, to House File 144 as
2 follows:

3 1. Page 3, line 45, by striking the word and
4 figure "section 68B.32A" and inserting the following:
5 "sections 68B.32B and 68B.32C".

6 2. Page 5, line 43, by inserting after the word
7 "committee," the following: "person holding a state
8 office, employee of the executive branch of state
9 government,".

10 3. Page 5, line 44, by inserting after the word
11 "chapter" the following: "or chapter 56".

12 4. Page 10, line 37, by striking the word "'a'"
13 and inserting the following: "'a',".

14 5. Page 10, by inserting after line 41 the
15 following:

16 "Sec. ____ . Section 68B.33, Code 1993, is amended
17 to read as follows:

18 68B.33 JUDICIAL REVIEW -- ENFORCEMENT.

19 Judicial review of the actions of the executive
20 ~~council~~ board may be sought in accordance with chapter
21 17A. Judicial enforcement of orders of the executive
22 ~~council~~ board may be sought in accordance with chapter
23 17A."

24 6. Page 11, by inserting after line 44 the
25 following:

26 " ____ . Page 26, line 34, by striking the word
27 "commission" and inserting the following: "commission
28 board"."

29 7. Page 13, line 3, by striking the word "board"
30 and inserting the following: "commission board".

31 8. By renumbering as necessary.

By CARPENTER of Polk

H-3082 FILED FEBRUARY 17, 1993

out of order

*to dopted
2-19-93
Lerner 24-28
out of order
2-19-93
(p. 365)*

HOUSE FILE 144

H-3084

1 Amend amendment, H-3077, to House File 144 as
 2 follows:
 3 1. Page 12, by striking lines 3 through 5 and
 4 inserting the following:
 5 "____. Page 27, by striking line 22, and inserting
 6 the following: "first occurs. However, if a lobbyist
 7 is a person who is designated to represent the
 8 interest of an organization as defined in section
 9 68B.2, subsection 12, paragraph "a", subparagraph (2),
 10 but is not paid compensation for that representation
 11 and does not expend more than one thousand dollars as
 12 provided in section 68B.2, subsection 12, paragraph
 13 "a", subparagraph (4), the lobbyist shall only be
 14 required to file the report specified in this section
 15 once annually, which shall be performed at the time of
 16 filing the person's lobbyist registration form or
 17 forms. The board".
 18 2. By renumbering as necessary.

By HALVORSON of Webster

H-3084 FILED FEBRUARY 17, 1993

Adopted 2-19-93
Filed out garden with adoption of H 3121 2-19-93 (P 365)
 HOUSE FILE 144

H-3085

1 Amend the amendment, H-3077, to House File 144 as
 2 follows:
 3 1. Page 4, line 9, by inserting after the word
 4 "disclosure." the following: "The board may also
 5 verify information by requesting that a candidate or
 6 committee produce copies of receipts, bills, logbooks,
 7 or other memoranda of reimbursements of expenses to a
 8 candidate for expenses incurred during a campaign."

By KOENIGS of Mitchell

H-3085 FILED FEBRUARY 17, 1993

LOST 2-19-93
Motion to R/c 2-19-93
 HOUSE FILE 144
Motion to R/c Prevalent 2/19/93
H-3085 ADOPTED

H-3086

1 Amend the amendment, H-3077, to House File 144 as
 2 follows:
 3 1. Page 1, by striking line 10 and inserting the
 4 following: "as the" and inserting the following: "Is
 5 a".

By HALVORSON of Webster

H-3086 FILED FEBRUARY 17, 1993

Adopted 2-18-93

HOUSE FILE 144

H-3087

- 1 Amend House File 144 as follows:
 - 2 1. Page 28, by striking lines 4 through 6 and
 - 3 inserting the following: "total of all lobbying
 - 4 expenditures for the preceding calendar year. The".
- By HALVORSON of Webster

H-3087 FILED FEBRUARY 17, 1993

Lost 2-19-93

HOUSE FILE 144

H-3088

- 1 Amend House File 144 as follows:
- 2 1. Page 5, line 28, by striking the words "in
- 3 person".

By HALVORSON of Webster

H-3088 FILED FEBRUARY 17, 1993

Lost 2-19-93

HOUSE FILE 144

H-3089

- 1 Amend House File 144 as follows:
- 2 1. Page 10, line 24, by inserting after the word
- 3 "vote," the following: "taking affirmative action to
- 4 influence any vote,".

By HALVORSON of Webster

H-3089 FILED FEBRUARY 17, 1993

Adopted 2-19-93

HOUSE FILE 144

H-3090

- 1 Amend House File 144, as follows:
- 2 1. Page 4, lines 33 and 34, by striking the words
- 3 ", by acting directly".
- 4 2. Page 4, line 35, by inserting after the word
- 5 "to" the following: "directly or indirectly".
- 6 3. Page 5, line 6, by inserting after the word
- 7 "Acts" the following: "directly".
- 8 4. Page 5, line 17, by inserting after the word
- 9 "of" the following: "directly".

By HALVORSON of Webster

H-3090 FILED FEBRUARY 17, 1993

WITHDRAWN
2-19-93

HOUSE FILE 144

H-3083

1 Amend amendment, H-3077, to House File 144 as
2 follows:

3 1. Page 2, line 15, by striking the word "shall"
4 and inserting the following: "may".

5 2. Page 2, by striking lines 18 through 36 and
6 inserting the following:

7 " . By striking page 19, lines 23 through page
8 20, line 20 and inserting the following:

9 "Sec. . Section 68B.31, subsections 3 through
10 11, Code 1993, are amended to read as follows:

11 3. The majority leader of each house shall
12 designate the chairperson and vice chairperson, and
13 the minority leader of each house shall designate the
14 ranking member, of each committee. The chairperson of
15 each committee shall have the following powers, duties
16 and functions:

17 a. Preside over meetings of the committee.

18 b. Call meetings of the committee upon receipt of
19 findings and recommendations from the independent
20 ~~special-counsel~~ ethics and campaign disclosure board
21 that there is probable cause to believe that a member
22 of the general assembly or a lobbyist has committed a
23 violation of a provision of this chapter or of the
24 rules relating to ethical conduct that are adopted
25 pursuant to this chapter.

26 4. The ethics committee of each house shall have
27 the following powers, duties, and functions:

28 a. Prepare a code of ethics within thirty days
29 after the commencement of each general assembly.

30 b. Prepare rules relating to lobbyists and
31 lobbying activities in the general assembly.

32 ~~issue-advisory-opinions-interpreting-the-intent~~
33 ~~of-constitutional-and-statutory-provisions-relating-to~~
34 ~~legislators-and-lobbyists-as-well-as-interpreting-the~~
35 ~~code-of-ethics-and-rules-issued-pursuant-to-this~~
36 ~~section---Opinions-shall-be-issued-when-approved-by-a~~
37 ~~majority-of-the-six-members-and-may-be-issued-upon-the~~
38 ~~written-request-of-a-member-of-the-general-assembly-or~~
39 ~~upon-the-committee's-initiation---Opinions-are-not~~
40 ~~binding-on-the-legislator-or-lobbyist-~~

41 ~~---~~ Receive and hear findings and recommendations
42 from the independent ethics and campaign disclosure
43 board relating to complaints and charges against
44 members of its house alleging a violation of the code
45 of ethics, rules governing lobbyists, this chapter, or
46 other matters referred to it by its house or the
47 independent special-counsel ethics and campaign
48 disclosure board. The committee shall recommend rules
49 for the receipt and processing of findings of probable
50 cause and recommendations relating to ethical

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Page 2

1 violations of members of the general assembly or
2 lobbyists during the legislative session and those
3 received after the general assembly adjourns.

4 e d. Recommend legislation relating to legislative
5 ethics and lobbying activities.

6 ~~5.--Any person may file a complaint with the ethics
7 committee of either house alleging that a member of
8 the general assembly or a lobbyist before the general
9 assembly has committed a violation of this chapter.
10 The ethics committee shall prescribe and provide forms
11 for this purpose.--The complaint shall include the
12 name and address of the complainant and a statement of
13 the facts believed to be true that form the basis of
14 the complaint, including the sources of information
15 and approximate dates of the acts alleged and a
16 certification by the complainant under penalty of
17 perjury that the facts stated to be true are true to
18 the best of the complainant's knowledge.~~

19 ~~---6.---The ethics committee shall review a complaint
20 to determine if the complaint meets the requirements
21 for formal sufficiency.--If the complaint is deficient
22 as to form, the complaint shall be returned to the
23 complainant with a statement of the nature of the
24 deficiency.--If the complaint is sufficient as to
25 form, the ethics committee shall review the complaint
26 to determine whether the complaint states a valid
27 charge which may be investigated.--A valid complaint
28 must allege all of the following:~~

29 ~~---a.---Facts, that if true, establish a violation of a
30 provision of this chapter or the code of ethics for
31 which penalties or other remedies are provided.~~

32 ~~---b.---That the conduct providing the basis for the
33 complaint occurred within three years of the filing of
34 the complaint.~~

35 ~~---c.---That the party charged with a violation is a
36 party subject to the jurisdiction of the ethics
37 committee.~~

38 ~~---7.---If the ethics committee determines that a
39 complaint is not valid, the complaint shall be
40 dismissed and returned to the complainant with a
41 notice of dismissal stating the reason or reasons for
42 the dismissal.--If the ethics committee determines
43 that a complaint is valid, the ethics committee shall
44 request that the chief justice of the supreme court
45 appoint an independent special counsel to investigate
46 the allegations contained in the complaint to
47 determine whether there is probable cause to believe
48 that a violation of this chapter has occurred and
49 whether an evidentiary hearing on the complaint should
50 be held.--Payment of costs for the independent special~~

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Page 3

1 counsel shall be made from section 2.12.
2 ---8.---If a hearing on the complaint is ordered the
3 ethics committee shall receive all admissible
4 evidence, determine any factual or legal issues
5 presented during the hearing, and make findings of
6 fact based upon evidence received.---Hearings shall be
7 conducted in the manner prescribed in section 17A.12.
8 The rules of evidence applicable under section 17A.14
9 shall also apply in hearings before the ethics
10 committee.---A preponderance of clear and convincing
11 evidence shall be required to support a finding that
12 the member of the general assembly or lobbyist before
13 the general assembly has committed a violation of this
14 chapter.---Parties to a complaint may, subject to the
15 approval of the ethics committee, negotiate for
16 settlement of disputes that are before the ethics
17 committee.---Terms of any negotiated settlements shall
18 be publicly recorded.---If a complaint is filed or
19 initiated less than ninety days before the election
20 for a state office, for which the person named in the
21 complaint is the incumbent officeholder, the ethics
22 committee shall, if possible, set the hearing at the
23 earliest available date so as to allow the issue to be
24 resolved before the election.---An extension of time
25 for a hearing may be granted when both parties
26 mutually agree on an alternate date for the hearing.
27 The ethics committee shall make every effort to hear
28 all ethics complaints within three months of the date
29 that the complaints are filed.---However, after three
30 months from the date of the filing of the complaint,
31 extensions of time for purposes of preparing for
32 hearing may only be granted by the ethics committee
33 when the party charged in the complaint with the
34 ethics violation consents to an extension.---If the
35 party charged does not consent to an extension, the
36 ethics committee shall not grant any extensions of
37 time for preparation prior to hearing.---All complaints
38 alleging a violation of this chapter or the code of
39 ethics shall be heard within nine months of the filing
40 of the complaint.---Final dispositions of violations,
41 which the ethics committee have found to have been
42 established by a preponderance of clear and convincing
43 evidence, shall be made within thirty days of the
44 conclusion of the hearing on the complaint.
45 ---9.---The ethics committee shall maintain the
46 confidentiality of a complaint unless either the
47 complainant or the alleged violator publicly discloses
48 the existence of a complaint or a preliminary
49 investigation.---The ethics committee, upon such a
50 disclosure by the complainant or the alleged violator,

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1 ~~may publicly confirm the existence of the preliminary~~
2 ~~inquiry and, in the ethics committee's discretion,~~
3 ~~make public the complaint and any documents which were~~
4 ~~issued to either party to the complaint.~~

5 10 5. The code of ethics and rules relating to
6 lobbyists and lobbying activities shall not become
7 effective until approved by the members of the house
8 to which the proposed code and rules apply. The code
9 or rules may be amended either upon the recommendation
10 of the ethics committee or by members of the general
11 assembly."

12 . Page 20, line 21, by striking the figure
13 "11" and inserting the following: "11 6".

14 3. Page 2, by striking lines 49 and 50 and
15 inserting the following: "public officials and public
16 employees and of candidates for public office."

17 4. Page 4, lines 26 and 27, by striking the words
18 "official and state employees" and inserting the
19 following: "public officials and public employees".

20 5. Page 5, by striking lines 27 through 29 and
21 inserting the following: "for public officials,
22 public employees, and candidates for public office and
23 regulations governing the".

24 6. Page 5, line 43, by inserting after the word
25 "committee," the following: "public official, public
26 employee,".

27 7. Page 5, line 44, by inserting after the word
28 "chapter" the following: ", chapter 56,".

29 8. Page 10, lines 8 and 9, by striking the words
30 "of the executive branch of state government".

31 9. Page 10, lines 17 and 18, by striking the
32 words "of the executive branch of state government".

33 10. By renumbering as necessary.

By HALVORSON of Webster

H-3083 FILED FEBRUARY 17, 1993

*Lost
2-19-93*

HOUSE FILE 144

H-3095

1 Amend the amendment, H-3077, to House File 144 as
2 follows:

3 1. By striking page 11, line 38 through page 12,
4 line 5, and inserting the following:

5 "_____. By striking page 26, line 29, through page
6 27, line 24, and inserting the following:

7 "Sec. _____. Section 68B.37, Code 1993, is amended
8 by striking the section and inserting in lieu thereof
9 the following:

10 68B.37 LOBBYIST REPORTING.

11 1. A lobbyist before the general assembly shall
12 file with the board, on forms jointly prescribed by
13 the board, a report disclosing all of the following:

14 a. The lobbyist's clients.

15 b. Campaign contributions made by the lobbyist
16 during calendar months during the reporting period
17 when the general assembly is not in session.

18 c. The recipient of the campaign contributions.

19 d. Expenditures made by the lobbyist for the
20 purposes of providing the services enumerated under
21 section 68B.2, subsection 12, paragraph "a".

22 For purposes of this subsection, "expenditures" do
23 not include expenditures made by any organization for
24 publishing a newsletter or other informational release
25 for its members.

26 2. A lobbyist before a state agency or the office
27 of the governor shall file with the board, on forms
28 prescribed by the board, a report disclosing the same
29 items described in subsection 1.

30 3. The reports required in this section shall be
31 filed on or before April 30, July 31, October 31, and
32 January 31, for the preceding calendar quarter or
33 parts thereof during which the person was engaged in
34 lobbying. If a person cancels the person's lobbyist
35 registration at any time during the calendar year, the
36 reports required by this section are due on the dates
37 required by this section or fifteen days after
38 cancellation, whichever is earlier. The report due
39 January 31, or after the time of cancellation of a
40 lobbyist's registration, shall include all reportable
41 items for the preceding calendar year in addition to
42 containing the quarterly reportable items."

43 2. Renumber as necessary.

By CARPENTER of Polk

H-3095 FILED FEBRUARY 18, 1993

WITHDRAWN

2-18-93

HOUSE FILE 144

H-3096

- 1 Amend the amendment, H-3077, to House File 144 as
- 2 follows:
- 3 1. Page 1, by inserting after line 24 the
- 4 following:
- 5 "_____". Page 15, line 15, by striking the words
- 6 "relate directly" and inserting the following:
- 7 "reasonably relate".
- 8 2. By renumbering as necessary.

WITHDRAWN
2/19/93

By OSTERBERG of Linn

H-3096 FILED FEBRUARY 18, 1993
DEFERRED

HOUSE FILE 144

H-3094

- 1 Amend House File 144, as follows:
- 2 1. Page 4, lines 33 and 34, by striking the words
- 3 "by acting directly".
- 4 2. Page 4, line 35, by inserting after the word
- 5 "to" the following: "directly or indirectly".
- 6 3. Page 5, line 6, by striking the words "Acts as
- 7 the" and inserting the following: "Acts directly as
- 8 a".
- 9 4. Page 5, line 17, by inserting after the word
- 10 "of" the following: "directly".

By HALVORSON of Webster

H-3094 FILED FEBRUARY 18, 1993

Lost
2-19-93

HOUSE FILE 144

H-3098

1 Amend the amendment, H-3077, to House File 144, as
2 follows:

3 1. Page 13, by inserting after line 24, the
4 following:

5 "Sec. 100. Section 56.13, unnumbered paragraph 1,
6 Code 1993, is amended to read as follows:

7 Action involving a contribution or expenditure
8 which must be reported under this chapter and which is
9 taken by any person, candidate's committee or
10 political committee on behalf of a candidate, if known
11 and approved by the candidate, shall be deemed action
12 by the candidate and reported by the candidate's
13 committee. If a restricted campaign exists, the
14 action involving an expenditure or contribution which
15 must be reported under this chapter which is taken by
16 any person, candidate's committee or political
17 committee on behalf of a candidate, if known and
18 approved by the candidate, shall be deemed action by
19 the candidate, shall be reported by the candidate's
20 committee, and shall be credited against the
21 candidate's expenditure or contribution limits
22 pursuant to section 56.33 or 56.36. It shall be
23 presumed that a candidate approves the action if the
24 candidate had knowledge of it and failed to file a
25 statement of disavowal with the commissioner or
26 commission board and take corrective action within
27 seventy-two hours of the action. A person,
28 candidate's committee or political committee taking
29 such action independently of that candidate's
30 committee shall notify that candidate's committee in
31 writing within twenty-four hours of taking the action.
32 The notification shall provide that candidate's
33 committee with the cost of the promotion at fair
34 market value. A copy of the notification shall be
35 sent to the commission. If a candidate files a
36 statement of disavowal, the commissioner or board
37 shall forward a copy of the statement to the
38 candidate's opponent.

39 Sec. 101. Section 56.14, Code 1993, is amended by
40 adding the following new unnumbered paragraph:

41 NEW UNNUMBERED PARAGRAPH. In addition to the
42 identification required in this section, a candidate's
43 committee of a candidate who is not registered for a
44 restricted campaign pursuant to section 56.32, shall
45 include, on all printed material, a statement, equal
46 in size to the identification information, that the
47 candidate is not registered for a restricted campaign.
48 A similar disclaimer shall also be included, vocally,
49 in all radio and television commercials purchased on
50 behalf of the candidate. Candidates who have not

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1 registered for a restricted campaign shall state the
2 following: "(name of candidate) refused to limit
3 campaign spending." The information required under
4 this paragraph may be included on materials and
5 commercials by a candidate who is registered for a
6 restricted campaign.

7 Sec. 102. Sections 103 through 109 of this Act are
8 created as a new division of chapter 56.

9 Sec. 103. NEW SECTION. 56.31 DEFINITIONS.

10 As used in this division, unless the context
11 requires otherwise:

12 1. "Advocacy information" is material published or
13 broadcast which discusses public issues, candidates,
14 or voting records from which a reasonable person could
15 draw a fair inference that the material recommends the
16 defeat or election of an identifiable candidate in a
17 restricted campaign.

18 2. "Benefited candidate" means a candidate in a
19 restricted campaign whose election is recommended or
20 whose opponent's defeat is recommended by advocacy
21 information or by the fair inferences drawn from the
22 advocacy information by a reasonable person as
23 determined by the board.

24 3. "Eligible office" means the offices of state
25 representative, state senator, secretary of
26 agriculture, secretary of state, treasurer of state,
27 auditor of state, attorney general, and governor. The
28 office of lieutenant governor shall not be considered
29 a separate eligible office but shall be considered
30 with the office of governor for purposes of this
31 division.

32 4. "Political action committee" means any
33 political committee except a county statutory
34 political committee, a state statutory political
35 committee, a national political party, or a nonparty
36 political organization under chapter 44.

37 5. "Qualifying nomination" means a nomination by a
38 political party as defined by section 43.2, or a
39 nomination under chapter 44 or 45.

40 6. "Restricted campaign" means a campaign for an
41 eligible office in which there are two or more
42 candidates with qualifying nominations and all of
43 those candidates have registered with the board and
44 voluntarily agreed to limit campaign expenditures and
45 contributions pursuant to section 56.34.

46 Sec. 104. NEW SECTION. 56.32 REGISTRATION FOR A
47 RESTRICTED CAMPAIGN.

48 Each candidate for an eligible office shall
49 register with the commission and shall indicate
50 whether the candidate voluntarily agrees to limit

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1 campaign expenditures and contributions in a
2 restricted campaign prior to or with the filing of
3 nomination papers pursuant to chapter 43, 44, or 45.
4 Notwithstanding section 43.20, the nomination
5 petition of a candidate who does not agree to a
6 restricted campaign must contain signatures of at
7 least fifteen percent of the total number of votes
8 cast in the last general election for that office. A
9 candidate nominated pursuant to section 43.66 who does
10 not agree to a restricted campaign must file a
11 nomination petition within fifteen days of nomination
12 containing signatures of at least fifteen percent of
13 the total number of votes cast in the last general
14 election for that office in order to be placed on the
15 general election ballot. A candidate who agrees to a
16 restricted campaign and whose opponent does not agree
17 to a restricted campaign is not required to obtain
18 signatures under this section, is not subject to the
19 limitations on campaign expenditures or contributions
20 imposed in this division, and shall be considered as a
21 candidate who agreed to a restricted campaign for
22 purposes of sections 43.31 and 49.53A.

23 Notwithstanding the dates required for filing
24 disclosure reports pursuant to section 56.6, a
25 candidate who does not agree to a restricted campaign
26 pursuant to this section shall file a disclosure
27 report each month until June 30 of the year of the
28 election. Beginning July 1 of the year of the
29 election, the candidate shall file a disclosure report
30 every fourteen days until the date of the general
31 election. After the date of election, the candidate
32 shall file a disclosure report each month until the
33 candidate files nomination papers for the same or
34 another public office, or closes the candidate's
35 campaign account.

36 The commissioner required to publish notice of the
37 election and the ballot pursuant to section 49.53
38 shall, simultaneously with such publication, publish
39 the names of candidates who agree and do not agree to
40 a restricted campaign using the following language
41 where applicable: "These candidates refused to limit
42 their campaign spending."; or "These candidates
43 voluntarily agreed to limit their campaign spending."

44 Sec. 105. NEW SECTION. 56.33 RESTRICTED
45 CAMPAIGNS -- LIMITS ON EXPENDITURES.

46 If a restricted campaign exists, the candidate's
47 committees of those candidates with qualifying
48 nominations to that eligible office are subject to the
49 following limits on expenditures:

50 1. Governor. Total expenditure limit, five

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1 hundred thousand dollars in a primary election if
2 there is no primary opponent, one million dollars in a
3 primary election if there is a primary opponent, and
4 one million five hundred thousand dollars in a general
5 election.

6 2. Attorney general, secretary of agriculture,
7 secretary of state, treasurer of state, and auditor of
8 state. Total expenditure limit, fifty thousand
9 dollars in a primary election if there is no primary
10 opponent, one hundred thousand dollars in a primary
11 election if there is a primary opponent, and one
12 hundred thousand dollars in a general election.

13 3. State senator. Total expenditure limit, ten
14 thousand dollars in a primary election if there is no
15 primary opponent, twenty-five thousand dollars in a
16 primary election if there is a primary opponent, and
17 twenty-five thousand dollars in a general election.

18 4. State representative. Total expenditure limit,
19 five thousand dollars in a primary election if there
20 is no primary opponent, fifteen thousand dollars in a
21 primary election if there is a primary opponent, and
22 fifteen thousand dollars in a general election.

23 For purposes of this division, an expenditure
24 occurs at the time of performance and not at the time
25 of payment.

26 Actions involving an expenditure taken on behalf of
27 a candidate in a restricted campaign shall be
28 accepted, reported, and credited against the limits of
29 this section, or disavowed pursuant to section 56.13.
30 Actions taken by a county or state statutory political
31 committee or a national political party which benefit
32 the political party generally and which benefit more
33 than one candidate shall not be considered as
34 expenditures under this division.

35 The board shall, by July 1 in each odd-numbered
36 year, adjust the limitations on expenditures to
37 reflect any increase in the consumer price index as
38 released by the federal government.

39 Sec. 106. NEW SECTION. 56.34 PERIODS THE
40 EXPENDITURE LIMITS ARE IN EFFECT.

41 If a restricted campaign exists, the limitations of
42 section 56.33 apply to expenses incurred during the
43 following periods:

44 1. During an even-numbered year, from the date the
45 candidate or the candidate's treasurer files a
46 statement of organization as required by section 56.5,
47 or from the date the candidate or the candidate's
48 designee files an affidavit of candidacy with the
49 state commissioner of elections, whichever date is
50 earlier, through the date of the general election for

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1 that office.

2 2. During a special election, from the date the
3 candidate or the candidate's treasurer files a
4 statement of organization as required by section 56.5,
5 or from the date the candidate or the candidate's
6 designee files an affidavit of candidacy with the
7 state commissioner of elections, whichever date is
8 earlier, through the date of the special election for
9 that office.

10 Sec. 107. NEW SECTION. 56.35 ADJUSTMENTS FOR
11 BENEFITED CANDIDATES AND OPPONENTS.

12 1. A person or political committee which causes
13 the publication, mass mailing, or broadcast of
14 advocacy information in a restricted campaign shall
15 give notice to the commission and to the benefited
16 candidate. The notice shall be given by certified
17 restricted mail within twenty-four hours after the
18 publication, mailing, or broadcast of the advocacy
19 information and be accompanied by the text of the
20 advocacy information and the amount of the
21 publication, mailing, or broadcasting expenditures.

22 2. The benefited candidate shall notify the
23 commission within seventy-two hours of receipt of
24 notice given pursuant to subsection 1 whether the
25 candidate accepts or disavows the expenditure. If the
26 candidate accepts the expenditure, the anticipated
27 expenditure shall be credited against the candidate's
28 expenditure limit. If the candidate files a statement
29 of disavowal, the commissioner or board shall forward
30 a copy of the statement to the candidate's opponent.

31 3. For the purposes of this section, the board
32 shall disregard the first five hundred dollars of
33 aggregate disavowed expenditures regarding a benefited
34 candidate for the general assembly, the first one
35 thousand dollars of aggregate disavowed expenditures
36 regarding a benefited candidate for a statewide office
37 other than governor, and the first five thousand
38 dollars of aggregate disavowed expenditures regarding
39 a benefited candidate for governor. If the aggregate
40 disavowed expenditures regarding a benefited candidate
41 exceed the amounts provided in this section, the board
42 shall determine if a reasonable person would or would
43 not draw a fair inference that the material assists
44 the election of the benefited candidate or the defeat
45 of an opposing candidate. If the board determines
46 that a candidate is benefited, the board shall
47 attribute the disavowed expenditure to the expenditure
48 limits of the benefited candidate and shall do one of
49 the following: increase the benefited candidate's
50 opponent's expenditure limits by the amount of the

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1 disavowed expenditures attributed to the benefited
2 candidate or eliminate the expenditure limit of the
3 benefited candidate's opponent for that election
4 period.

5 4. The board by rule may delegate decisions under
6 subsection 3 to a panel of three members of the
7 commission. If delegated, the decisions of the panel
8 constitute final agency action for the purposes of
9 chapter 17A. Notwithstanding section 17A.19, a
10 petition for judicial review of a decision under this
11 section shall be filed only in Polk county district
12 court, the court shall not stay the increase or
13 elimination of the limits for the candidates opposing
14 the benefited candidate pending the outcome of the
15 judicial review proceeding, the petitioner has only
16 two days after filing to provide notice or copies to
17 the other parties, and the proceeding shall receive
18 the highest priority among the cases before the
19 district court.

20 The decisions under subsection 3 shall be made
21 within two days of the commission's receipt of the
22 benefited candidate's disavowal and the benefited
23 candidate and opponents shall be promptly notified.

24 Advocacy information caused by a county or state
25 statutory political committee or a national political
26 party which benefit the political party generally and
27 which benefit more than one candidate are not subject
28 to the requirements of this section.

29 Sec. 108. NEW SECTION. 56.36 RESTRICTED
30 CAMPAIGNS -- LIMITS ON ACCEPTANCE OF CONTRIBUTIONS.

31 If a restricted campaign exists, the acceptance of
32 contributions by candidates for the following offices
33 from political action committees and individuals is
34 subject to the following limitations:

35 1. Governor.

36 a. Total political action committee contributions,
37 thirty-five percent of the candidate's applicable
38 expenditure limit in a primary election, and thirty-
39 five percent of the candidate's expenditure limit in a
40 general election.

41 b. Largest political action committee
42 contribution, five thousand dollars.

43 c. Largest individual contribution, excluding
44 contributions made by a candidate to the candidate's
45 own campaign, one thousand dollars.

46 2. Attorney general, secretary of agriculture,
47 secretary of state, treasurer of state, and auditor of
48 state.

49 a. Total political action committee contributions,
50 thirty-five percent of the candidate's applicable

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1 expenditure limit in a primary election, and thirty-
2 five percent of the candidate's expenditure limit in a
3 general election.

4 b. Largest political action committee
5 contribution, five thousand dollars.

6 c. Largest individual contribution, excluding
7 contributions made by a candidate to the candidate's
8 own campaign, one thousand dollars.

9 3. State senator.

10 a. Total political action committee contributions,
11 thirty-five percent of the candidate's applicable
12 expenditure limit in a primary election, and thirty-
13 five percent of the candidate's expenditure limit in a
14 general election.

15 b. Largest political action committee
16 contribution, one thousand dollars.

17 c. Largest individual contribution, excluding
18 contributions made by a candidate to the candidate's
19 own campaign, five hundred dollars.

20 4. State representative.

21 a. Total political action committee contributions,
22 thirty-five percent of the candidate's applicable
23 expenditure limit in a primary election, and thirty-
24 five percent of the candidate's expenditure limit in a
25 general election.

26 b. Largest political action committee
27 contribution, one thousand dollars.

28 c. Largest individual contribution, excluding
29 contributions made by the candidate to the candidate's
30 own campaign, five hundred dollars.

31 5. Individual contributions to the candidate or
32 candidate's committee made by one individual of a
33 cumulative value of one hundred dollars or more shall
34 be reported, including the name, address, occupation,
35 and place of business of the contributor.

36 Sec. 109. NEW SECTION. 56.37 PENALTIES.

37 1. A candidate who voluntarily agrees to a
38 restricted campaign, and who exceeds the expenditure
39 or contribution limitations in this division, shall be
40 subject to a fine which is based on the percentage by
41 which the candidate exceeds permitted expenditures or
42 contributions, so that the candidate shall pay a
43 percentage of the excess campaign expenditures or
44 contributions as follows:

45 a. Governor. For excess campaign expenditures or
46 contributions of under two thousand dollars, one
47 percent; for excess campaign expenditures or
48 contributions of two thousand to ten thousand dollars,
49 ten percent; for excess campaign expenditures or
50 contributions of ten thousand one to twenty thousand

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1 dollars, twenty-five percent; for excess campaign
2 expenditures or contributions of over twenty thousand
3 dollars, fifty percent.

4 b. Attorney general, secretary of agriculture,
5 secretary of state, treasurer of state, and auditor of
6 state, under one thousand dollars, one percent; for
7 excess expenditures or contributions of one thousand
8 to five thousand dollars, ten percent; for excess
9 expenditures or contributions of five thousand one to
10 ten thousand dollars, twenty-five percent; for excess
11 expenditures or contributions of over ten thousand
12 dollars, fifty percent.

13 c. State senator. For excess campaign
14 expenditures or contributions of under five hundred
15 dollars, one percent; for excess expenditures or
16 contributions of five hundred to one thousand dollars,
17 ten percent; for excess expenditures or contributions
18 of one thousand one to five thousand dollars, twenty-
19 five percent; for excess expenditures or contributions
20 of over five thousand dollars, fifty percent.

21 d. State representative. For excess campaign
22 expenditures or contributions of under two hundred
23 fifty dollars, one percent; for excess expenditures or
24 contributions of two hundred fifty to five hundred
25 dollars, ten percent; for excess expenditures or
26 contributions of five hundred one to two thousand five
27 hundred dollars, twenty-five percent; for excess
28 expenditures or contributions of over two thousand
29 five hundred dollars, fifty percent.

30 Fines collected pursuant to this section shall be
31 paid to the state political party of the violating
32 candidate's opponent.

33 2. Mileage expenses of the candidate, at a rate
34 determined pursuant to section 2.10, are not subject
35 to the expenditure limits of section 56.33.

36 3. The criminal penalty of section 56.16 applies
37 to violations of this division.

38 4. A candidate who knowingly and intentionally
39 violates the expenditure or contribution limits of
40 section 56.33 or section 56.36 is, upon conviction,
41 guilty of a class "D" felony, but is only subject to a
42 fine and is not subject to imprisonment,
43 notwithstanding the provisions of section 902.9. A
44 candidate shall not take the oath of office pending
45 conviction or acquittal, following trial, on charges
46 brought under this subsection, and a candidate is
47 disqualified from holding office upon conviction
48 obtained pursuant to this subsection."

49 2. Page 13, by inserting after line 38, the
50 following:

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1 "____. Page 31, by striking line 20, and inserting
2 the following:

3 "3. Except for sections 100 through 109 of this
4 Act, the provisions of this Act, being deemed of
5 immediate importance, take".

6 _____. Page 31, line 21, by inserting after the
7 word "enactment." the following:

8 "Sections 100 through 109 of this Act take effect
9 January 1, 1994.""

10 3. Page 13, by inserting after line 42, the
11 following:

12 "Sec. _____. ANTISEVERABILITY CLAUSE.

13 Notwithstanding section 4.12, if section 56.35,
14 subsection 3 or 4, or section 56.37, subsection 3, or
15 the application thereof is invalid, sections 100
16 through 109 of this Act shall be invalid.

17 _____. Title page, line 1, by inserting after the
18 word "ethics," the following: "providing for
19 voluntary limitation of campaign expenditures and
20 contributions for certain elective officers, "."

21 4. By numbering, renumbering, and changing
22 internal references as necessary.

By JOCHUM of Dubuque

H-3098 FILED FEBRUARY 18, 1993

Not Referred 2-19-93
Motion to Suspend Rules - Lost

HOUSE FILE 144

H-3099

1 Amend the amendment, H-3077, to House File 144 as
2 follows:

3 1. Page 1, by inserting after line 50 the
4 following:

5 "A person receiving approval for the payment of
6 expenses under this paragraph shall, upon return from
7 the conference, seminar, business or educational
8 meeting, or similar activity, file a report with the
9 board detailing the nature and duration of the
10 activity attended, the location of the activity, and
11 what duties the person performed while attending the
12 activity."

By OSTERBERG of Linn

H-3099 FILED FEBRUARY 18, 1993

ADOPTED

Rules out of order 2-19-93

HOUSE FILE 144

H-3100

1 Amend the amendment, H-3077, to House File 144, as
2 follows:

3 1. Page 1, by inserting after line 50 the
4 following:

5 "____. Page 17, by inserting after line 32, the
6 following:

7 "____. An organization or association which has as
8 one of its purposes the encouragement of the passage,
9 defeat, introduction, or modification of legislation
10 shall not give and a member of the general assembly
11 shall not receive food, beverages, registration, or
12 scheduled entertainment with a per person value in
13 excess of three dollars at group events to which all
14 members of either house or both houses of the general
15 assembly are invited.""

By HALVORSON of Webster

H-3100 FILED FEBRUARY 18, 1993

(P. 342) 2-19-93 Adopted

HOUSE FILE 144

H-3101

1 Amend the amendment, H-3077, to House File 144 as
2 follows:

3 1. Page 1, line 18, by striking the words "either
4 is not paid compensation or".

By KREIMAN of Davis

H-3101 FILED FEBRUARY 18, 1993

LOST

HOUSE FILE 144

H-3102

1 Amend the amendment, H-3077, to House File 144 as
2 follows:

3 1. Page 1, by inserting after line 8 the
4 following:

5 "____. Page 5, line 4, by striking the words
6 "statewide elected" and inserting the following:
7 "statewide-elected state"."

8 2. Page 1, by inserting after line 10 the follow-
9 ing:

10 "____. Page 5, line 12, by striking the words
11 "statewide elected" and inserting the following:
12 "statewide-elected state".

13 _____. Page 5, line 22, by striking the words
14 "statewide elected" and inserting the following:
15 "state"."

16 3. By renumbering as necessary.

By KREIMAN of Davis

H-3102 FILED FEBRUARY 18, 1993

WITHDRAWN

HOUSE FILE 144

H-3107

1 Amend the amendment, H-3077, to House File 144, as
2 follows:

3 1. Page 11, by inserting after line 7, the
4 following:

5 "_____. Page 23, by striking lines 20 through 32
6 and inserting the following:

7 "f. Members of the public employment relations
8 board, the employment appeal board, the board of
9 parole, the transportation commission, the state
10 racing and gaming commission, the state board of
11 regents, the office of consumer advocate,"."

12 2. By numbering and renumbering as necessary.

By HANSON of Delaware

H-3107 FILED FEBRUARY 18, 1993

LOST 2-19-93

HOUSE FILE 144

H-3109

1 Amend the amendment, H-3077, to House File 144, as
2 follows:

3 1. Page 11, by inserting after line 7, the
4 following:

5 "_____. Page 24, by striking lines 10 through 15,
6 and inserting the following: "which the ~~official,~~
7 ~~member,-or-candidate~~ person is engaged and the nature
8 of the business of each ~~company~~ in which the ~~official,~~
9 ~~member,-or-candidate~~ person has an income-producing
10 interest."

11 _____. Page 24, by striking lines 19 through 25,
12 and inserting the following: "offered for sale
13 through recognized financial brokers ~~if-greater-than~~
14 ~~five-percent-of-the-total-outstanding-issue-of-any~~
15 ~~stocks,-bonds,-bills,-notes,-mortgages,-or-other~~
16 ~~securities-of-the-offering-entity~~ as of December 31 of
17 the year."

18 2. By numbering and renumbering as necessary.

By BLODGETT of Cerro Gordo

H-3109 FILED FEBRUARY 18, 1993

WITHDRAWN

2-19-93

HOUSE FILE 144

H-3110

1 Amend the amendment, H-3077, to House File 144, as
2 follows:

3 1. Page 1, by inserting after line 24, the
4 following:

5 "_____. Page 15, by striking lines 12 through 17."

6 2. By numbering and renumbering as necessary.

By KREIMAN of Davis

H-3110 FILED FEBRUARY 18, 1993

WITHDRAWN

2-19-93

HOUSE FILE 144

H-3103

- 1 Amend the amendment, H-3077, to House File 144 as
2 follows:
3 1. Page 1, by inserting after line 10 the
4 following:
5 "_____. Page 6, line 7, by striking the words "All
6 federal, state, and local" and inserting the
7 following: "Any".
8 _____, Page 6, line 8, by inserting after the word
9 "officials" the following: "and members of the staff
10 of any elected officials,".
11 2. By renumbering as necessary.

By KREIMAN of Davis

H-3103 FILED FEBRUARY 18, 1993
WITHDRAWN

HOUSE FILE 144

H-3104

- 1 Amend the amendment, H-3077, to House File 144 as
2 follows:
3 1. Page 1, by inserting after line 8 the
4 following:
5 "_____. Page 4, line 28, by striking the words
6 "dependent children" and inserting the following:
7 "children dependents".
8 2. By renumbering as necessary.

By KREIMAN of Davis

H-3104 FILED FEBRUARY 18, 1993
LOST

HOUSE FILE 144

H-3106

- 1 Amend the amendment, H-3077, to House File 144 as
2 follows:
3 1. Page 1, by inserting after line 24 the follow-
4 ing:
5 "_____. Page 10, line 15, by inserting after the
6 words "paragraph "c"," the following: "or constitutes
7 any other unacceptable conflict of interest,."
8 2. By renumbering as necessary.

By PETERSON of Carroll

H-3106 FILED FEBRUARY 18, 1993
ADOPTED

HOUSE FILE 144

H-3116

1 Amend the amendment, H-3077, to House File 144, as
2 follows:

3 1. Page 13, by inserting after line 24, the
4 following:

5 "Sec. _____. Section 70A.28, subsections 1 and 2,
6 Code 1993, are amended to read as follows:

7 1. A person who serves as the head of a state
8 department or agency or otherwise serves in a
9 supervisory capacity within the executive branch of
10 state government shall not prohibit an employee of the
11 state from disclosing any information to a member or
12 employee of the general assembly, or from disclosing
13 information to any other public official or law
14 enforcement agency, or from disclosing information to
15 the independent ethics and campaign disclosure board
16 if the employee reasonably believes the information
17 evidences a violation of law or rule, mismanagement, a
18 gross abuse of funds, an abuse of authority, or a
19 substantial and specific danger to public health or
20 safety.

21 2. A person shall not discharge an employee from
22 or take or fail to take action regarding an employee's
23 appointment or proposed appointment to, promotion or
24 proposed promotion to, or any advantage in, a position
25 in a state employment system administered by, or
26 subject to approval of, a state agency as a reprisal
27 for a disclosure of any information by that employee
28 to a member or employee of the general assembly, or a
29 disclosure of information to any other public official
30 or law enforcement agency, or a disclosure of
31 information to the independent ethics and campaign
32 disclosure board if the employee reasonably believes
33 the information evidences a violation of law or rule,
34 mismanagement, a gross abuse of funds, an abuse of
35 authority, or a substantial and specific danger to
36 public health or safety.

37 Sec. _____. Section 216.6, subsection 1, paragraph
38 a, Code 1993, is amended to read as follows:

39 a. Person to refuse to hire, accept, register,
40 classify, or refer for employment, to discharge any
41 employee, or to otherwise discriminate in employment
42 against any applicant for employment or any employee
43 because of the age, race, creed, color, sex, national
44 origin, religion or disability of such applicant or
45 employee, unless based upon the nature of the
46 occupation. If a disabled person is qualified to
47 perform a particular occupation, by reason of training
48 or experience, the nature of that occupation shall not
49 be the basis for exception to the unfair or
50 discriminating practices prohibited by this

H-3116

H-3116

Page 2

1 subsection. It shall also be an unfair or
2 discriminatory practice for any person to discharge
3 any employee, or to otherwise discriminate in
4 employment against any employee for the filing of a
5 complaint with, or the disclosure of information to,
6 the independent ethics and disclosure board if the
7 employee reasonably believes the information evidences
8 a violation of law or rule, mismanagement, a gross
9 abuse of funds, an abuse of authority, or a
10 substantial and specific danger to public health or
11 safety."

12 2. By numbering and renumbering as necessary.

By MORELAND of Wapello

H-3116 FILED FEBRUARY 18, 1993

Not German 2-19-93

HOUSE FILE 144

H-3118

- 1 Amend the amendment, H-3077, to House File 144, as
2 follows:
3 1. Page 13, by inserting after line 38, the
4 following:
5 " . Page 30, line 24, by inserting after the
6 word "Act." the following: "However, if no financial
7 disclosure statement was filed in 1993, the initial
8 financial disclosure statements which are filed in
9 1994, shall include information regarding sources of
10 income and significant financial interests held in
11 1992 by the person filing the statement."
12 2. By numbering and renumbering as necessary.

By HALVORSON of Webster

H-3118 FILED FEBRUARY 19, 1993
LOST

HOUSE FILE 144

H-3119

- 1 Amend the amendment, H-3077, to House File 144, as
2 follows:
3 1. Page 13, by inserting after line 38, the
4 following:
5 " . Page 31, by inserting after line 19, the
6 following:
7 " . Notwithstanding section 68B.37, the initial
8 lobbyist report filed pursuant to that section shall
9 contain the information required by that section and
10 the same information for the previous calendar year.
11 " . Notwithstanding section 68B.38, the client
12 report filed on January 31, 1994, shall contain the
13 information required under that section for the
14 previous twelve months."
15 2. By numbering and renumbering as necessary.

By HALVORSON of Webster

H-3119 FILED FEBRUARY 19, 1993
ADOPTED

HOUSE FILE 144

H-3120

- 1 Amend the amendment, H-3077, to House File 144 as
2 follows:
3 1. Page 1, by inserting after line 24 the follow-
4 ing:
5 " . Page 14, line 8, by inserting after the
6 words "of gifts" the following: "from a restricted
7 donor".
8 2. Page 5, line 23, by inserting after the word
9 "complaint" the following: "filed with the board".
10 3. Page 11, by inserting after line 7 the
11 following:
12 " . Page 25, line 4, by inserting after the
13 word "association" the following: "which is involved
14 in supporting or opposing any measures brought before
15 the body in which the person holds office or is
16 employed".
17 4. By renumbering as necessary.

By CARPENTER of Poik

H-3120 FILED FEBRUARY 19, 1993
WITHDRAWN - Motion to R/K 2.19.93
Adopted 2-19-93

HOUSE FILE 144

H-3111

- 1 Amend the amendment, H-3077, to House File 144, as
- 2 follows:
- 3 1. Page 1, by inserting after line 50, the
- 4 following:
- 5 "_____. Page 18, by striking line 1 and inserting
- 6 the following: "A public official".
- 7 _____ . Page 18, by striking lines 4 through 25."
- 8 2. By numbering and renumbering as necessary.

By KREIMAN of Davis

H-3111 FILED FEBRUARY 18, 1993

WITHDRAWN

2-19-93

HOUSE FILE 144

H-3115

- 1 Amend House File 144 as follows:
- 2 1. Page 16, by inserting after line 25 the
- 3 following:
- 4 "A person receiving approval for the payment of
- 5 expenses under this paragraph shall, upon return from
- 6 the conference, seminar, business or educational
- 7 meeting, or similar activity, file a report with the
- 8 board detailing the nature and duration of the
- 9 activity attended, the location of the activity, and
- 10 what duties the person performed while attending the
- 1 activity."

WITHDRAWN

2-19-93

By OSTERBERG of Linn

H-3115 FILED FEBRUARY 18, 1993

HOUSE FILE 144

H-3117

- 1 Amend the amendment, H-3077, to House File 144, as
- 2 follows:
- 3 1. Page 11, by inserting after line 7, the
- 4 following:
- 5 "_____. Page 24, by striking lines 10 through 15,
- 6 and inserting the following: "which the official,
- 7 ~~member, or candidate person~~ is engaged and the nature
- 8 of the business of each company in which the official,
- 9 ~~member, or candidate person~~ has an income-producing
- 10 interest."
- 11 2. Page 11, by inserting before line 8, the
- 12 following:
- 13 "_____. Page 24, by striking lines 19 through 25,
- 14 and inserting the following: "offered for sale
- 15 through recognized financial brokers ~~if greater than~~
- 16 ~~five percent of the total outstanding issue of any~~
- 17 ~~stocks, bonds, bills, notes, mortgages, or other~~
- 18 ~~securities of the offering entity as of December 31 of~~
- 19 ~~the year~~."
- 20 3. By numbering and renumbering as necessary.

By BLODGETT of Cerro Gordo

H-3117 FILED FEBRUARY 19, 1993

DIV A - LOST DIV B - ADOPTED

HOUSE FILE 144

H-3121

1 Amend the amendment, H-3077, to House File 144 as
2 follows:

3 1. By striking page 11, line 38 through page 12,
4 line 5, and inserting the following:

5 " . By striking page 26, line 29, through page
6 27, line 24, and inserting the following:

7 "Sec. . Section 68B.37, Code 1993, is amended
8 by striking the section and inserting in lieu thereof
9 the following:

10 68B.37 LOBBYIST REPORTING.

11 1. A lobbyist before the general assembly shall
12 file with the board, on forms jointly prescribed by
13 the board, a report disclosing all of the following:

14 a. The lobbyist's clients.

15 b. Campaign contributions made by the lobbyist
16 during calendar months during the reporting period
17 when the general assembly is not in session.

18 c. The recipient of the campaign contributions.

19 d. Expenditures made by the lobbyist for the
20 purposes of providing the services enumerated under
21 section 68B.2, subsection 12, paragraph "a".

22 For purposes of this subsection, "expenditures" do
23 not include expenditures made by any organization for
24 publishing a newsletter or other informational release
25 for its members.

26 2. A lobbyist before a state agency or the office
27 of the governor shall file with the board, on forms
28 prescribed by the board, a report disclosing the same
29 items described in subsection 1.

30 3. The reports by lobbyists before the general
31 assembly required in this section shall be filed
32 monthly during the time which the general assembly is
33 in session and thereafter on or before July 31 and
34 October 31. The monthly report filed by a lobbyist
35 before the general assembly in January shall contain
36 information for the preceding calendar quarter or
37 parts thereof during which the person was engaged in
38 lobbying. Reports filed by lobbyists before a state
39 agency shall be filed on or before April 30, July 31,
40 October 31, and January 31, for the preceding calendar
41 quarter or parts thereof during which the person was
42 engaged in lobbying. If a person cancels the person's
43 lobbyist registration at any time during the calendar
44 year, the reports required by this section are due on
45 the dates required by this section or fifteen days
46 after cancellation, whichever is earlier. The report
47 due January 31, or after the time of cancellation of a
48 lobbyist's registration, shall include all reportable
49 items for the preceding calendar year in addition to
50 containing the quarterly reportable items. However,

H-3121

-1-

H-3121

Page 2

1 if a lobbyist is a person who is designated to
2 represent the interest of an organization as defined
3 in section 68B.2, subsection 12, paragraph "a", sub-
4 paragraph (2), but is not paid compensation for that
5 representation and does not expend more than one
6 thousand dollars as provided in section 68B.2,
7 subsection 12, paragraph "a", subparagraph (4), the
8 lobbyist shall only be required to file the report
9 specified in this section once annually, which shall
10 be performed at the time of filing the person's
11 lobbyist registration form or forms."

12 2. Renumber as necessary.

By CARPENTER of Polk

H-3121 FILED FEBRUARY 19, 1993

ADOPTED

HOUSE FILE 144

H-3124

1 Amend the amendment, H-3094, to House File 144, as
2 follows:
3 1. Page 1, by striking lines 6 through 8 and
4 inserting the following:
5 "_____. Page 5, by striking line 6 and inserting
6 the following:
7 "(2) Represents-on-a-regular-basis Acts directly
8 as a designated."

By HALVORSON of Webster

H-3124 FILED FEBRUARY 19, 1993

ADOPTED

HOUSE FILE 144

H-3123

1 Amend the amendment, H-3077, to House File 144, as
2 follows:
3 1. Page 5, by inserting after line 35, the
4 following:
5 "_____. Impose penalties upon, or refer matters
6 relating to, persons who discharge any employee, or
7 who otherwise discriminate in employment against any
8 employee, for the filing of a complaint with, or the
9 disclosure of information to, the board if the
10 employee has filed the complaint or made the
11 disclosure in good faith."
12 2. By renumbering as necessary.

By MORELAND of Wapello

H-3123 FILED FEBRUARY 19, 1993

ADOPTED

**HOUSE FILE 144
FISCAL NOTE**

A fiscal note for House File 144 as amended by Senate Amendment H-3703 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 144 as amended by Senate Amendment H-3703 makes further revisions to the State of Iowa Ethics Law.

Assumptions:

1. Cost of an additional board member is estimated at \$2,000 per year.
2. The Board would need independent legal counsel at an annual cost of \$62,400.
3. The Board would hire an Administrative Assistant II at an annual cost of \$38,400.
4. The Board would enter into a 28E agreement with the Secretary of State's Office to utilize the optical disc scanning equipment for scanning the reports and statements received by the Board.
No additional staff would be necessary in the Secretary of State's Office. An optical disc display terminal would be installed in the Capitol with printing capabilities to provide public access to information filed.
7. A similar display unit would be installed at the Board office for public access in FY 1995 when a new permanent location is determined. During FY 1994 the Board will utilize a dial-up service that would allow copies of documents requested to be sent to a fax machine.

Fiscal Impact:

The bill as amended will increase General Fund expenditures by \$143,350 in FY 1994 and \$129,200 in FY 1995. These totals include one-time equipment costs of \$38,150 for FY 1994 and \$24,000 for FY 1995. The annual cost after FY 1995 will be \$105,200.

Sources: Campaign Finance Disclosure Commission
Secretary of State

(LSB 1697hv.4, MAS)

FILED APRIL 14, 1993

BY DENNIS PROUTY, FISCAL DIRECTOR

(P. 343) 2/23/93 Senate Ethics
(P. 934) 3/3/93 Senate - Amend/Dis base w/ S. 3335

HOUSE FILE 144
BY COMMITTEE ON ETHICS

(SUCCESSOR TO HSB 31)

(As Amended and Passed by the House February 19, 1993)

Passed House, Date ^(P. 1629) 4/23/93 Passed Senate, Date ^(P. 985) 4-2-92
Vote: Ayes 90 Nays 7 Vote: Ayes 47 Nays 1
Approved 5/28/93 Re-passed Senate
43-6 (4/27/93)
P. 1379

A BILL FOR

1 An Act relating to government ethics, providing penalties,
2 transition provisions, providing for retroactive
3 applicability, and an effective date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____
Deleted Language *

1 Section 1. Section 68B.2, Code 1993, is amended to read as
2 follows:

3 68B.2 DEFINITIONS.

4 As used in this chapter, unless the context otherwise
5 requires:

6 1. "Agency" means a department, division, board,
7 commission, bureau, or office of the executive or legislative
8 branch of state government, the office of attorney general,
9 the state board of regents, community colleges, and the office
10 of the governor, including a regulatory agency, or any
11 political subdivision of the state.

12 2. "Agency of state government" or "state agency" means a
13 department, division, board, commission, bureau, or office of
14 the executive or legislative branch of state government, the
15 office of attorney general, the state board of regents,
16 community colleges, and the office of the governor, including
17 a regulatory agency.

18 2A. "Board" means the Iowa ethics and campaign disclosure
19 board.

20 2 3. "Candidate" means a candidate under chapter 56 but
21 does not include any judge standing for retention in a
22 judicial election.

23 3 4. "Candidate's committee" means the committee
24 designated by the candidate, as provided under chapter 56, to
25 receive contributions, expend funds, or incur indebtedness on
26 behalf of the candidate in the aggregate as follows:

27 a. For a state or county office, in excess of two hundred
28 fifty dollars in any calendar year.

29 b. For a city or school office, in excess of five hundred
30 dollars in any calendar year.

31 5. "Client" means a private person or a state, federal, or
32 local government entity that pays compensation to or
33 designates an individual to be a lobbyist.

34 4 6. "Compensation" means any money, thing of value, or
35 financial benefit conferred in return for services rendered or

1 to be rendered.

2 5 7. "Contribution" means a gift, loan, advance, deposit,
3 rebate, refund, transfer of money, an in-kind transfer, or the
4 payment of compensation for the personal services of another
5 person.

6 6 8. a. "Gift" means a rendering of anything of value in
7 return for which legal consideration of equal or greater value
8 is not given and received, ~~if the donor is in any of the~~
9 ~~following categories:~~

10 (1) ~~is or is seeking to be a party to any one or any~~
11 ~~combination of sales, purchases, leases, or contracts to,~~
12 ~~from, or with the agency in which the donee holds office or is~~
13 ~~employed.~~

14 (2) ~~is engaged in activities which are regulated or~~
15 ~~controlled by a regulatory agency in which the donee holds an~~
16 ~~office or is employed.~~

17 (3) ~~will be directly and substantially affected~~
18 ~~financially by the performance or nonperformance of the~~
19 ~~donee's official duty in a way that is greater than the effect~~
20 ~~on the public generally or on a substantial class of persons~~
21 ~~to which the person belongs as a member of a profession,~~
22 ~~occupation, industry, or region.~~

23 (4) ~~is a lobbyist with respect to matters within the~~
24 ~~donee's jurisdiction.~~

25 b. ~~However, "gift" does not mean any of the following:~~

26 (1) ~~Contributions to a candidate or a candidate's~~
27 ~~committee.~~

28 (2) ~~Informational material relevant to a public servant's~~
29 ~~official functions, such as books, pamphlets, reports,~~
30 ~~documents, or periodicals.~~

31 (3) ~~Anything received from a person related within the~~
32 ~~fourth degree by kinship or marriage, unless the donor is~~
33 ~~acting as an agent or intermediary for another person not so~~
34 ~~related.~~

35 (4) ~~An inheritance.~~

1 (5)--Anything-available-or-distributed-to-the-public
2 generally-without-regard-to-the-official-status-of-the
3 recipient.

4 (6)--Actual-expenses-of-a-donee-for-food,-beverages,
5 travel,-and-lodging-for-a-meeting,-which-is-given-in-return
6 for-participation-in-a-panel-or-speaking-engagement-at-the
7 meeting-when-the-expenses-relate-directly-to-the-day-or-days
8 on-which-the-donee-has-participation-or-presentation
9 responsibilities.

10 (7)--Plaques-or-items-of-negligible-resale-value-given-as
11 recognition-for-public-services.

12 (8)--Items-of-food-and-drink-with-a-value-of-less-than
13 three-dollars-that-are-received-from-any-one-donor-during-one
14 calendar-day.

15 (9)--Items-or-services-solicited-or-given-to-a-state,
16 national,-or-regional-organization-in-which-the-state-of-Iowa
17 or-a-political-subdivision-of-the-state-of-Iowa-is-a-member.

18 (10)--Items-or-services-received-as-part-of-a-regularly
19 scheduled-event-that-is-part-of-a-conference,-seminar,-or
20 other-meeting-that-is-sponsored-and-directed-by-any-state,
21 national,-or-regional-organization-in-which-the-state-of-Iowa
22 or-a-political-subdivision-of-the-state-of-Iowa-is-a-member.

23 c.--For-purposes-of-determining-the-value-of-an-item-given
24 or-received,-an-individual-who-gives-an-item-on-behalf-of-more
25 than-one-person-shall-not-divide-the-value-of-the-item-by-the
26 number-of-persons-on-whose-behalf-the-item-is-given-and-the
27 value-of-an-item-received-shall-be-the-value-actually-received
28 by-the-donee.

29 7 9. a. "Honorarium" means anything of value that is
30 accepted by, or on-behalf-of,-a-public-official-or-public
31 employee given as consideration for an appearance, speech, or
32 article if-the-person-giving-the-thing-of-value-is-in-any-of
33 the-following-categories:

34 (1)--Is-or-is-seeking-to-be-a-party-to-any-one-or-any
35 combination-of-sales,-purchases,-leases,-or-contracts-to-

1 from, or with the agency in which the public official or
2 public employee serves or is employed.

3 (2) -- Is engaged in activities which are regulated or
4 controlled by a regulatory agency in which the public official
5 holds an office or the public employee is employed.

6 (3) -- Will be directly and substantially affected
7 financially by the performance or nonperformance of the
8 donee's official duty in a way that is greater than the effect
9 on the public generally or on a substantial class of persons
10 to which the person belongs as a member of a profession,
11 occupation, industry, or region.

12 (4) -- Is a lobbyist with respect to matters within the
13 public official's or public employee's jurisdiction.

14 b. -- "Honorarium" does not include any of the following:

15 (i) -- Actual expenses of a donee for food, beverages,
16 travel, and lodging paid as provided under subsection 6,
17 paragraph "b", subparagraph (6).

18 (2) -- A nonmonetary gift or series of nonmonetary gifts
19 donated within thirty days to a public body, a bona fide
20 educational or charitable organization, or the department of
21 general services as provided in section 68B.22, subsection 3.

22 (3) -- A payment made to a public official or public employee
23 for services rendered as part of a bona fide private business,
24 trade, or profession in which the public official or public
25 employee is engaged if the payment is commensurate with the
26 actual services rendered and is not being made because of the
27 person's status as a public official or public employee, but,
28 rather, because of some special expertise or other
29 qualification.

30 8 10. "Immediate family members" means the spouse and
31 minor dependent children of a public official or public
32 employee.

33 9 11. "Legislative employee" means a permanent full-time
34 official or employee of the general assembly but does not
35 include members of the general assembly.

1 ±0 12. a. "Lobbyist" means a person an individual who, by
2 acting directly, does any of the following:

3 (1) ~~Is-paid~~ Receives compensation ~~for-encouraging to~~
4 encourage the passage, defeat, approval, veto, or modification
5 of legislation ~~or-regulation, or-for-influencing-the-decision~~
6 ~~of, a rule, or an executive order by~~ the members of the
7 general assembly, a state agency, or any statewide elected
8 official.

9 (2) ~~Represents-on-a-regular-basis~~ Is a designated
10 representative of an organization which has as one of its
11 purposes the encouragement of the passage, defeat, approval,
12 veto, or modification of legislation ~~or-regulation, or-the~~
13 ~~influencing-of-a-decision-of-the-members-of,~~ a rule, or an
14 executive order before the general assembly, a state agency,
15 or any statewide elected official.

16 (3) ~~Is~~ Represents the position of a federal, state, or
17 local government ~~official-or-employee-who-represents-the~~
18 ~~official-position-of-the-official-or-employee's~~ agency and who
19 encourages, in which the person serves or is employed as the
20 designated representative, for purposes of encouraging the
21 passage, defeat, approval, veto, or modification of
22 legislation, ~~or-regulation, or-the-influencing-of-decision-of~~
23 ~~the~~ a rule, or an executive order by members of the general
24 assembly, a state agency, or ~~the-office-of-the-governor~~ any
25 statewide elected official.

26 (4) Makes expenditures of more than one thousand dollars in
27 a calendar year, other than to pay compensation to an
28 individual who provides the services specified under
29 subparagraph (1) or to communicate with only the members of
30 the general assembly who represent the district in which the
31 individual resides, to communicate in person with members of
32 the general assembly, a state agency, or any statewide elected
33 official for purposes of encouraging the passage, defeat,
34 approval, veto, or modification of legislation, a rule, or an
35 executive order.

1 b. "Lobbyist" does not mean:

2 (1) Officials and employees of a political party organized
3 in the state of Iowa representing more than two percent of the
4 total votes cast for governor in the last preceding general
5 election, but only when representing the political party in an
6 official capacity.

7 (2) Representatives of the news media only when engaged in
8 the reporting and dissemination of news and editorials.

9 ~~The governor and lieutenant governor of the state of~~
10 ~~Iowa, all other statewide~~ All federal, state, and local
11 ~~electd officials, and elected federal officials while~~
12 performing the duties and responsibilities of office.

13 (4) Persons whose activities are limited to format
14 appearances to give testimony or provide information or
15 assistance at public sessions of committees of the general
16 assembly or at public hearings of state agencies and whose
17 appearances as a result of testifying, are recorded in the
18 records of the committee or agency or who are giving testimony
19 or providing information or assistance at the request of
20 public officials or employees.

21 (5) ~~A person who appears or communicates as a lawyer~~
22 ~~licensed to practice law in this state representing a client~~
23 ~~before any agency or in a contested case proceeding under~~
24 ~~chapter 17A.~~

25 (6) Members of legislative the staff of the United States
26 congress or the Iowa general assembly.

27 (7) (6) Agency officials and employees who influence the
28 decisions of while they are engaged in activities within the
29 agency in which they serve or are employed or with another
30 agency with which the official's or employee's agency is
31 involved in a collaborative project.

* 32 (7) An individual who is a member, director, trustee,
33 officer, or committee member of a business, trade, labor,
34 farm, professional, religious, education, or charitable
35 association, foundation, or organization who either is not

1 paid compensation or is not specifically designated as
2 provided in paragraph "a", subparagraph (1) or (2).

3 ±1 13. "Local employee" means a person employed by a
4 political subdivision of this state.

5 ±2 14. "Local official" means an officeholder of a
6 political subdivision of this state.

7 ±3 15. "Member of the general assembly" means an
8 individual duly elected to the senate or the house of
9 representatives of the state of Iowa.

10 ±4 16. "Official" means an officer of the state of Iowa
11 receiving a salary or per diem whether elected or appointed or
12 whether serving full-time or part-time but does not include
13 officers or employees of political subdivisions of the state.
14 "Official" includes but is not limited to supervisory
15 personnel, members and employees of the governor's office,
16 members of other statewide elected offices, and members of
17 state agencies and the governor, lieutenant governor, all
18 statewide elected officials, the executive or administrative
19 head or heads of an agency of state government, the deputy
20 executive or administrative head or heads of an agency of
21 state government, members of boards or commissions as defined
22 under section 7E.4, and heads of the major subunits of
23 departments or independent state agencies whose positions
24 involve a substantial exercise of administrative discretion or
25 the expenditure of public funds as defined under rules of the
26 department or agency adopted pursuant to chapter 17A.
27 "Official" does not include officers or employees of political
28 subdivisions of the state, members of the general assembly,
29 legislative employees, or officers or employees of the
30 judicial branch of government who are not members or employees
31 of the office of attorney general, or members of state
32 government entities which are or exercise the same type of
33 authority that is exercised by councils or committees as
34 defined under section 7E.4.

35 ±5 17. "Person" means, without limitation, any individual,

1 corporation, business trust, estate, trust, partnership or
2 association, labor union, or any other legal entity.

3 ±6 18. "Public disclosure" means a written report filed by
4 a person as required by this chapter or required by rules
5 adopted and issued pursuant to this chapter.

6 ±7 19. "Public employee" means state employees,
7 legislative employees, and local employees.

8 ±8 20. "Public office" means any state, county, city, or
9 school office or any other office of a political subdivision
10 of the state that is filled by election.

11 ±9 21. "Public official" means officials, local officials,
12 and members of the general assembly.

13 ±0 22. "Regulatory agency" means the department of
14 agriculture and land stewardship, department of employment
15 services, department of commerce, Iowa department of public
16 health, department of public safety, department of education,
17 state board of regents, department of human services,
18 department of revenue and finance, department of inspections
19 and appeals, department of personnel, public employment
20 relations board, state department of transportation, civil
21 rights commission, department of public defense, and
22 department of natural resources.

23 23. "Restricted donor" means a person who is in any of the
24 following categories:

25 a. Is or is seeking to be a party to any one or any
26 combination of sales, purchases, leases, or contracts to,
27 from, or with the agency in which the donee holds office or is
28 employed.

29 b. Will personally be, or is the agent of a person who
30 will be, directly and substantially affected financially by
31 the performance or nonperformance of the donee's official duty
32 in a way that is greater than the effect on the public
33 generally or on a substantial class of persons to which the
34 person belongs as a member of a profession, occupation,
35 industry, or region.

1 c. Is a lobbyist or a client of a lobbyist with respect to
2 matters within the donee's jurisdiction.

3 ~~21~~ 24. "State employee" means a person who is not an
4 official and is a paid employee of the state of Iowa and does
5 not include an independent contractor, an employee of the
6 judicial department who is not an employee of the office of
7 attorney general, a legislative employee, or an employee of a
8 political subdivision of the state. "State-employee"-includes
9 ~~but-is-not-limited-to-all-clerical-personnel.~~

10 Sec. 2. NEW SECTION. 68B.2A CONFLICTS OF INTEREST.

11 1. Any person who serves or is employed by the state or a
12 political subdivision of the state shall not engage in any
13 outside employment or activity which is in conflict with the
14 person's official duties and responsibilities. In determining
15 whether particular outside employment or activity creates an
16 unacceptable conflict of interest, situations in which an
17 unacceptable conflict shall be deemed to exist shall include,
18 but not to be limited to, any of the following:

19 a. The outside employment or activity involves the use of
20 the state's or the political subdivision's time, facilities,
21 equipment, and supplies or the use of the state or political
22 subdivision badge, uniform, business card, or other evidences
23 of office or employment to give the person or member of the
24 person's immediate family an advantage or pecuniary benefit
25 that is not available to other similarly situated members or
26 classes of members of the general public. This paragraph does
27 not apply to off-duty peace officers who provide private duty
28 security or fire fighters or basic or advanced emergency
29 medical care providers certified under chapter 147 or 147A who
30 provide private duty fire safety or emergency medical services
31 while carrying their badge or wearing their official uniform,
32 provided that the person has secured the prior approval of the
33 agency or political subdivision in which the person is
34 regularly employed to engage in the activity. For purposes of
35 this subsection, a person is not "similarly situated" merely

1 by being or being related to a person who serves or is
2 employed by the state or a political subdivision of the state.

3 b. The outside employment or activity involves the receipt
4 of, promise of, or acceptance of money or other consideration
5 by the person, or a member of the person's immediate family,
6 from anyone other than the state or the political subdivision
7 for the performance of any act that the person would be
8 required or expected to perform as a part of the person's
9 regular duties or during the hours during which the person
10 performs service or work for the state or political
11 subdivision of the state.

* 12 c. The outside employment or activity is subject to the
* 13 official control, inspection, review, audit, or enforcement
14 authority of the person, during the performance of the
15 person's duties of office or employment.

16 2. If the outside employment or activity is employment or
17 activity described in subsection 1, paragraph "a" or "b", the
18 person shall immediately cease the employment or activity. If
19 the outside employment or activity is employment or activity
20 described in subsection 1, paragraph "c", or constitutes any
21 other unacceptable conflict of interest, unless otherwise
22 provided by law, the person shall take one of the following
23 courses of action:

24 a. Cease the outside employment or activity.

25 b. Publicly disclose the existence of the conflict and
26 refrain from taking any official action or performing any
27 official duty that would detrimentally affect or create a
28 benefit for the outside employment or activity. For purposes
29 of this paragraph, "official action" or "official duty"
30 includes, but is not limited to, participating in any vote,
31 taking affirmative action to influence any vote, granting any
32 license or permit, determining the facts or law in a contested
33 case or rule making proceeding, conducting any inspection, or
34 providing any other official service or thing that is not
35 available generally to members of the public in order to

1 further the interests of the outside employment or activity.
2 3. Unless otherwise specifically provided the requirements
3 of this section shall be in addition to, and shall not
4 supersede, any other rights or remedies provided by law.

5 Sec. 3. Section 68B.3, subsection 1, Code 1993, is amended
6 to read as follows:

7 1. An official, a state employee, a member of the general
8 assembly, or a legislative employee shall not sell, in any one
9 occurrence, any goods or services having a value in excess of
10 five-hundred two thousand dollars to any state agency unless
11 the sale is made pursuant to an award or contract let after
12 public notice and competitive bidding. This subsection shall
13 not apply to the publication of resolutions, advertisements,
14 or other legal propositions or notices in newspapers
15 designated pursuant to law for the publication of legal
16 propositions or notices and for which rates are fixed pursuant
17 to law. This subsection shall also not apply to sales of
18 services by persons subject to the requirements of this
19 section to state executive branch agencies or subunits of
20 departments or independent agencies as defined under section
21 7E.4 that are not the subunit of the department or independent
22 agency in which the person serves or is employed or are not a
23 subunit of a department or independent agency with which the
24 person has substantial and regular contact as part of the
25 person's duties.

26 For purposes of this section, "services" does not include
27 instruction at an accredited education institution if the
28 person providing the instruction meets the minimum education
29 and licensing requirements established for ~~teachers~~
30 instructors at the education institution.

31 Sec. 4. Section 68B.5A, Code 1993, is amended to read as
32 follows:

33 68B.5A TWO-YEAR BAN ON CERTAIN LOBBYING ACTIVITIES AFTER
34 SERVICE.

35 1. A person who serves as the governor, lieutenant

1 governor, a statewide elected official, the executive or
2 administrative head of an agency of state government, the
3 deputy executive or administrative head of an agency of state
4 government, the head of a major subunit of a department or
5 independent state agency whose position involves a substantial
6 exercise of administrative discretion or the expenditure of
7 public funds as defined under rules of the department or
8 agency adopted pursuant to chapter 17A, a full-time employee
9 of an office of a statewide elected official or the office of
10 the governor whose position involves a substantial exercise of
11 administrative discretion or the expenditure of public funds
12 as defined under rules of the office or agency, a legislative
13 employee whose position involves a substantial exercise of
14 administrative discretion or the expenditure of public funds
15 as defined under rules of the agency, or a member of the
16 general assembly shall not act as a lobbyist during the time
17 in which the person serves or is employed by the state unless
18 the person is designated, by the agency in which the person
19 serves or is employed, to represent the official position of
20 the agency.

21 ~~2.~~ A person ~~who has served as an official, state~~
22 ~~employee, member of the general assembly, or legislative~~
23 ~~employee~~ who is subject to the requirements of subsection 1
24 shall not within two years after the termination of service or
25 employment become a lobbyist.

26 3. A person who has served as a state employee, and who
27 was not a full-time employee of an office of a statewide
28 elected official or the office of the governor whose position
29 involves a substantial exercise of administrative discretion
30 or the expenditure of public funds, shall not, within two
31 years after termination of employment, become a lobbyist
32 before the agency in which the person was employed or before
33 state agencies or officials or employees with whom the person
34 had substantial and regular contact as part of the person's
35 former duties.

1 2 4. This section shall not apply to a person ~~who is a~~
2 ~~former official, state employee, member of the general~~
3 ~~assembly, or legislative employee~~ who is subject to the
4 requirements of subsections 1, 2, or 3 and who, within two
5 years of leaving service or employment with the state, is
6 elected to, appointed to, or employed by another office of the
7 state, or to an office of a political subdivision of the
8 state, or the federal government and appears or communicates
9 on behalf of that office.

10 Sec. 5. Section 68B.6, Code 1993, is amended to read as
11 follows:

12 68B.6 SERVICES AGAINST STATE PROHIBITED.

13 1. ~~No official~~ The governor, lieutenant governor, all
14 statewide elected officials, the executive or administrative
15 head or heads of an agency of state government, the deputy
16 executive or administrative head or heads of an agency of
17 state government, the heads of the major subunits of
18 departments or independent state agencies whose positions
19 involve a substantial exercise of administrative discretion or
20 the expenditure of public funds as defined under rules of the
21 department or agency under chapter 17A, state employee
22 employees, or legislative employee employees shall not
23 receive, directly or indirectly, or enter into any express or
24 implied agreement for, express-or-implied, for any
25 compensation, in whatever form, for the appearance or
26 rendition of services by that person or another against the
27 interest of the state in relation to any case, proceeding,
28 application, or other matter before any state agency, any
29 court of the state of Iowa, any federal court, or any federal
30 bureau, agency, commission or department.

31 2. A person who is an official, but who is not subject to
32 the requirements of subsection 1, shall not receive, directly
33 or indirectly, or enter into any agreement, express or
34 implied, for any compensation, in whatever form, for the
35 appearance or rendition of services by that person or another

1 against the interest of the state in relation to any case,
2 proceeding, application, or other matter before the subunit of
3 a department or independent agency in which the person serves,
4 is employed, or with which the person has substantial and
5 regular contact as part of the person's duties.

6 Sec. 6. Section 68B.22, Code 1993, is amended by striking
7 the section and inserting in lieu thereof the following:

8 68B.22 GIFTS ACCEPTED OR RECEIVED.

9 1. Except as otherwise provided in this section, a public
10 official, public employee, or candidate, or that person's
11 immediate family member shall not, directly or indirectly,
12 accept or receive any gift or series of gifts from a
13 restricted donor. A public official, public employee,
14 candidate, or the person's immediate family member shall not
15 solicit any gift or series of gifts from a restricted donor at
16 any time.

17 2. Except as otherwise provided in this section, a
18 restricted donor shall not, directly or indirectly, offer or
19 make a gift or a series of gifts to a public official, public
20 employee, or candidate. Except as otherwise provided in this
21 section, a restricted donor shall not, directly or indirectly,
22 join with one or more other restricted donors to offer or make
23 a gift or a series of gifts to a public official, public
24 employee, or candidate.

25 3. A restricted donor may give, and a public official,
26 public employee, or candidate, or the person's immediate
27 family member, may accept an otherwise prohibited nonmonetary
28 gift or a series of otherwise prohibited nonmonetary gifts and
29 not be in violation of this section if the nonmonetary gift or
30 series of nonmonetary gifts is donated within thirty days to a
31 public body, the department of general services, or a bona
32 fide educational or charitable organization, if no part of the
33 net earnings of the educational or charitable organization
34 inures to the benefit of any private stockholder or other
35 individual. All such items donated to the department of

1 general services shall be disposed of by assignment to state
2 agencies for official use or by public sale.

3 4. Notwithstanding subsections 1 and 2, the following
4 gifts may be received by public officials, public employees,
5 candidates, or members of the immediate family of public
6 officials, public employees, or candidates:

7 a. Contributions to a candidate or a candidate's
8 committee.

9 b. Informational material relevant to a public official's
10 or public employee's official functions, such as books,
11 pamphlets, reports, documents, periodicals, or other
12 information that is recorded in a written, audio, or visual
13 format.

14 c. Anything received from anyone related within the fourth
15 degree by kinship or marriage, unless the donor is acting as
16 an agent or intermediary for another person not so related.

17 d. An inheritance.

18 e. Anything available or distributed free of charge to
19 members of the general public without regard to the official
20 status of the recipient.

21 f. Actual expenses of a donee for food, beverages,
22 registration, travel, and lodging for a meeting, which is
23 given in return for participation in a panel or speaking
24 engagement at the meeting when the expenses relate directly to
25 the day or days on which the donee has participation or
26 presentation responsibilities.

27 g. Plaques or items of negligible resale value which are
28 given as recognition for the public services of the recipient.

29 h. Items of food and drink with a value of three dollars
30 or less that are received from any one donor during one
31 calendar day.

32 i. Items or services solicited by or given to, for
33 purposes of a business or educational conference, seminar, or
34 other meeting, a state, national, or regional government
35 organization in which the state of Iowa or a political

1 subdivision of the state is a member, or solicited by or given
2 for the same purposes to state, national, or regional
3 government organizations whose memberships and officers are
4 primarily composed of state or local government officials or
5 employees.

6 j. Items or services received by members or
7 representatives of members at a regularly scheduled event that
8 is part of a business or educational conference, seminar, or
9 other meeting that is sponsored and directed by any state,
10 national, or regional government organization in which the
11 state of Iowa or a political subdivision of the state is a
12 member, or received at such an event by members or
13 representatives of members of state, national, or regional
14 government organizations whose memberships and officers are
15 primarily composed of state or local government officials or
16 employees.

17 k. Funeral flowers.

18 l. Payment of salary or expenses by a person's employer or
19 the firm in which the person is a member for the cost of
20 attending a meeting of a subunit of an agency when the person
21 whose expenses are being paid serves on a board, commission,
22 committee, council, or other subunit of the agency and the
23 person is not entitled to receive compensation or
24 reimbursement of expenses from the state or a political
25 subdivision of the state for attending the meeting.

* 26 m. Gifts of food, beverages, travel, or lodging received
27 by a public official or public employee if all of the
28 following apply:

29 (1) The public official or public employee is officially
30 representing an agency in a delegation whose sole purpose is
31 to attract a specific new business to locate in the state or
32 encourage expansion or retention of an existing business
33 already established in the state.

34 (2) The donor of the gift is not the business being
35 contacted. However, food or beverages provided by the

1 business being contacted which are consumed during the meeting
2 are not a gift under section 68B.2, subsection 8, or this
3 section.

4 (3) The public official or public employee plays a
5 significant role in the presentation to the business on behalf
6 of the public official's or public employee's agency.

7 n. Gifts other than food, beverages, travel, and lodging
8 received by a public official or public employee which are
9 received from a person who is a citizen of a country other
10 than the United States and is given during a ceremonial
11 presentation or as a result of a custom of the other country
12 and is of personal value only to the donee.

13 5. For purposes of determining the value of an item given
14 or received, an individual who gives an item on behalf of more
15 than one person shall not divide the value of the item by the
16 number of persons on whose behalf the item is given and the
17 value of an item received shall be the value actually received
18 by the donee.

19 6. A gift shall not be considered to be received by a
20 public official or public employee if the state is the donee
21 of the gift and the public official or public employee is
22 required to receive the gift on behalf of the state as part of
23 the performance of the person's duties of office or
24 employment.

25 7. A person shall not request, and a member of the general
26 assembly shall not agree, that a member of the general
27 assembly sell tickets for a community related social event
28 that is to be held for members of the general assembly in Polk
29 county during the legislative session. This section shall not
30 apply to Polk county or city of Des Moines events that are
31 open to the public generally or are held only for Polk county
32 or city of Des Moines legislators.

33 8. An organization or association which has as one of its
34 purposes the encouragement of the passage, defeat,
35 introduction, or modification of legislation shall not give

1 and a member of the general assembly shall not receive food,
2 beverages, registration, or scheduled entertainment with a per
3 person value in excess of three dollars at group events to
4 which all members of either house or both houses of the
5 general assembly are invited.

6 Sec. 7. Section 68B.23, Code 1993, is amended by striking
7 the section and inserting in lieu thereof the following:

8 68B.23 HONORARIA -- BANNED.

9 1. Except as provided in subsection 2, a public official
10 or public employee shall not seek or accept an honorarium from
11 a restricted donor.

12 2. A public official or public employee may accept an
13 honorarium from any person under the following circumstances:

14 a. The honorarium consists of payment of actual expenses
15 of a donee for registration, food, beverages, travel, and
16 lodging paid in return for participation in a panel or
17 speaking engagement at a meeting when the expenses relate
18 directly to the day or days on which the recipient has
19 participation or presentation responsibilities.

20 b. The honorarium consists of a nonmonetary item or series
21 of nonmonetary items that the public official or public
22 employee donates within thirty days to a public body, a bona
23 fide educational or charitable organization, or the department
24 of general services as provided in section 68B.22, subsection
25 3.

26 c. The honorarium consists of a payment made to a public
27 official or public employee for services rendered as part of a
28 bona fide private business, trade, or profession in which the
29 public official or public employee is engaged if the payment
30 is commensurate with the actual services rendered and is not
31 being made because of the person's status as a public official
32 or public employee, but, rather, because of some special
33 expertise or other qualification.

34 Sec. 8. Section 68B.24, Code 1993, is amended to read as
35 follows:

1 68B.24 LOANS -- RECEIPT FROM LOBBYISTS PROHIBITED.

2 1. An official, member of the general assembly, state
3 employee, legislative employee, or candidate for state office
4 shall not, directly or indirectly, seek or accept a loan or
5 series of loans from a person who is a lobbyist.

6 2. A lobbyist shall not, directly or indirectly, offer or
7 make a loan or series of loans to an official, member of the
8 general assembly, state employee, legislative employee, or
9 candidate for state office. A lobbyist shall also not,
10 directly or indirectly, join with one or more persons to offer
11 or make a loan or series of loans to an official, member of
12 the general assembly, state employee, legislative employee, or
13 candidate for state office.

14 3. This section shall not apply to loans made in the
15 ordinary course of business. For purposes of this section, a
16 loan is "made in the ordinary course of business" when it is
17 made by a person who is regularly engaged in a business that
18 makes loans to members of the general public and the finance
19 charges and other terms of the loan are the same or
20 substantially similar to the finance charges and loan terms
21 that are available to members of the general public.

22 Sec. 9. Section 68B.25, Code 1993, is amended by striking
23 the section and inserting in lieu thereof the following:

24 68B.25 ADDITIONAL PENALTY.

25 In addition to any penalty contained in any other provision
26 of law, a person who knowingly and intentionally violates a
27 provision of sections 68B.2A through 68B.7, sections 68B.22
28 through 68B.24, or sections 68B.35 through 68B.38 is guilty of
29 a serious misdemeanor and may be reprimanded, suspended, or
30 dismissed from the person's position or otherwise sanctioned.

31 Sec. 10. Section 68B.26, Code 1993, is amended to read as
32 follows:

33 68B.26 ACTIONS COMMENCED.

34 Actions against public officials or public employees to
35 enforce the provisions of this chapter may be commenced by the

1 filing of a complaint with the county attorney by any legal
2 resident of the state of Iowa who is eighteen years of age or
3 more at the time of commencing the action or by the attorney
4 general. Complaints regarding conduct of local officials or
5 local employees which violates this chapter shall be filed
6 with the county attorney in the county where the accused
7 resides.

8 Sec. 11. Section 68B.31, subsection 4, Code 1993, is
9 amended by adding the following new unnumbered paragraph:

10 NEW UNNUMBERED PARAGRAPH. The ethics committee may employ
11 independent legal counsel to assist the committee in carrying
12 out the committee's duties under this chapter. Payment of
13 costs for the independent legal counsel shall be made from
14 funds appropriated pursuant to section 2.12.

* 15 Sec. 12. Section 68B.31, subsection 6, Code 1993, is
16 amended to read as follows:

17 6. The ethics committee shall promptly notify any party
18 alleged to have committed a violation of the code of ethics,
19 rules governing lobbyists, or this chapter of the filing of a
20 complaint by causing a copy of the complaint to be served or
21 personally delivered to the party charged, unless service is
22 waived by the party charged, and shall review a the complaint
23 to determine if the complaint meets the requirements for
24 formal sufficiency. If the complaint is deficient as to form,
25 the complaint shall be returned to the complainant with a
26 statement of the nature of the deficiency and the party
27 charged in the complaint shall be notified that the complaint
28 has been returned. If a complaint, previously found to be
29 deficient as to form, is refiled in different form, the party
30 charged in the complaint shall be provided with a copy of the
31 new document in the same manner as provided for service of the
32 initial complaint. Any amendments to a complaint that are
33 filed with the committee shall also be served or personally
34 delivered, unless service is waived, to the party charged in
35 the complaint. If the complaint is sufficient as to form, the

1 ethics committee shall review the complaint to determine
2 whether the complaint states a valid charge which may be
3 investigated. A valid complaint must allege all of the
4 following:

5 a. Facts, that if true, establish a violation of a
6 provision of this chapter, the rules governing lobbyists, or
7 the code of ethics for which penalties or other remedies are
8 provided.

9 b. That the conduct providing the basis for the complaint
10 occurred within three years of the filing of the complaint.

11 c. That the party charged with a violation is a party
12 subject to the jurisdiction of the ethics committee.

13 Sec. 13. Section 68B.31, subsection 11, Code 1993, is
14 amended to read as follows:

15 11. Violation of a provision of this chapter or rules
16 adopted relating to ethical conduct may result in censure,
17 reprimand, or other sanctions as determined by a majority of
18 the member's house. However, a member may be suspended or
19 expelled and the member's salary forfeited only if directed by
20 a two-thirds vote of the member's house. A suspension,
21 expulsion, or forfeiture of salary shall be for the duration
22 specified in the directing resolution. ~~However, it shall not~~
23 ~~extend beyond the end of the general assembly during which the~~
24 ~~violation occurred.~~ Violation of a rule relating to lobbyists
25 and lobbying activities may result in censure, reprimand, or
26 other sanctions as determined by a majority of the members of
27 the house in which the violation occurred. However, a
28 lobbyist may be suspended from lobbying activities for the
29 duration provided in the directing resolution only if directed
30 by a two-thirds vote of the house in which the violation
31 occurred.

32 Sec. 14. Section 68B.32, Code 1993, is amended by striking
33 the section and inserting in lieu thereof the following:

34 68B.32 INDEPENDENT ETHICS AND CAMPAIGN DISCLOSURE BOARD --
35 ESTABLISHED.

1 1. An Iowa ethics and campaign disclosure board is
2 established as an independent agency. Effective January 1,
3 1994, the board shall administer and set standards for,
4 investigate complaints relating to, and monitor the ethics and
5 campaign finance practices of officials and employees in the
6 executive branch of state government and of candidates for
7 public office. The board shall consist of six members and
8 shall be balanced as to political affiliation as provided in
9 section 69.16. The members shall be appointed by the
10 governor, subject to confirmation by the senate.

11 2. Members shall serve staggered six-year terms beginning
12 and ending as provided in section 69.19. Any vacancy on the
13 board shall be filled by appointment for the unexpired portion
14 of the term, within ninety days of the vacancy and in
15 accordance with the procedures for regular appointments. A
16 member of the board may be reappointed to serve additional
17 terms on the board. Members may be removed in the manner
18 provided in chapter 69.

19 3. The board shall annually elect one member to serve as
20 the chairperson of the board and one member to serve as vice
21 chairperson. The vice chairperson shall act as the
22 chairperson in the absence or disability of the chairperson or
23 in the event of a vacancy in that office.

24 4. Members of the board shall receive a per diem as
25 specified in section 7E.6 while conducting business of the
26 board, and payment of actual and necessary expenses incurred
27 in the performance of their duties. Members of the board
28 shall file statements of financial interest under section
29 68B.35.

30 5. The board shall employ a full-time executive secretary
31 who shall be the board's chief administrative officer. The
32 board shall employ or contract for the employment of legal
33 counsel notwithstanding section 13.7, and any other personnel
34 as may be necessary to carry out the duties of the board. The
35 board's legal counsel shall be the chief legal officer of the

1 board, shall advise the board on all legal matters, and, upon
2 the instructions of the board, may commence any actions as may
3 be appropriate. Notwithstanding section 19A.3, all of the
4 board's employees, except for the executive secretary and
5 legal counsel, shall be employed subject to the merit system
6 provisions of chapter 19A.

7 Sec. 15. NEW SECTION. 68B.32A DUTIES OF THE BOARD.

8 The duties of the board shall include, but are not limited
9 to, all of the following:

10 1. Adopt rules pursuant to chapter 17A and conduct
11 hearings under sections 68B.32B and 68B.32C and chapter 17A,
12 as necessary to carry out the purposes of this chapter and
13 chapter 56.

14 2. Develop, prescribe, furnish, and distribute any forms
15 necessary for the implementation of the procedures contained
16 in this chapter and chapter 56 for the filing of reports and
17 statements by persons required to file the reports and
18 statements under this chapter and chapter 56.

19 3. Review the contents of all campaign finance disclosure
20 reports and statements filed with the board and promptly
21 advise each person or committee of errors found. The board
22 may verify information contained in the reports with other
23 parties to assure accurate disclosure. The board may also
24 verify information by requesting that a candidate or committee
25 produce copies of receipts, bills, logbooks, or other
26 memoranda of reimbursements of expenses to a candidate for
27 expenses incurred during a campaign. The board, upon its own
28 motion, may initiate action and conduct a hearing relating to
29 requirements under chapter 56. The board may require a county
30 commissioner of elections to periodically file summary reports
31 with the board.

32 4. Receive and file lobbyist registration and reporting
33 client disclosure, and personal financial disclosure
34 information. The board, upon its own motion, may initiate
35 action and conduct a hearing relating to reporting

1 requirements under this chapter.

2 5. Prepare and publish a manual setting forth examples of
3 approved uniform systems of accounts and approved methods of
4 disclosure for use by persons required to file statements and
5 reports under this chapter and chapter 56. The board shall
6 also prepare and publish other educational materials, and any
7 other reports or materials deemed appropriate by the board.
8 The board shall annually provide all officials and state
9 employees with notification of the contents of this chapter
10 and chapter 56 by distributing copies of educational materials
11 to associations that represent the interests of the various
12 governmental entities for dissemination to their membership.

13 6. Assure that the statements and reports which have been
14 filed in accordance with this chapter and chapter 56 are
15 available for public inspection and copying during the regular
16 office hours of the office in which they are filed and not
17 later than by the end of the day during which a report or
18 statement was received. Rules adopted relating to public
19 inspection and copying of statements and reports may include a
20 charge for any copying and mailing of the reports and
21 statements, shall provide for the mailing of copies upon the
22 request of any person and upon prior receipt of payment of the
23 costs by the board, and shall prohibit the use of the
24 information copied from reports and statements for soliciting
25 contributions or for any commercial purpose by any person
26 other than statutory political committees.

27 7. Require that the candidate of a candidate's committee,
28 or the chairperson of a political committee, is responsible
29 for filing disclosure reports under chapter 56, and shall
30 receive notice from the board if the committee has failed to
31 file a disclosure report at the time required under chapter
32 56. A candidate of a candidate's committee, or the
33 chairperson of a political committee may be subject to a civil
34 penalty for failure to file a disclosure report required under
35 section 56.6, subsection 1.

1 8. Establish and impose penalties, and recommendations for
2 punishment of persons who are subject to penalties of or
3 punishment by the board or by other bodies, for the failure to
4 comply with the requirements of this chapter or chapter 56.

5 9. Determine, in case of dispute, at what time a person
6 has become a candidate.

7 10. Preserve copies of reports and statements filed with
8 the board for a period of five years from the date of receipt.

9 11. Establish a procedure for requesting and issuing
10 formal and informal board opinions to persons subject to the
11 authority of the board under this chapter or chapter 56.
12 Advice contained in formal board opinions shall, if followed,
13 constitute a defense to a complaint filed with the board
14 alleging a violation of this chapter, chapter 56, or rules of
15 the board that is based on the same facts and circumstances.

16 12. Establish rules relating to ethical conduct for
17 persons holding a state office, including candidates, and for
18 employees of the executive branch of state government and
19 regulations governing the conduct of lobbyists, including but
20 not limited to conflicts of interest, abuse of office, misuse
21 of public property, use of confidential information,
22 participation in matters in which an official or state
23 employee, has a financial interest, and rejection of improper
24 offers.

25 13. Impose penalties upon, or refer matters relating to,
26 persons who discharge any employee, or who otherwise
27 discriminate in employment against any employee, for the
28 filing of a complaint with, or the disclosure of information
29 to, the board if the employee has filed the complaint or made
30 the disclosure in good faith.

31 14. Establish fees, where necessary, to cover the costs
32 associated with preparing, printing, and distributing
33 materials to persons subject to the authority of the board.

34 Sec. 16. NEW SECTION. 68B.32B COMPLAINT PROCEDURES.

35 1. Any person may file a complaint alleging that a

1 candidate, committee, person holding a state office, employee
2 of the executive branch of state government, or other person
3 has committed a violation of this chapter or chapter 56 or
4 rules adopted by the board. The board shall prescribe and
5 provide forms for this purpose. A complaint must include the
6 name and address of the complainant, a statement of the facts
7 believed to be true that form the basis of the complaint,
8 including the sources of information and approximate dates of
9 the acts alleged, and a certification by the complainant under
10 penalty of perjury that the facts stated to be true are true
11 to the best of the complainant's knowledge.

12 2. The board staff shall review the complaint to determine
13 if the complaint is sufficient as to form. If the complaint
14 is deficient as to form, the complaint shall be returned to
15 the complainant with a statement of the deficiency and an
16 explanation describing how the deficiency may be cured. If
17 the complaint is sufficient as to form, the complaint shall be
18 referred for legal review.

19 3. Unless the chairperson of the board concludes that
20 immediate notification would prejudice a preliminary
21 investigation or subject the complainant to an unreasonable
22 risk, the board shall mail a copy of the complaint to the
23 subject of the complaint within three working days of the
24 acceptance of the complaint. If a determination is made by
25 the chairperson not to mail a copy of the complaint to the
26 subject of the complaint within the three working days time
27 period, the board shall approve and establish the time and
28 conditions under which the subject will be informed of the
29 filing and contents of the complaint.

30 4. Upon completion of legal review, the chairperson of the
31 board shall be advised whether, in the opinion of the legal
32 advisor, the complaint states an allegation which is legally
33 sufficient. A legally sufficient allegation must allege all
34 of the following:

35 a. Facts that would establish a violation of a provision

1 of this chapter, chapter 56, or rules adopted by the board.

2 b. Facts that would establish that the conduct providing
3 the basis for the complaint occurred within three years of the
4 complaint.

5 c. Facts that would establish that the subject of the
6 complaint is a party subject to the jurisdiction of the board.

7 5. After receiving an evaluation of the legal sufficiency
8 of the complaint, the chairperson shall refer the complaint to
9 the board for a formal determination by the board of the legal
10 sufficiency of the allegations contained in the complaint.

11 6. If the board determines that none of the allegations
12 contained in the complaint are legally sufficient, the
13 complaint shall be dismissed. The complainant shall be sent a
14 notice of dismissal stating the reason or reasons for the
15 dismissal. If a copy of the complaint was sent to the subject
16 of the complaint, a copy of the notice shall be sent to the
17 subject of the complaint. If the board determines that any
18 allegation contained in the complaint is legally sufficient,
19 the complaint shall be referred to the board staff for
20 investigation of any legally sufficient allegations.

21 7. Notwithstanding subsections 1 through 6, the board may,
22 on its own motion and without the filing of a complaint by
23 another person, initiate investigations into matters that the
24 board believes may be subject to the board's jurisdiction.
25 This section does not preclude persons from providing
26 information to the board for possible board-initiated
27 investigation instead of filing a complaint.

28 8. The purpose of an investigation by the board's staff is
29 to determine whether there is probable cause to believe that
30 there has been a violation of this chapter or of rules adopted
31 by the board. To facilitate the conduct of investigations,
32 the board may issue and seek enforcement of subpoenas
33 requiring the attendance and testimony of witnesses and
34 subpoenas requiring the production of books, papers, records,
35 and other real evidence relating to the matter under

1 investigation. Upon the request of the board, an appropriate
2 county attorney or the attorney general shall assist the staff
3 of the board in its investigation.

4 9. If the board determines on the basis of an
5 investigation by board staff that there is probable cause to
6 believe the existence of facts that would establish a
7 violation of this chapter, or of rules adopted by the board,
8 the board shall issue a statement of charges and notice of a
9 contested case proceeding to the complainant and to the person
10 who is the subject of the complaint, in the manner provided
11 for the issuance of statements of charges under chapter 17A.
12 If the board determines on the basis of an investigation by
13 staff that there is no probable cause to believe that a
14 violation has occurred, the board shall close the
15 investigation, dismiss any related complaint, and the subject
16 of the complaint shall be notified of the dismissal. If the
17 investigation originated from a complaint filed by a person
18 other than the board, the person making the complaint shall
19 also be notified of the dismissal.

20 10. At any stage during the investigation or after the
21 initiation of a contested case proceeding, the board may
22 approve a settlement regarding an alleged violation. Terms of
23 a settlement shall be reduced to writing and be available for
24 public inspection. An informal settlement may provide for any
25 remedy specified in section 68B.32D. However, the board shall
26 not approve a settlement unless the board determines that the
27 terms of the settlement are in the public interest and are
28 consistent with the purposes of this chapter and rules of the
29 board. In addition, the board may authorize board staff to
30 seek informal voluntary compliance in routine matters brought
31 to the attention of the board or its staff.

32 11. A complaint shall be a public record, but some or all
33 of the contents may be treated as confidential under section
34 22.7, subsection 18, to the extent necessary under subsection
35 3. Information informally reported to the board and board

1 staff which results in a board-initiated investigation shall
2 be a public record but may be treated as confidential
3 information consistent with the provisions of section 22.7,
4 subsection 18. If the complainant, the person who provides
5 information to the board, or the person who is the subject of
6 an investigation publicly discloses the existence of an
7 investigation, the board may publicly confirm the existence of
8 the disclosed formal complaint or investigation and, in the
9 board's discretion, make the complaint or the informal
10 referral public, as well as any other documents that were
11 issued by the board to any party to the investigation.
12 However, investigative materials may be furnished to the
13 appropriate law enforcement authorities by the board at any
14 time. Upon the commencement of a contested case proceeding by
15 the board, all investigative material relating to that
16 proceeding shall be made available to the subject of the
17 proceeding. The entire record of any contested case
18 proceeding initiated under this section shall be a public
19 record.

20 12. Board records used to achieve voluntary compliance to
21 resolve discrepancies and deficiencies shall not be
22 confidential unless otherwise required by law.

23 Sec. 17. NEW SECTION. 68B.32C CONTESTED CASE
24 PROCEEDINGS.

25 1. Contested case proceedings initiated as a result of the
26 issuance of a statement of charges pursuant to section
27 68B.32B, subsection 9, shall be conducted in accordance with
28 the requirements of chapter 17A. A preponderance of the
29 evidence shall be required to support a finding that a person
30 has violated this chapter or any rules adopted by the board.
31 The case in support of the statement of charges shall be
32 presented at the hearing by one of the board's attorneys or
33 staff unless, upon the request of the board, the charges are
34 prosecuted by another legal counsel designated by the attorney
35 general. A person making a complaint under section 68B.32B,

1 subsection 1, is not a party to contested case proceedings
2 conducted relating to allegations contained in the complaint.

3 2. Hearings held pursuant to this chapter shall be heard
4 by a quorum of the board, unless the board designates a board
5 member or an administrative law judge to preside at the
6 hearing. If a quorum of the board does not preside at the
7 hearing, the board member or administrative law judge shall
8 make a proposed decision. The board or presiding board member
9 may be assisted by an administrative law judge in the conduct
10 of the hearing and the preparation of a decision.

11 3. Upon a finding by the board that the party charged has
12 violated this chapter or rules adopted by the board, the board
13 may impose any penalty provided for by section 68B.32D. Upon
14 a final decision of the board finding that the party charged
15 has not violated this chapter or the rules of the board, the
16 complaint shall be dismissed and the party charged and the
17 original complainant, if any, shall be notified.

18 4. The right of an appropriate county attorney or the
19 attorney general to commence and maintain a district court
20 prosecution for criminal violations of the law is unaffected
21 by any proceedings under this section.

22 5. The board shall adopt rules, pursuant to chapter 17A,
23 establishing procedures to implement this section.

24 Sec. 18. NEW SECTION. 68B.32D PENALTIES --RECOMMENDED
25 ACTIONS.

26 1. The board, after a hearing and upon a finding by a
27 preponderance of clear and convincing evidence that a
28 violation of a provision of this chapter, chapter 56, or rules
29 adopted by the board has occurred, may do one or more of the
30 following:

31 a. Issue an order requiring the violator to cease and
32 desist from the violation found.

33 b. Issue an order requiring the violator to take any
34 remedial action deemed appropriate by the board.

35 c. Issue an order requiring the violator to file any

1 report, statement or other information as required by this
2 chapter, chapter 56, or rules adopted by the board.

3 d. Publicly reprimand the violator for violations of this
4 chapter, chapter 56, or rules adopted by the board in writing
5 and provide a copy of the reprimand to the violator's
6 appointing authority.

7 e. Make a written recommendation to the violator's
8 appointing authority that the violator be removed or suspended
9 from office, and include in the recommendation the length of
10 the suspension.

11 f. If the violation is a violation of this chapter or
12 rules adopted by the board pursuant to this chapter and the
13 violator is an elected official of the executive branch of
14 state government, other than an official who can only be
15 removed by impeachment, make a written recommendation to the
16 attorney general or the appropriate county attorney that an
17 action for removal from office be initiated pursuant to
18 chapter 66.

19 g. If the violation is a violation of this chapter or
20 rules adopted by the board pursuant to this chapter and the
21 violator is a lobbyist of the executive branch of state
22 government, censure, reprimand, or impose other sanctions
23 deemed appropriate by the board. A lobbyist may also be
24 suspended from lobbying activities if the board finds that
25 suspension is an appropriate sanction for the violation
26 committed.

27 h. Issue an order requiring the violator to pay a civil
28 penalty of not more than two thousand dollars for each
29 violation of this chapter, chapter 56, or rules adopted by the
30 board.

31 i. Refer the complaint and supporting information to the
32 attorney general or appropriate county attorney with a
33 recommendation for prosecution or enforcement of criminal
34 penalties.

35 2. At any stage during an investigation or during the

1 board's review of routine compliance matters, the board may
2 resolve the matter by admonishment to the alleged violator or
3 by any other means not specified in subsection 1 as a
4 posthearing remedy.

5 3. If a person fails to comply with an order of the board
6 under subsection 1, paragraphs "a", "b", "c", or "h", the
7 board may petition the district court having jurisdiction for
8 an order for enforcement of the order of the board. The
9 enforcement proceeding shall be conducted as provided in
10 section 68B.33.

11 Sec. 19. Section 68B.33, Code 1993, is amended to read as
12 follows:

13 68B.33 JUDICIAL REVIEW -- ENFORCEMENT.

14 Judicial review of the actions of the executive-council
15 board may be sought in accordance with chapter 17A. Judicial
16 enforcement of orders of the executive-council board may be
17 sought in accordance with chapter 17A.

18 Sec. 20. Section 68B.34, Code 1993, is amended to read as
19 follows:

20 68B.34 INVESTIGATION BY INDEPENDENT SPECIAL COUNSEL --
21 PROBABLE CAUSE.

22 The purpose of an investigation by the independent special
23 counsel is to determine whether there is probable cause to
24 proceed with an adjudicatory hearing on the matter. In
25 conducting investigations and holding hearings, the
26 independent special counsel may require by subpoena the
27 attendance and testimony of witnesses and may subpoena books,
28 papers, records, and any other real evidence relating to the
29 matter before the independent special counsel. The
30 independent special counsel shall have the additional
31 authority provided in section 17A.13. If the independent
32 special counsel determines at any stage in the proceedings
33 that take place prior to hearing that the complaint is without
34 merit, the independent special counsel shall report that
35 determination to the appropriate ethics committee or the

1 ~~executive-council~~ and the complaint shall be dismissed and the
2 complainant and the party charged shall be notified. If,
3 after investigation, the independent special counsel
4 determines evidence exists which, if proven, would support a
5 finding of a violation of this chapter, a finding of probable
6 cause shall be made and reported to the ethics committee or
7 ~~executive-council~~, and a hearing shall be ordered by the
8 ethics committee as provided in section 68B.31 or-by-the
9 executive-council-as-provided-in-section-68B-32. Independent
10 special counsel investigations are not meetings of a
11 governmental body within the meaning of chapter 21, and
12 records and information obtained by independent special
13 counsel during investigations are confidential until disclosed
14 to a legislative ethics committee under section 68B.31.

15 Sec. 21. Section 68B.35, Code 1993, is amended to read as
16 follows:

17 68B.35 PERSONAL FINANCIAL DISCLOSURE -- OFFICIALS, MEMBERS
18 OF THE GENERAL ASSEMBLY, AND CANDIDATES.

19 1. Except as otherwise provided in this section, ~~each~~
20 ~~official, member of the general assembly, and candidate for~~
21 ~~state office shall file~~ effective January 1, 1994, a statement
22 of personal financial disclosure in the manner provided in
23 this section that discloses the sources of the person's income
24 and any significant financial interests of the ~~official,~~
25 ~~member, or candidate~~ person shall be filed by the following
26 persons and in the manner required in this section:

27 a. The governor and lieutenant governor.

28 b. Any statewide elected official.

29 c. The executive or administrative head or heads of an
30 agency of state government.

31 d. The deputy executive or administrative head or heads of
32 an agency of state government.

33 e. The head of a major subunit of a department or
34 independent state agency whose position involves a substantial
35 exercise of administrative discretion or the expenditure of

1 public funds as defined under rules of the department or
2 agency adopted pursuant to chapter 17A.

3 f. Members of the banking board, the campaign finance
4 disclosure commission, the credit union review board, the
5 economic development board, the employment appeal board, the
6 environmental protection commission, the health facilities
7 council, the Iowa business investment corporation board of
8 directors, the Iowa finance authority, the Iowa product
9 development corporation, the Iowa public employees' retirement
10 system investment board, the lottery board, the natural
11 resource commission, the parole board, the petroleum under-
12 ground storage tank fund board, the public employment
13 relations board, the state racing and gaming commission, the
14 state board of regents, the tax review board, the
15 transportation commission, the office of consumer advocate,
16 and the utilities board and full-time members of other boards
17 and commissions as defined under section 7E.4 who receive an
18 annual salary for their service on the board or commission.

19 g. Members of the general assembly.

20 h. Candidates for state office.

21 i. Legislative employees who are the head or deputy head
22 of a legislative agency or whose position involves a
23 substantial exercise of administrative discretion or the
24 expenditure of public funds as defined under rules prescribed
25 by the legislative council.

26 2. For purposes of this section, "disclosure of sources of
27 income" includes disclosure of the nature of each business in
28 which the official, member, or candidate person is engaged and
29 receives more than one thousand dollars annually in gross
30 income and the nature of the business of each company in which
31 the official, member, or candidate person has an income-
32 producing interest that generates over one thousand dollars
33 annually in gross income.

34 PARAGRAPH DIVIDED. For purposes of this section,
35 "significant financial interests" includes investments in

1 stocks, bonds, bills, notes, mortgages, or other securities
2 offered for sale through recognized financial brokers if
3 greater-than-five-percent-of-the-total-outstanding-issue-of
4 any-stocks,-bonds,-bills,-notes,-mortgages,-or-other
5 securities-of-the-offering-entity as of December 31 of the
6 year preceding the year in which disclosure is to be made; any
7 in-state or out-of-state business, trade, labor, farm,
8 professional, religious, educational, or charitable
9 association, foundation, or organization which is involved in
10 supporting or opposing any measures brought before the body in
11 which the official,-member,-or-candidate person holds office
12 and by which the official,-member,-or-candidate person is
13 employed or retained or has rendered services for compensation
14 within the previous twelve months; any office or directorship
15 held during the previous twelve months by the official,-
16 member,-or-candidate person in any corporation, firm,
17 enterprise, labor union, farm organization, cooperative,
18 religious, education, or charitable association or
19 organization or trade or professional association which is
20 involved in supporting or opposing any measures brought before
21 the body in which the person holds office or is employed.

22 3. A candidate for state office shall file the statement
23 of personal financial disclosure with the campaign-finance
24 disclosure-commission board concerning the year preceding the
25 year in which the election is to be held and concerning so
26 much of the year in which the election is to be held as has
27 elapsed by the date specified in section 43.11 for the filing
28 of nomination papers for state office. The statement shall be
29 filed no later than thirty days after the date on which the a
30 person formally-becomes-a-candidate is required under section
31 43.11 to file nomination papers for state office. Officials
32 Persons specified under subsection 1, paragraphs "a" through
33 "f", shall also file the statements at times, locations, and
34 in the manner designated by the executive-council board.
35 Members of the house of representatives, the senate, and

1 legislative employees who are required to file disclosure
2 statements shall also file the statements with the chief-clerk
3 ~~of-the-house; and members of the senate shall file the~~
4 ~~statements with the secretary of the senate~~ board, at times
5 and in the manner designated by the ~~chief-clerk and the~~
6 ~~secretary~~ board. Disclosures filed by persons specified under
7 subsection 1, paragraphs "a" through "f", and members of the
8 general assembly shall be updated on no less than an annual
9 basis. The board shall adopt rules to implement this section.

10 Sec. 22. Section 68B.36, subsections 1 and 3, Code 1993,
11 are amended to read as follows:

12 1. All lobbyists shall, on or before the day their
13 lobbying activity begins, register by filing a lobbyist's
14 registration statement at times and in the manner provided in
15 this section by the board. ~~Lobbyists engaged in lobbying~~
16 ~~activities before the general assembly shall file the~~
17 ~~statement with the chief clerk of the house of representatives~~
18 ~~or the secretary of the senate. Lobbyists engaged in lobbying~~
19 ~~activities before the office of the governor or any state~~
20 ~~agency shall file the statement with the executive council or~~
21 ~~with the agency before which the lobbyist is engaged in~~
22 ~~lobbying activities. The chief clerk of the house and the~~
23 ~~secretary of the senate~~ board shall provide appropriate
24 registration forms to lobbyists ~~before the general assembly.~~
25 ~~The executive council shall prescribe appropriate registration~~
26 ~~forms for lobbyists before the office of the governor and~~
27 ~~state agencies. Persons receiving registration statement~~
28 ~~filings from lobbyists in the office of the governor and state~~
29 ~~agencies shall forward a copy of the statements to the~~
30 ~~executive council.~~

31 3. For persons registered to lobby before the general
32 assembly, registration expires upon the commencement of the
33 next regular session of the general assembly, except that the
34 ~~chief clerk of the house and the secretary of the senate~~ board
35 may adopt and implement a reasonable preregistration procedure

1 in advance of each regular session during which persons may
2 register for that session and the following legislative
3 interim. For persons registered to lobby before the office of
4 the governor or a state agency, registration expires upon the
5 commencement of a new calendar year. The ~~executive-council~~
6 board may adopt and implement a reasonable preregistration
7 procedure in advance of each new calendar year during which
8 persons may register for that year.

9 Sec. 23. Section 68B.37, Code 1993, is amended by striking
10 the section and inserting in lieu thereof the following:

11 68B.37 LOBBYIST REPORTING.

12 1. A lobbyist before the general assembly shall file with
13 the board, on forms jointly prescribed by the board, a report
14 disclosing all of the following:

15 a. The lobbyist's clients.

16 b. Campaign contributions made by the lobbyist during
17 calendar months during the reporting period when the general
18 assembly is not in session.

19 c. The recipient of the campaign contributions.

20 d. Expenditures made by the lobbyist for the purposes of
21 providing the services enumerated under section 68B.2,
22 subsection 12, paragraph "a".

23 For purposes of this subsection, "expenditures" do not
24 include expenditures made by any organization for publishing a
25 newsletter or other informational release for its members.

26 2. A lobbyist before a state agency or the office of the
27 governor shall file with the board, on forms prescribed by the
28 board, a report disclosing the same items described in
29 subsection 1.

30 3. The reports by lobbyists before the general assembly
31 required in this section shall be filed monthly during the
32 time which the general assembly is in session and thereafter
33 on or before July 31 and October 31. The monthly report filed
34 by a lobbyist before the general assembly in January shall
35 contain information for the preceding calendar quarter or

1 parts thereof during which the person was engaged in lobbying.
2 Reports filed by lobbyists before a state agency shall be
3 filed on or before April 30, July 31, October 31, and January
4 31, for the preceding calendar quarter or parts thereof during
5 which the person was engaged in lobbying. If a person cancels
6 the person's lobbyist registration at any time during the
7 calendar year, the reports required by this section are due on
8 the dates required by this section or fifteen days after
9 cancellation, whichever is earlier. The report due January
10 31, or after the time of cancellation of a lobbyist's
11 registration, shall include all reportable items for the
12 preceding calendar year in addition to containing the
13 quarterly reportable items. However, if a lobbyist is a
14 person who is designated to represent the interest of an
15 organization as defined in section 68B.2, subsection 12,
16 paragraph "a", subparagraph (2), but is not paid compensation
17 for that representation and does not expend more than one
18 thousand dollars as provided in section 68B.2, subsection 12,
19 paragraph "a", subparagraph (4), the lobbyist shall only be
20 required to file the report specified in this section once
21 annually, which shall be performed at the time of filing the
22 person's lobbyist registration form or forms.

23 Sec. 24. Section 68B.38, Code 1993, is amended to read as
24 follows:

25 68B.38 LOBBYIST'S CLIENT REPORTING.

26 1. No Beginning in 1994, no later than January 31 and July
27 31 of each year, unless no payments are made, a lobbyist's
28 client shall file with the ~~general assembly or the executive~~
29 ~~council~~ board a report that contains information on all
30 salaries, fees, and retainers paid by the lobbyist's client to
31 the lobbyist for lobbying purposes during the preceding six
32 calendar months. ~~Reports by lobbyists' clients shall be filed~~
33 ~~with the same entity with which the lobbyist filed the~~
* 34 lobbyist's report and registration.

35 2. The report due January 31 shall include a cumulative

1 total of all lobbying-expenditures salaries, fees, retainers,
2 and reimbursements of expenses paid to the lobbyist for
3 lobbying activities during the preceding calendar year. The
4 board shall develop forms to implement this section.

5 Sec. 25. Section 68B.39, Code 1993, is amended to read as
6 follows:

7 68B.39 SUPREME COURT RULES.

8 The supreme court of this state shall prescribe rules by
9 January 1, 1993, establishing a code of ethics for officials
10 and employees of the judicial department of this state, and
11 the immediate family members of the officials and employees.
12 Rules prescribed under this paragraph shall include provisions
13 relating to the receipt or acceptance of gifts and honoraria,
14 interests in public contracts, services against the state, and
15 financial disclosure which are substantially similar to the
16 requirements of this chapter.

17 The supreme court of this state shall also prescribe rules
18 which relate to activities by officials and employees of the
19 judicial department which constitute conflicts of interest.

20 Sec. 26. Section 22.7, Code 1993, is amended by adding the
21 following new subsections:

22 NEW SUBSECTION. 29. Complaints received by a legislative
23 ethics committee or the executive council pursuant to chapter
24 68B, unless either the complainant or the alleged violator
25 publicly discloses the existence of a complaint or a
26 preliminary investigation.

27 NEW SUBSECTION. 30. Records and information obtained or
28 held by independent special counsel during the course of an
29 investigation conducted pursuant to section 68B.34.
30 Information that is disclosed to a legislative ethics
31 committee or the executive counsel subsequent to a
32 determination of probable cause by independent special counsel
33 and made pursuant to sections 68B.31 or 68B.32 is not a
34 confidential record unless otherwise provided by law.

35 Sec. 27. Section 56.2, Code 1993, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 1A. "Board" means the Iowa ethics and
3 campaign finance board established under section 68B.32.

4 Sec. 28. Section 56.2, subsection 11, Code 1993, is
5 amended to read as follows:

6 11. "Disclosure report" means a statement of contributions
7 received, expenditures made, and indebtedness incurred on
8 forms prescribed by rules adopted by the commission board in
9 accordance with chapter 17A.

10 Sec. 29. Section 56.5, subsections 3 and 5, Code 1993, are
11 amended to read as follows:

12 3. Any change in information previously submitted in a
13 statement of organization or notice in case of dissolution of
14 the committee shall be reported to the commission board or
15 commissioner not more than thirty days from the date of the
16 change or dissolution.

17 5. A committee not domiciled in Iowa which makes a
18 contribution to a candidate's committee or political committee
19 domiciled in Iowa shall disclose each contribution to the
20 commission board. A committee not domiciled in Iowa which is
21 not registered and filing full disclosure reports of all
22 financial activities with the federal election commission or
23 another state's disclosure commission shall register and file
24 full disclosure reports with the commission board pursuant to
25 this chapter. A committee which is currently filing a
26 disclosure report in another jurisdiction shall either file a
27 statement of organization under subsections 1 and 2 and file
28 disclosure reports, the same as those required of Iowa-
29 domiciled committees, under section 56.6, or shall file one
30 copy of a verified statement with the commission board and a
31 second copy with the treasurer of the committee receiving the
32 contribution. The form shall be completed and filed at the
33 time the contribution is made. The verified statement shall
34 be on forms prescribed by the commission board. The form
35 shall include the complete name, address, and telephone number

1 of the contributing committee, the state or federal
2 jurisdiction under which it is registered or operates, the
3 identification of any parent entity or other affiliates or
4 sponsors, its purpose, the name and address of an Iowa
5 resident authorized to receive service of original notice and
6 the name and address of the receiving committee, the amount of
7 the cash or in-kind contribution, and the date the
8 contribution was made.

9 Sec. 30. Section 331.756, subsection 15, Code 1993, is
10 amended to read as follows:

11 15. Review the report and recommendations of the campaign
12 finance-disclosure-commission independent ethics and campaign
13 finance board and proceed to institute the recommended actions
14 or advise the commission board that prosecution is not merited
15 as provided in section ~~56.217~~-subsection-4 68B.32C.

16 Sec. 31. Sections 56.4, 56.6, 56.13, 56.20, and 56.23,
17 Code 1993, are amended by striking the word "commission" or
18 "campaign finance disclosure commission" and inserting the
19 following: "commission board" or "campaign-finance-disclosure
20 commission board".

21 Sec. 32. Section 56.42, subsection 1, Code 1993, is
22 amended by adding the following new paragraph:

23 NEW PARAGRAPH. e. Contributions to another candidate's
24 committee when the candidate for whom both committees are
25 formed is the same person.

26 Sec. 33. TRANSITION -- INTENT -- RETROACTIVE APPLICATION -
27 -EFFECTIVE DATE.

28 1. The provisions of section 4.13 shall apply to this Act
29 except as follows:

30 a. Requirements relating to registration that are under
31 chapter 68B prior to but not after the effective date of this
32 Act are void and any registrations made pursuant to those
33 requirements shall be given no effect as if never made.
34 Registrations made pursuant to chapter 68B prior to the
35 effective date of this Act, which are consistent with the

1 requirements of this Act shall be in full force and effect, as
2 if made pursuant to the requirements of this Act.

3 b. Requirements relating to financial disclosure that are
4 imposed under chapter 68B prior to but not after the effective
5 date of this Act are void retroactive to January 1, 1993.
6 Financial disclosures made prior to the effective date of this
7 Act, which are consistent with the requirements of this Act
8 shall be deemed to be in full force and effect, as if made
9 pursuant to the requirements of this Act.

10 c. The prohibition against serving as a lobbyist while
11 serving in certain state offices, or being a state or
12 legislative employee contained in subsection 1 of section
13 68B.5A as amended by this Act shall apply retroactively to
14 July 1, 1992. However, persons who are lobbyists as of the
15 effective date of this Act, and whose positions in state
16 government are in violation of subsection 1 of section 68B.5A
17 as amended by this Act, may remain in those positions until
18 January 1, 1995.

19 d. Section 8 of this Act, which amends section 68B.24,
20 shall apply retroactively to any loans made on or after
21 January 1, 1993. Any loans made during the period commencing
22 January 1, 1993, and ending on the effective date of this Act,
23 which are consistent with the requirements of section 8 of
24 this Act shall not be in violation of the requirements of
25 section 68B.24.

26 e. The portion of section 1 of this Act, amending
27 subsection 16 of section 68B.2 to exclude members of councils
28 or committees as defined under section 7E.4 from the
29 definition of official, shall apply retroactively to January
30 1, 1993, to exclude those persons from the requirements placed
31 upon officials.

32 2. Persons who served as governor's appointees to state
33 government entities which are or exercise the same type of
34 authority that is exercised by councils or committees as
35 defined under section 7E.4, prior to January 1, 1993, and who

1 resigned from those positions prior to the effective date of
2 this Act, may be reappointed by the governor, without senate
3 confirmation, to complete the unexpired term resulting from
4 the resignation, section 2.32 notwithstanding.

5 3. Notwithstanding section 68B.37, the initial lobbyist
6 report filed pursuant to that section shall contain the
7 information required by that section and the same information
8 for the previous calendar year.

9 4. Notwithstanding section 68B.38, the client report filed
10 on January 31, 1994, shall contain the information required
11 under that section for the previous twelve months.

12 5. This Act, being deemed of immediate importance, takes
13 effect upon enactment.

14 Sec. 34. Sections 56.9, 56.10, and 56.11, Code 1993, are
15 repealed.

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HOUSE FILE 144

S-3335

1 Amend House File 144, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, line 11, by inserting after the word
4 "state" the following: ", but does not include any
5 agricultural commodity promotional board, which is
6 subject to a producer referendum".

7 2. Page 1, line 17, by inserting after the word
8 "agency" the following: ", but does not include any
9 agricultural commodity promotional board, which is
10 subject to a producer referendum".

11 3. Page 1, by striking lines 24 through 30 and
12 inserting the following: "designated by the a
13 candidate for a state, county, city, or school office,
14 as provided under chapter 56, to receive
15 contributions, expend funds, or incur indebtedness on
16 behalf of the candidate in excess of five hundred
17 dollars in the aggregate as follows:

18 ~~---a---Per-a-state-or-county-office,-in-excess-of-two~~
19 ~~hundred-fifty-dollars in any calendar year.~~

20 ~~b---Per-a-city-or-school-office,-in-excess-of-five~~
21 ~~hundred-dollars-in-any-calendar-year-~~"

22 4. Page 6, line 27, by striking the word "Agency"
23 and inserting the following: "Agency State executive
24 branch agency".

25 5. Page 6, by striking lines 30 and 31, and
26 inserting the following: "state executive branch
27 agency."

28 6. Page 7, by inserting after line 2, the
29 following:

30 "() Persons whose activities are limited to
31 submitting data, views, or arguments in writing, or
32 requesting an opportunity to make an oral presentation
33 under section 17A.4, subsection 1."

34 7. Page 7, by striking line 26 and inserting the
35 following: "board adopted in consultation with the
36 department or agency and pursuant to chapter 17A."

37 8. Page 7, line 31, by striking the word "or".

38 9. Page 7, line 34, by inserting after the figure
39 "7E.4" the following: ", or members of any
40 agricultural commodity promotional board, if the board
41 is subject to a producer referendum".

42 10. Page 8, by inserting after line 35, the
43 following:

44 ". Is personally, or is the agent of a person
45 who is, the subject of or party to a matter which is
46 pending before a subunit of a regulatory agency and
47 over which the donee has discretionary authority as
48 part of the donee's official duties or employment
49 within the regulatory agency subunit."

50 11. Page 9, line 7, by striking the word "or" and

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Page 2

1 inserting the following: "or".

2 12. Page 9, line 8, by inserting after the word
3 "state" the following: ", or an employee of any
4 agricultural commodity promotional board, if the board
5 is subject to a producer referendum".

6 13. Page 9, by inserting after line 9, the
7 following:

8 " . "Statewide elected official" means the
9 governor, lieutenant governor, secretary of state,
10 auditor of state, treasurer of state, secretary of
11 agriculture, and attorney general of the state of
12 Iowa."

13 14. Page 12, by striking lines 4 through 15, and
14 inserting the following: "government, or a member of
15 the".

16 15. Page 12, by inserting after line 20, the
17 following:

18 "1A. The head of a major subunit of a department
19 or independent state agency, full-time employee of an
20 office of a statewide elected official or the office
21 of the governor, or a legislative employee whose
22 position involves a substantial exercise of
23 administrative discretion or the expenditure of public
24 funds shall not, during the time in which the person
25 serves or is employed by the state, act as a lobbyist
26 before the agency in which the person is employed or
27 before state agencies, officials, or employees with
28 whom the person has substantial or regular contact as
29 part of the person's duties.

30 1B. A state or legislative employee, who is not
31 subject to the requirements of subsection 1A shall not
32 act as a lobbyist in relation to any particular case,
33 proceeding, or application with respect to which the
34 person is directly concerned and personally
35 participates as part of the person's employment."

36 16. Page 12, by striking lines 26 through 28, and
37 inserting the following:

38 "3. The head of a major subunit of a department or
39 independent state agency, full-time employee of an
40 office of a statewide elected official or the office
41 of the governor, or a legislative employee whose
42 position".

43 17. Page 12, by inserting after line 35, the
44 following:

45 "3A. A state or legislative employee, who is not
46 subject to the requirements of subsection 1A shall not
47 act as a lobbyist in relation to any particular case,
48 proceeding, or application with respect to which the
49 person was directly concerned and personally
50 participated as part of the person's employment."

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Page 3

- 1 18. Page 13, by striking lines 3 and 4 and
2 inserting the following: "~~assembly or legislative~~
3 ~~employee~~ who, within two".
- 4 19. Page 13, line 21, by striking the words
5 "department or agency" and inserting the following:
6 "board, in consultation with the department or
7 agency,".
- 8 20. Page 14, by inserting after line 5, the
9 following:
10 "Sec. _____. Section 68B.7, unnumbered paragraph 1,
11 Code 1993, is amended by striking the unnumbered
12 paragraph."
- 13 21. Page 15, by inserting after line 20, the
14 following:
15 "_____. Items received from a bona fide charitable,
16 professional, educational, or business organization to
17 which the donee belongs as a dues paying member, if
18 the items are given to all members of the organization
19 without regard to individual members' status or
20 positions held outside of the organization and if the
21 dues paid are not inconsequential when compared to the
22 items received."
- 23 22. Page 15, line 29, by striking the words "of
24 food and drink" and inserting the following: "or
25 services".
- 26 23. Page 16, line 17, by inserting after the word
27 "flowers" the following: "or memorials to a church or
28 nonprofit organization".
- 29 24. Page 16, line 31, by striking the words
30 "state or" and inserting the following: "state,".
- 31 25. Page 16, line 33, by inserting after the word
32 "state" the following: ", or to develop markets for
33 Iowa businesses or products".
- 34 26. Page 16, line 34, by inserting after the word
35 "business" the following: "or businesses".
- 36 27. Page 17, line 1, by inserting after the word
37 "business" the following: "or businesses".
- 38 28. Page 17, line 5, by inserting after the word
39 "business" the following: "or businesses".
- 40 29. Page 18, by striking lines 3 through 5 and
41 inserting the following: "person value in excess of
42 three dollars."
- 43 30. Page 22, by striking lines 3 through 7 and
44 inserting the following: "1994, the board shall
45 administer this chapter and set standards for,
46 investigate complaints relating to, and monitor the
47 ethics of officials, employees, lobbyists, and
48 candidates for office in the executive branch of state
49 government. The board shall also administer and set
50 standards for, investigate complaints relating to, and

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Page 4

1 monitor the campaign finance practices of candidates
2 for public office. The board shall consist of six
3 members and".

4 31. Page 23, by striking lines 1 through 3, and
5 inserting the following: "board, and shall advise the
6 board on all legal matters relating to the
7 administration of this chapter and chapter 56. The
8 state may be represented by the board's legal counsel
9 in any civil action regarding the enforcement of this
10 chapter or chapter 56, or, at the board's request, the
11 state may be represented by the office of the attorney
12 general. Notwithstanding section 19A.3, all of the".

13 32. Page 23, by striking line 32 and inserting
14 the following:

15 "4. Receive and file registration and reporting
16 from lobbyists of the executive branch of state
17 government,".

18 33. Page 23, line 33, by inserting after the
19 words "client disclosure" the following: "from
20 clients of lobbyists of the executive branch of state
21 government".

22 34. Page 23, line 34, by inserting after the word
23 "information" the following: "from officials and
24 employees in the executive branch of state government
25 who are required to file personal financial disclosure
26 information under this chapter".

27 35. Page 25, line 10, by inserting after the
28 words "opinions to" the following: "local officials
29 and employees and to".

30 36. Page 25, line 17, by inserting after the word
31 "office" the following: "in the executive branch of
32 state government".

33 37. Page 26, line 1, by inserting after the word
34 "office" the following: "in the executive branch of
35 state government".

36 38. Page 28, line 8, by striking the word "shall"
37 and inserting the following: "may".

38 39. Page 29, line 28, by striking the words "A
39 preponderance of the" and inserting the following:
40 "Clear and convincing".

41 40. Page 29, line 30, by striking the word
42 "board." and inserting the following: "board pursuant
43 to this chapter. A preponderance of the evidence
44 shall be required to support a finding that a person
45 has violated chapter 56 or any rules adopted by the
46 board pursuant to chapter 56."

47 41. Page 30, by striking lines 26 through 28 and
48 inserting the following:

49 "1. The board, after a hearing and upon a finding
50 that a violation of this chapter, chapter 56, or

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1 rules".

2 42. By striking page 33, line 15, through page
3 36, line 9, and inserting the following:

4 "Sec. 21. Section 68B.35, Code 1993, is amended by
5 striking the section and inserting in lieu thereof the
6 following:

7 68B. 35 FINANCIAL DISCLOSURE -- CERTAIN OFFICIALS,
8 MEMBERS OF THE GENERAL ASSEMBLY, AND CANDIDATES.

9 1. The persons specified in subsection 2, shall
10 file a financial statement at times and in the manner
11 provided in this section that contains all of the
12 following:

13 a. A list of each business, occupation, or
14 profession in which the person is engaged and the
15 nature of that business, occupation, or profession,
16 unless already apparent.

17 b. A list of any other sources of income if the
18 source produces more than one thousand dollars
19 annually in gross income. Such sources of income
20 listed pursuant to this paragraph may be listed under
21 any of the following categories, or under any other
22 categories as may be established by rule:

23 (1) Securities.

24 (2) Instruments of financial institutions.

25 (3) Trusts.

26 (4) Real estate.

27 (5) Retirement systems.

28 (6) Other income categories specified in state and
29 federal income tax regulations.

30 2. The financial statement required by this
31 section shall be filed by the following persons:

32 a. The governor and the lieutenant governor.

33 b. Any statewide elected official.

34 c. The executive or administrative head or heads
35 of any agency of state government.

36 d. The deputy executive or administrative head or
37 heads of an agency of state government.

38 e. The head of a major subunit of a department or
39 independent state agency whose position involves a
40 substantial exercise of administrative discretion or
41 the expenditure of public funds as defined under rules
42 adopted by the board, pursuant to chapter 17A, in
43 consultation with the department or agency.

44 f. Members of the banking board, the ethics and
45 campaign disclosure board, the credit union review
46 board, the economic development board, the employment
47 appeal board, the environmental protection commission,
48 the health facilities council, the Iowa business
49 investment corporation board of directors, the Iowa
50 finance authority, the Iowa product development

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1 corporation, the Iowa public employees' retirement
2 system investment board, the lottery board, the
3 natural resource commission, the board of parole, the
4 petroleum underground storage tank fund board, the
5 public employment relations board, the state racing
6 and gaming commission, the state board of regents, the
7 tax review board, the transportation commission, the
8 office of consumer advocate, the utilities board, and
9 any full-time members of other boards and commissions
10 as defined under section 7E.4 who receive an annual
11 salary for their service on the board or commission.

12 g. Members of the general assembly.

13 h. Candidates for state office.

14 i. Legislative employees who are the head or
15 deputy head of a legislative agency or whose position
16 involves a substantial exercise of administrative
17 discretion or the expenditure of public funds.

18 3. The board in consultation with each executive
19 department or independent agency, shall adopt rules
20 pursuant to chapter 17A to implement the requirements
21 of this section that provide for the time and manner
22 for the filing of financial statements by persons in
23 the department or independent agency.

24 4. The ethics committee of each house of the
25 general assembly shall recommend rules for adoption by
26 each house for the time and manner for the filing of
27 financial statements by members or employees of the
28 particular house. The rules shall provide for the
29 filing of the financial statements with either the
30 chief clerk of the house, the secretary of the senate,
31 or other appropriate person or body.

32 5. A candidate for statewide office shall file a
33 financial statement with the ethics and campaign
34 disclosure board, a candidate for the office of state
35 representative shall file a financial statement with
36 the chief clerk of the house of representatives, and a
37 candidate for the office of state senator shall file a
38 financial statement with the secretary of the senate
39 concerning the year preceding the year in which the
40 election is to be held and concerning so much of the
41 year in which the election is to be held as has
42 elapsed by the date specified in section 43.11 for the
43 filing of nomination papers for state office. The
44 statement shall be filed no later than thirty days
45 after the date on which a person is required to file
46 nomination papers for state office under section
47 43.11. The ethics and campaign disclosure board shall
48 adopt rules pursuant to chapter 17A providing for the
49 filing of the financial statements with the board and
50 for the deposit, retention, and availability of the

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1 financial statements. The ethics committees of the
2 house of representatives and the senate shall
3 recommend rules for adoption by the respective house
4 providing for the filing of the financial statements
5 with the chief clerk of the house or the secretary of
6 the senate and for the deposit, retention, and
7 availability of the financial statements.

8 Sec. ____ . NEW SECTION. 68B.35A PERSONAL
9 FINANCIAL DISCLOSURE BY LOCAL OFFICIALS AND LOCAL
10 EMPLOYEES.

11 The governing body of each political subdivision
12 may prescribe rules providing for the disclosure of
13 the financial interests of persons who hold office or
14 are employed by the political subdivision. Rules
15 adopted may provide for differing levels of disclosure
16 based upon the size of the political subdivision and
17 the level of policy-making or spending authority or
18 discretion possessed by the individual, as a result of
19 holding office or employment by the political
20 subdivision. Any rules adopted shall provide for
21 public access to the information, a central filing
22 system for the information, and a system through which
23 persons subject to personal financial disclosure may
24 receive advice regarding the nature and extent of
25 required disclosure.

26 Sec. ____ . NEW SECTION. 68B.35B PERSONAL
27 FINANCIAL DISCLOSURE STATEMENTS OF STATE OFFICIALS AND
28 EMPLOYEES.

29 Personal financial disclosure statements filed with
30 the board, chief clerk of the house, and the secretary
31 of the senate shall be forwarded to the secretary of
32 state for the recording of the information through
33 electronic means. The board and the general assembly
34 shall execute agreements with the secretary of state
35 which provide for public access to and copying of the
36 information, and include a site in the board offices
37 for public viewing and copying of information,
38 contained in personal financial disclosure statements
39 filed with the board, the chief clerk of the house,
40 and the secretary of the senate."

41 43. Page 37, by striking lines 31 and 32, and
42 inserting the following: "shall be filed not later
43 than twenty-five days following any month in which the
44 general assembly is in session and thereafter".

45 44. Page 38, lines 10 and 11, by striking the
46 words ", or after the time of cancellation of a
47 lobbyist's registration,".

48 45. Page 38, line 13, by inserting after the word
49 "items." the following: "A lobbyist who cancels the
50 person's lobbyist registration before January 1 of a

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1 year shall file a report listing all reportable items
2 for the year in which the cancellation was filed. A
3 lobbyist who cancels the person's lobbyist
4 registration between January 1 and January 15 of a
5 year shall file a report listing all reportable items
6 for the preceding year and so much of the month of
7 January as has expired at the time of cancellation."

8 46. Page 38, line 28, by striking the words
9 "generat-assembly-or" and inserting the following:
10 "general assembly or".

11 47. Page 38, by striking lines 32 through 34 and
12 inserting the following: "calendar months. Reports
13 by lobbyists' clients shall be filed with the same
14 entity with which the lobbyist filed the lobbyist's
15 report-and registration."

16 48. Page 39, line 4, by striking the word "board"
17 and inserting the following: "secretary of the
18 senate, chief clerk of the house, and the board".

19 49. Page 39, line 23, by striking the words "or
20 the executive council".

21 50. Page 39, line 31, by striking the words "or
22 the executive council".

23 51. Page 40, by inserting after line 3 the
24 following:

25 "Sec. ____ . Section 56.2, subsection 4, Code 1993,
26 is amended to read as follows:

27 4. "Candidate's committee" means the committee
28 designated by the candidate for a state, county, city,
29 or school office to receive contributions, expend
30 funds, or incur indebtedness on behalf of the
31 candidate in excess of five hundred dollars in the
32 aggregate as follows:

33 ~~---a---For-federal, state, or county office, in excess~~
34 ~~of two hundred fifty dollars in any calendar year on~~
35 ~~behalf of the candidate.~~

36 ~~b---For city or school office, in excess of five~~
37 ~~hundred dollars in any calendar year on behalf of the~~
38 ~~candidate."~~

39 52. Page 42, by striking lines 10 through 14, and
40 inserting the following:

41 "c. Notwithstanding section 68B.5A, subsection 1,
42 as amended by this Act, persons who are lobbyists as
43 of the".

44 53. Page 42, by striking line 18, and inserting
45 the following: "July 1, 1994."

46 54. Page 43, by inserting after line 4, the
47 following:

48 "____ . It is the intent of the general assembly
49 that at least two members of the ethics and campaign
50 disclosure board established in this Act be members of

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1 the campaign finance disclosure commission,
2 established under section 56.9, immediately prior to
3 the effective date of this Act.

4 _____. Notwithstanding section 68B.35, financial
5 statements filed under section 68B.35 as amended in
6 section 21 of this Act shall not be required to be
7 filed until the rules provided under that section are
8 adopted or prescribed by the entities required to
9 establish rules. Disclosure statements filed during
10 1993, after the adoption or prescribing of rules under
11 section 21 shall cover the period beginning with the
12 effective date of this Act through December 31, 1993."

13 55. Page 43, by striking lines 5 through 11.

14 56. Page 43, by inserting after line 15 the
15 following:

16 "Sec. _____. SEVERABILITY. If any provision of this
17 Act or the application thereof to any person is
18 invalid, the invalidity shall not affect the
19 provisions or application of this Act which can be
20 given effect without the invalid provisions or
21 application, and to this end the provisions of this
22 Act are severable.

23 Sec. _____. The Code editor shall change names in
24 the Code, as necessary, which refer to the campaign
25 finance disclosure commission to names which refer to
26 the ethics and campaign disclosure board as
27 established in this Act."

28 57. By renumbering, relettering, or redesignating
29 and correcting internal references as necessary.

By COMMITTEE ON ETHICS

DON E. GETTINGS, Chairperson

S-3335 FILED MARCH 31, 1993

*Adopted
4-2-93*

(P. 982)

HOUSE FILE 144

S-3375

- 1 Amend House File 144, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 16, by inserting after line 25, the
4 following:
5 "____. Actual expenses of a donee for food,
6 beverages, travel, and lodging provided by a donor for
7 purposes of allowing a donee to attend an educational
8 or business conference or meeting, if the donee is a
9 member of or provides staff services to the investment
10 board of Iowa public employees' retirement system
11 under section 97B.8."
12 2. By relettering as necessary.

By RALPH ROSENBERG

S-3375 FILED APRIL 2, 1993

ADOPTED

HOUSE FILE 144

S-3376

- 1 Amend House File 144, as amended, passed, and re-
2 printed by the House, as follows:
3 1. Page 41, by inserting after line 20 the
4 following:
5 "Sec. ____ . Section 56.41, subsection 1, Code 1993,
6 is amended to read as follows:
7 1. A candidate and the candidate's committee shall
8 use campaign funds only for campaign purposes or
9 constituency services for individuals who reside in
10 the district for which the candidate is seeking
11 election, as defined by rules adopted by the board,
12 and shall not use campaign funds for personal
13 expenses."
14 2. By renumbering as necessary.

By JIM LIND

S-3376 FILED APRIL 2, 1993

WITHDRAWN

HOUSE FILE 144

S-3360

- 1 Amend House File 144, as amended, passed, and re-
2 printed by the House, as follows:
3 1. Page 16, by inserting after line 17 the fol-
4 lowing:
5 "____. Gifts which are given to a public official
6 or public employee for the public official's or public
7 employee's wedding or twenty-fifth or fiftieth wedding
8 anniversary."
9 2. By renumbering as necessary

By RICHARD F. DRAKE
DON GETTINGS

S-3360 FILED APRIL 2, 1993

ADOPTED

HOUSE FILE 144

S-3373

1 Amend the amendment, S-3335, to House File 144, as
 2 amended, passed, and reprinted by the House, as
 3 follows:

A 4 1. Page 3, by inserting after line 25 the
 5 following:
 6 "_____. Page 15, by inserting after line 31, the
 7 following:
 8 "_____. Food, drink, registration, and scheduled
 9 entertainment given once during the legislative
 10 session by a chamber of commerce of a political
 11 subdivision of the state or a collection of chambers
 12 of commerce of political subdivisions at a reception
 13 to which all members of the general assembly and
 14 legislative employees are invited.""

B 15 2. Page 3, by striking lines 40 through 42 and
 16 inserting the following:
 17 "_____. By striking page 17, line 33 through page
 18 18, line 5."

19 3. By renumbering as necessary.

By TONY BISIGNANO

JACK RIFE

WILLIAM D. PALMER

JEAN LLOYD-JONES

JOHN W. JENSEN

PATRICK J. DELUHERY

S-3373 FILED APRIL 2, 1993
 DIV. A-ADOPTED, DIV. B-WITHDRAWN

HOUSE FILE 144

S-3374

1 Amend the amendment, S-3335, to House File 144, as
 2 amended, passed, and reprinted by the House, as
 3 follows:

4 1. Page 2, line 21, by striking the word
 5 "employee" and inserting the following: "employee,".
 6 2. Page 2, line 24, by striking the word "funds"
 7 and inserting the following: "funds,".
 8 3. Page 2, line 46, by inserting after the words
 9 "shall not" the following: ", within two years after
 10 termination of employment,".
 11 4. Page 3, by inserting after line 3, the
 12 following:
 13 "_____. Page 13, by striking line 9, and inserting
 14 the following: "on behalf or as part of the duties of
 15 that office or employment.""
 16 5. Page 4, by inserting after line 32, the
 17 following:
 18 "_____. Page 25, line 19, by inserting after the
 19 word "lobbyists", the following: "of the executive
 20 branch of state government.""
 21 6. By numbering and renumbering as necessary.

By RALPH ROSENBERG

S-3374 FILED APRIL 2, 1993
 ADOPTED

HOUSE FILE 144

S-3377

1 Amend the amendment, S-3335, to House File 144, as
2 amended, passed, and reprinted by the House, as
3 follows:

A 4 1. Page 3, by inserting after line 25, the
5 following:
6 "____. Page 15, by inserting after line 31, the
7 following:
8 "____. Food, drink, registration, and scheduled
9 entertainment given at a reception for members of the
10 general assembly, if the members of the general
11 assembly who represent the interests of the district
12 or districts in which the donor or donors reside are
13 invited.""

B 14 2. Page 3, by striking lines 40 through 42 and
15 inserting the following:
16 "____. By striking page 17, line 33 through page
17 18, line 5."
18 3. By renumbering as necessary.

By BERL E. PRIEBE

S-3377 FILED APRIL 2, 1993
DIV. A-LOST, DIV. B-WITHDRAWN

HOUSE FILE 144

S-3379

1 Amend House File 144, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 21, by inserting after line 12 the
4 following:

5 "If a complaint is received from a member of the
6 general assembly alleging that another member of the
7 general assembly has committed a violation of this
8 chapter or an applicable code of ethics, the complaint
9 and any supporting information shall be confidential,
10 and such a complaint and supporting information shall
11 not be made public by the complainant until the
12 appropriate ethics committee receives a report from
13 the independent special counsel that probable cause
14 exists to believe that a violation of this chapter or
15 the applicable code of ethics has occurred. A
16 violation of this paragraph constitutes a violation of
17 this chapter and the applicable code of ethics.

18 Sec. ____ . Section 68B.31, subsections 7 and 9,
19 Code 1993, are amended to read as follows:

20 7. If the ethics committee determines that a
21 complaint is not valid, the complaint shall be
22 dismissed and ~~returned to the complainant with a~~
23 notice of dismissal shall be sent to the complainant
24 stating the reason or reasons for the dismissal. A
25 complaint which is dismissed and any supporting
26 information shall be sealed for a period of five years
27 from the date of its dismissal and shall be expunged
28 at the end of the five-year period. If the ethics
29 committee determines that a complaint is valid, the
30 ethics committee shall ~~request that the chief justice~~
31 ~~of the supreme court appoint an~~ refer the complaint to
32 the independent special counsel to investigate the
33 allegations contained in the complaint to determine
34 whether there is probable cause to believe that a
35 violation of this chapter has occurred and whether an
36 evidentiary hearing on the complaint should be held.
37 The legislative council shall appoint an independent
38 special counsel to serve for the duration of a general
39 assembly. The independent special counsel shall be an
40 attorney licensed in Iowa, shall be in good standing
41 with the courts of Iowa, shall not have a record of
42 substantiated ethical violations of any code of
43 professional responsibility for lawyers, and shall be
44 knowledgeable about the Iowa general assembly and the
45 legislative process and the procedures and standards
46 applicable to disciplinary proceedings for members of
47 the general assembly and lobbyists. Payment of costs
48 for the independent special counsel shall be made from
49 section 2.12.

50 9. The ethics committee shall maintain the

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1 confidentiality of a complaint unless either the
2 complainant or the alleged violator publicly discloses
3 the existence of a complaint or a preliminary
4 investigation. The ethics committee, upon such a
5 disclosure by the complainant or the alleged violator,
6 may publicly confirm the existence of the preliminary
7 inquiry and, in the ethics committee's discretion,
8 make public the complaint and any documents which were
9 issued to either party to the complaint. However, the
10 confidentiality of complaints filed by a member of the
11 general assembly alleging that another member of the
12 general assembly has committed a violation of chapter
13 68B or of an applicable code of ethics is subject to
14 the requirements of section 68B.31, subsection 6."

15 2. Page 39, line 26, by inserting after the word
16 "investigation." the following: "However, the
17 confidentiality of complaints filed by a member of the
18 general assembly alleging that another member of the
19 general assembly has committed a violation of chapter
20 68B or of an applicable code of ethics is subject to
21 the requirements of section 68B.31, subsection 6."

By TOM VILSACK
JAMES B. KERSTEN

S-3379 FILED APRIL 2, 1993
WITHDRAWN

HOUSE FILE 144

S-3380

- 1 Amend House File 144, as amended, passed, and
2 reprinted by the House, as follows:
3 1. By striking page 17, line 33 through page 18,
4 line 5.
5 2. By renumbering as necessary.

By RICHARD F. DRAKE
TONY BISIGNANO

S-3380 FILED APRIL 2, 1993
ADOPTED

SENATE AMENDMENT TO HOUSE FILE 144

3703

Amend House File 144, as amended, passed, and reprinted by the House, as follows:

1. Page 1, line 11, by inserting after the word "state" the following: ", but does not include any agricultural commodity promotional board, which is subject to a producer referendum".
2. Page 1, line 17, by inserting after the word "agency" the following: ", but does not include any agricultural commodity promotional board, which is subject to a producer referendum".
3. Page 1, by striking lines 24 through 30 and inserting the following: "designated by the a candidate for a state, county, city, or school office, as provided under chapter 56, to receive contributions, expend funds, or incur indebtedness on behalf of the candidate in excess of five hundred dollars in the aggregate as follows:
~~a. For a state or county office, in excess of two hundred-fifty-dollars in any calendar year.~~
~~b. For a city or school office, in excess of five hundred-dollars in any calendar year.~~"
4. Page 6, line 27, by striking the word "Agency" and inserting the following: "Agency State executive branch agency".
5. Page 6, by striking lines 30 and 31, and inserting the following: "state executive branch agency."
6. Page 7, by inserting after line 2, the following:
"() Persons whose activities are limited to submitting data, views, or arguments in writing, or requesting an opportunity to make an oral presentation under section 17A.4, subsection 1."
7. Page 7, by striking line 26 and inserting the following: "board adopted in consultation with the department or agency and pursuant to chapter 17A."
8. Page 7, line 31, by striking the word "or".
9. Page 7, line 34, by inserting after the figure "7E.4" the following: ", or members of any agricultural commodity promotional board, if the board is subject to a producer referendum".
10. Page 8, by inserting after line 35, the following:
". Is personally, or is the agent of a person who is, the subject of or party to a matter which is pending before a subunit of a regulatory agency and over which the donee has discretionary authority as part of the donee's official duties or employment within the regulatory agency subunit."
11. Page 9, line 7, by striking the word "or" and

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1 inserting the following: "or".

2 12. Page 9, line 8, by inserting after the word
3 "state" the following: ", or an employee of any
4 agricultural commodity promotional board, if the board
5 is subject to a producer referendum".

6 13. Page 9, by inserting after line 9, the
7 following:

8 " Statewide elected official" means the
9 governor, lieutenant governor, secretary of state,
10 auditor of state, treasurer of state, secretary of
11 agriculture, and attorney general of the state of
12 Iowa."

13 14. Page 12, by striking lines 4 through 15, and
14 inserting the following: "government, or a member of
15 the".

16 15. Page 12, by inserting after line 20, the
17 following:

18 "1A. The head of a major subunit of a department
19 or independent state agency, full-time employee of an
20 office of a statewide elected official or the office
21 of the governor, or a legislative employee, whose
22 position involves a substantial exercise of
23 administrative discretion or the expenditure of public
24 funds, shall not, during the time in which the person
25 serves or is employed by the state, act as a lobbyist
26 before the agency in which the person is employed or
27 before state agencies, officials, or employees with
28 whom the person has substantial or regular contact as
29 part of the person's duties.

30 1B. A state or legislative employee, who is not
31 subject to the requirements of subsection 1A shall not
32 act as a lobbyist in relation to any particular case,
33 proceeding, or application with respect to which the
34 person is directly concerned and personally
35 participates as part of the person's employment."

36 16. Page 12, by striking lines 26 through 28, and
37 inserting the following:

38 "3. The head of a major subunit of a department or
39 independent state agency, full-time employee of an
40 office of a statewide elected official or the office
41 of the governor, or a legislative employee whose
42 position".

43 17. Page 12, by inserting after line 35, the
44 following:

45 "3A. A state or legislative employee, who is not
46 subject to the requirements of subsection 1A shall
47 not, within two years after termination of employment,
48 act as a lobbyist in relation to any particular case,
49 proceeding, or application with respect to which the
50 person was directly concerned and personally

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1 participated as part of the person's employment."

2 18. Page 13, by striking lines 3 and 4 and
3 inserting the following: "~~assembly, or legislative~~
4 ~~employee who, within two~~".

5 19. Page 13, by striking line 9, and inserting
6 the following: "on behalf or as part of the duties of
7 that office or employment."

8 20. Page 13, line 21, by striking the words
9 "department or agency" and inserting the following:
10 "board, in consultation with the department or
11 agency,".

12 21. Page 14, by inserting after line 5, the
13 following:

14 "Sec. ____ . Section 68B.7, unnumbered paragraph 1,
15 Code 1993, is amended by striking the unnumbered
16 paragraph."

17 22. Page 15, by inserting after line 20, the
18 following:

19 " ____ . Items received from a bona fide charitable,
20 professional, educational, or business organization to
21 which the donee belongs as a dues paying member, if
22 the items are given to all members of the organization
23 without regard to individual members' status or
24 positions held outside of the organization and if the
25 dues paid are not inconsequential when compared to the
26 items received."

27 23. Page 15, line 29, by striking the words "of
28 food and drink" and inserting the following: "or
29 services".

30 24. Page 15, by inserting after line 31, the
31 following:

32 " ____ . Food, drink, registration, and scheduled
33 entertainment given once during the legislative
34 session by a chamber of commerce of a political
35 subdivision of the state or a collection of chambers
36 of commerce of political subdivisions at a reception
37 to which all members of the general assembly and
38 legislative employees are invited."

39 25. Page 16, line 17, by inserting after the word
40 "flowers" the following: "or memorials to a church or
41 nonprofit organization".

42 26. Page 16, by inserting after line 17 the fol-
43 lowing:

44 " ____ . Gifts which are given to a public official
45 or public employee for the public official's or public
46 employee's wedding or twenty-fifth or fiftieth wedding
47 anniversary."

48 27. Page 16, by inserting after line 25, the
49 following:

50 " ____ . Actual expenses of a donee for food,

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1 beverages, travel, and lodging provided by a donor for
2 purposes of allowing a donee to attend an educational
3 or business conference or meeting, if the donee is a
4 member of or provides staff services to the investment
5 board of Iowa public employees' retirement system
6 under section 97B.8."

7 28. Page 16, line 31, by striking the words
8 "state or" and inserting the following: "state,".

9 29. Page 16, line 33, by inserting after the word
10 "state" the following: ", or to develop markets for
11 Iowa businesses or products".

12 30. Page 16, line 34, by inserting after the word
13 "business" the following: "or businesses".

14 31. Page 17, line 1, by inserting after the word
15 "business" the following: "or businesses".

16 32. Page 17, line 5, by inserting after the word
17 "business" the following: "or businesses".

18 33. By striking page 17, line 33 through page 18,
19 line 5.

20 34. Page 18, by striking lines 3 through 5 and
21 inserting the following: "person value in excess of
22 three dollars."

23 35. Page 22, by striking lines 3 through 7 and
24 inserting the following: "1994, the board shall
25 administer this chapter and set standards for,
26 investigate complaints relating to, and monitor the
27 ethics of officials, employees, lobbyists, and
28 candidates for office in the executive branch of state
29 government. The board shall also administer and set
30 standards for, investigate complaints relating to, and
31 monitor the campaign finance practices of candidates
32 for public office. The board shall consist of six
33 members and".

34 36. Page 23, by striking lines 1 through 3, and
35 inserting the following: "board, and shall advise the
36 board on all legal matters relating to the
37 administration of this chapter and chapter 56. The
38 state may be represented by the board's legal counsel
39 in any civil action regarding the enforcement of this
40 chapter or chapter 56, or, at the board's request, the
41 state may be represented by the office of the attorney
42 general. Notwithstanding section 19A.3, all of the".

43 37. Page 23, by striking line 32 and inserting
44 the following:

45 "4. Receive and file registration and reporting
46 from lobbyists of the executive branch of state
47 government,".

48 38. Page 23, line 33, by inserting after the
49 words "client disclosure" the following: "from
50 clients of lobbyists of the executive branch of state

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- 1 government".
- 2 39. Page 23, line 34, by inserting after the word
- 3 "information" the following: "from officials and
- 4 employees in the executive branch of state government
- 5 who are required to file personal financial disclosure
- 6 information under this chapter".
- 7 40. Page 25, line 10, by inserting after the
- 8 words "opinions to" the following: "local officials
- 9 and employees and to".
- 10 41. Page 25, line 17, by inserting after the word
- 11 "office" the following: "in the executive branch of
- 12 state government".
- 13 42. Page 25, line 19, by inserting after the word
- 14 "lobbyists", the following: "of the executive branch
- 15 of state government".
- 16 43. Page 26, line 1, by inserting after the word
- 17 "office" the following: "in the executive branch of
- 18 state government".
- 19 44. Page 28, line 8, by striking the word "shall"
- 20 and inserting the following: "may".
- 21 45. Page 29, line 28, by striking the words "A
- 22 preponderance of the" and inserting the following:
- 23 "Clear and convincing".
- 24 46. Page 29, line 30, by striking the word
- 25 "board." and inserting the following: "board pursuant
- 26 to this chapter. A preponderance of the evidence
- 27 shall be required to support a finding that a person
- 28 has violated chapter 56 or any rules adopted by the
- 29 board pursuant to chapter 56."
- 30 47. Page 30, by striking lines 26 through 28 and
- 31 inserting the following:
- 32 "1. The board, after a hearing and upon a finding
- 33 that a violation of this chapter, chapter 56, or
- 34 rules".
- 35 48. By striking page 33, line 15, through page
- 36 36, line 9, and inserting the following:
- 37 "Sec. 21. Section 68B.35, Code 1993, is amended by
- 38 striking the section and inserting in lieu thereof the
- 39 following:
- 40 68B. 35 FINANCIAL DISCLOSURE -- CERTAIN OFFICIALS,
- 41 MEMBERS OF THE GENERAL ASSEMBLY, AND CANDIDATES.
- 42 1. The persons specified in subsection 2, shall
- 43 file a financial statement at times and in the manner
- 44 provided in this section that contains all of the
- 45 following:
- 46 a. A list of each business, occupation, or
- 47 profession in which the person is engaged and the
- 48 nature of that business, occupation, or profession,
- 49 unless already apparent.
- 50 b. A list of any other sources of income if the

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1 source produces more than one thousand dollars
2 annually in gross income. Such sources of income
3 listed pursuant to this paragraph may be listed under
4 any of the following categories, or under any other
5 categories as may be established by rule:

- 6 (1) Securities.
- 7 (2) Instruments of financial institutions.
- 8 (3) Trusts.
- 9 (4) Real estate.
- 10 (5) Retirement systems.
- 11 (6) Other income categories specified in state and
12 federal income tax regulations.

13 2. The financial statement required by this
14 section shall be filed by the following persons:

- 15 a. The governor and the lieutenant governor.
- 16 b. Any statewide elected official.
- 17 c. The executive or administrative head or heads
18 of any agency of state government.
- 19 d. The deputy executive or administrative head or
20 heads of an agency of state government.
- 21 e. The head of a major subunit of a department or
22 independent state agency whose position involves a
23 substantial exercise of administrative discretion or
24 the expenditure of public funds as defined under rules
25 adopted by the board, pursuant to chapter 17A, in
26 consultation with the department or agency.
- 27 f. Members of the banking board, the ethics and
28 campaign disclosure board, the credit union review
29 board, the economic development board, the employment
30 appeal board, the environmental protection commission,
31 the health facilities council, the Iowa business
32 investment corporation board of directors, the Iowa
33 finance authority, the Iowa product development
34 corporation, the Iowa public employees' retirement
35 system investment board, the lottery board, the
36 natural resource commission, the board of parole, the
37 petroleum underground storage tank fund board, the
38 public employment relations board, the state racing
39 and gaming commission, the state board of regents, the
40 tax review board, the transportation commission, the
41 office of consumer advocate, the utilities board, and
42 any full-time members of other boards and commissions
43 as defined under section 7E.4 who receive an annual
44 salary for their service on the board or commission.
- 45 g. Members of the general assembly.
- 46 h. Candidates for state office.
- 47 i. Legislative employees who are the head or
48 deputy head of a legislative agency or whose position
49 involves a substantial exercise of administrative
50 discretion or the expenditure of public funds.

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1 3. The board in consultation with each executive
2 department or independent agency, shall adopt rules
3 pursuant to chapter 17A to implement the requirements
4 of this section that provide for the time and manner
5 for the filing of financial statements by persons in
6 the department or independent agency.

7 4. The ethics committee of each house of the
8 general assembly shall recommend rules for adoption by
9 each house for the time and manner for the filing of
10 financial statements by members or employees of the
11 particular house. The rules shall provide for the
12 filing of the financial statements with either the
13 chief clerk of the house, the secretary of the senate,
14 or other appropriate person or body.

15 5. A candidate for statewide office shall file a
16 financial statement with the ethics and campaign
17 disclosure board, a candidate for the office of state
18 representative shall file a financial statement with
19 the chief clerk of the house of representatives, and a
20 candidate for the office of state senator shall file a
21 financial statement with the secretary of the senate
22 concerning the year preceding the year in which the
23 election is to be held and concerning so much of the
24 year in which the election is to be held as has
25 elapsed by the date specified in section 43.11 for the
26 filing of nomination papers for state office. The
27 statement shall be filed no later than thirty days
28 after the date on which a person is required to file
29 nomination papers for state office under section
30 43.11. The ethics and campaign disclosure board shall
31 adopt rules pursuant to chapter 17A providing for the
32 filing of the financial statements with the board and
33 for the deposit, retention, and availability of the
34 financial statements. The ethics committees of the
35 house of representatives and the senate shall
36 recommend rules for adoption by the respective house
37 providing for the filing of the financial statements
38 with the chief clerk of the house or the secretary of
39 the senate and for the deposit, retention, and
40 availability of the financial statements.

41 Sec. ____ . NEW SECTION. 68B.35A PERSONAL
42 FINANCIAL DISCLOSURE BY LOCAL OFFICIALS AND LOCAL
43 EMPLOYEES.

44 The governing body of each political subdivision
45 may prescribe rules providing for the disclosure of
46 the financial interests of persons who hold office or
47 are employed by the political subdivision. Rules
48 adopted may provide for differing levels of disclosure
49 based upon the size of the political subdivision and
50 the level of policy-making or spending authority or

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1 discretion possessed by the individual, as a result of
2 holding office or employment by the political
3 subdivision. Any rules adopted shall provide for
4 public access to the information, a central filing
5 system for the information, and a system through which
6 persons subject to personal financial disclosure may
7 receive advice regarding the nature and extent of
8 required disclosure.

9 Sec. ____ . NEW SECTION. 68B.35B PERSONAL
10 FINANCIAL DISCLOSURE STATEMENTS OF STATE OFFICIALS AND
11 EMPLOYEES.

12 Personal financial disclosure statements filed with
13 the board, chief clerk of the house, and the secretary
14 of the senate shall be forwarded to the secretary of
15 state for the recording of the information through
16 electronic means. The board and the general assembly
17 shall execute agreements with the secretary of state
18 which provide for public access to and copying of the
19 information, and include a site in the board offices
20 for public viewing and copying of information,
21 contained in personal financial disclosure statements
22 filed with the board, the chief clerk of the house,
23 and the secretary of the senate."

24 49. Page 37, by striking lines 31 and 32, and
25 inserting the following: "shall be filed not later
26 than twenty-five days following any month in which the
27 general assembly is in session and thereafter".

28 50. Page 38, lines 10 and 11, by striking the
29 words ", or after the time of cancellation of a
30 lobbyist's registration,".

31 51. Page 38, line 13, by inserting after the word
32 "items." the following: "A lobbyist who cancels the
33 person's lobbyist registration before January 1 of a
34 year shall file a report listing all reportable items
35 for the year in which the cancellation was filed. A
36 lobbyist who cancels the person's lobbyist
37 registration between January 1 and January 15 of a
38 year shall file a report listing all reportable items
39 for the preceding year and so much of the month of
40 January as has expired at the time of cancellation."

41 52. Page 38, line 28, by striking the words
42 "~~general-assembly-or~~" and inserting the following:
43 "general assembly or".

44 53. Page 38, by striking lines 32 through 34 and
45 inserting the following: "calendar months. Reports
46 by lobbyists' clients shall be filed with the same
47 entity with which the lobbyist filed the lobbyist's
48 ~~report-and~~ registration."

49 54. Page 39, line 4, by striking the word "board"
50 and inserting the following: "secretary of the

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1 senate, chief clerk of the house, and the board".
2 55. Page 39, line 23, by striking the words "or
3 the executive council".
4 56. Page 39, line 31, by striking the words "or
5 the executive council".
6 57. Page 40, by inserting after line 3 the
7 following:
8 "Sec. _____. Section 56.2, subsection 4, Code 1993,
9 is amended to read as follows:
10 4. "Candidate's committee" means the committee
11 designated by the candidate for a state, county, city,
12 or school office to receive contributions, expend
13 funds, or incur indebtedness on behalf of the
14 candidate in excess of five hundred dollars in the
15 aggregate as follows:
16 ~~---a---For-federal,-state,-or-county-office,-in-excess~~
17 ~~of-two-hundred-fifty-dollars in any calendar year on~~
18 ~~behalf-of-the-candidate.~~
19 ~~b---For-city-or-school-office,-in-excess-of-five~~
20 ~~hundred-dollars-in-any-calendar-year-on-behalf-of-the~~
21 ~~candidate."~~
22 58. Page 42, by striking lines 10 through 14, and
23 inserting the following:
24 "c. Notwithstanding section 68B.5A, subsection 1,
25 as amended by this Act, persons who are lobbyists as
26 of the".
27 59. Page 42, by striking line 18, and inserting
28 the following: "July 1, 1994."
29 60. Page 43, by inserting after line 4, the
30 following:
31 "_____. It is the intent of the general assembly
32 that at least two members of the ethics and campaign
33 disclosure board established in this Act be members of
34 the campaign finance disclosure commission,
35 established under section 56.9, immediately prior to
36 the effective date of this Act.
37 _____. Notwithstanding section 68B.35, financial
38 statements filed under section 68B.35 as amended in
39 section 21 of this Act shall not be required to be
40 filed until the rules provided under that section are
41 adopted or prescribed by the entities required to
42 establish rules. Disclosure statements filed during
43 1993, after the adoption or prescribing of rules under
44 section 21 shall cover the period beginning with the
45 effective date of this Act through December 31, 1993."
46 61. Page 43, by striking lines 5 through 11.
47 62. Page 43, by inserting after line 15 the
48 following:
49 "Sec. _____. SEVERABILITY. If any provision of this
50 Act or the application thereof to any person is

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1 invalid, the invalidity shall not affect the
2 provisions or application of this Act which can be
3 given effect without the invalid provisions or
4 application, and to this end the provisions of this
5 Act are severable.

6 Sec. ____ . The Code editor shall change names in
7 the Code, as necessary, which refer to the campaign
8 finance disclosure commission to names which refer to
9 the ethics and campaign disclosure board as
10 established in this Act."

11 63. By renumbering, relettering, or redesignating
12 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-3703 FILED APRIL 5, 1993

Senate Concurred
4/23/93
(p. 1629)

HOUSE FILE 144

H-4057

1 Amend the Senate Amendment H-3703, to House File
2 144, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 1, by striking line 15, and inserting the
5 following: "contributions in excess of five hundred
6 dollars in the aggregate, expend funds in excess of
7 five hundred dollars in the aggregate, or incur
8 indebtedness on".
9 2. Page 1, by striking lines 22 through 27.
10 3. Page 1, by inserting after line 33, the
11 following:
12 "____. Page 7, line 17, by striking the words "the
13 governor, lieutenant governor,".
14 4. Page 2, by inserting after line 12, the
15 following:
16 "____. By striking page 11, line 35, through page
17 12, line 1, and inserting the following:
18 "1. A person who serves as a statewide elected
19 official, the executive or".
20 5. Page 2, lines 20 and 21, by striking the words
21 "or the office of the governor".
22 6. Page 2, lines 40 and 41, by striking the words
23 "or the office of the governor".
24 7. Page 3, by inserting after line 7, the
25 following:
26 "____. Page 13, by striking line 13, and inserting
27 the following:
28 "1. No-official All".
29 8. Page 3, by striking lines 12 through 16.
30 9. Page 3, by striking lines 27 through 29 and
31 inserting the following:
32 "____. Page 15, line 29, by striking the words
33 "Items of food and drink" and inserting the following:
34 "Nonmonetary items".
35 10. Page 3, by striking lines 30 through 38.
36 11. By striking page 3, line 48, through page 4,
37 line 6.
38 12. Page 4, by striking lines 18 and 19.
39 13. Page 4, by inserting after line 22 the
40 following:
41 "____. Page 20, by striking line 15 and inserting
42 the following:
43 "Sec. ____. Section 68B.31, subsections 6 and 9,
44 Code 1993, are".
45 _____. Page 21, by inserting after line 12 the
46 following:
47 "9. The ethics committee of each house shall
48 maintain recommend rules for adoption by the
49 respective house relating to the confidentiality of a
50 complaint unless either the complainant or the alleged

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1 ~~viotator-publicly-discloses~~ or information which has
2 ~~been filed or provided to the committee. Rules~~
3 ~~adopted shall provide for initial confidentiality of a~~
4 ~~complaint and shall permit the ethics committee to~~
5 ~~treat some or all of the contents of a complaint or~~
6 ~~other information as confidential if the committee~~
7 ~~finds that the criteria established under section~~
8 ~~22.7, subsection 18, for keeping certain information~~
9 ~~confidential, are met. If the existence of a~~
10 ~~complaint or a preliminary investigation--The is made~~
11 ~~public, the ethics committee--upon-such-a-disclosure~~
12 ~~by-the-complainant-or-the-alleged-viotator--may shall~~
13 publicly confirm the existence of the complaint or
14 preliminary inquiry and, in the ethics committee's
15 discretion, make public the complaint or investigation
16 and any documents which were issued to either any
17 party to the complaint or investigation. However,
18 this subsection shall not prevent the committee from
19 furnishing the complaint or other information to the
20 appropriate law enforcement authorities at any time.
21 Upon commencement of a hearing on a complaint, all
22 investigative material shall be made available to the
23 subject of the hearing and any material that is
24 introduced at the hearing shall be public
25 information."

26 14. Page 5, line 40, by inserting after the
27 figure "68B.35" the following: "PERSONAL".

28 15. Page 6, by striking line 15.

29 16. Page 7, line 11, by inserting after the word
30 "house." the following: "The legislative council
31 shall adopt rules for the time and manner for the
32 filing of financial statements by legislative
33 employees of the central legislative staff agencies."

34 17. By striking page 7, line 41, through page 8,
35 line 8.

36 18. Page 9, by striking lines 2 and 3, and
37 inserting the following:

38 "____. Page 39, line 21, by striking the word
39 "subsections" and inserting the following:
40 "subsection".

41 _____. Page 39, by striking lines 22 through 26."

42 19. Page 9, by striking lines 12 and 13, and
43 inserting the following: "or school office to receive
44 contributions in excess of five hundred dollars in the
45 aggregate, expend funds in excess of five hundred
46 dollars in the aggregate, or incur indebtedness on
47 behalf of the".

48 20. Page 9, line 36, by inserting after the word
49 "Act." the following: "However, members of the
50 campaign finance disclosure commission shall serve as

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Page 3

1 members of the ethics and campaign disclosure board
2 until the members of the new board are appointed.
3 Employees of the campaign finance disclosure
4 commission shall be retained as employees of the
5 ethics and campaign disclosure board until such time
6 as the board hires its own employees. Rules and
7 procedures of the campaign finance disclosure
8 commission shall remain in effect until amended or
9 rescinded by the ethics and campaign disclosure board.
10 Matters pending before the campaign finance disclosure
11 commission shall, upon the dissolution of the
12 commission and the creation of the board, be treated
13 as if commenced initially before the ethics and
14 campaign disclosure board and shall retain the same
15 status that the matters had before the commission."
16 21. By numbering and renumbering and changing
17 internal references as necessary.

By CARPENTER of Polk
NEUHAUSER of Johnson

H-4057 FILED APRIL 19, 1993

Adopted 4/23/93 (P. 1628)

HOUSE FILE 144

H-4116

1 Amend the amendment, H-4057, to Senate amendment,
2 H-3703, to House File 144, as amended, passed, and
3 reprinted by the House, as follows:
4 1. Page 2, by inserting after line 41 the
5 following:
6 "_____. Page 9, line 5, by striking the word
7 "council" and inserting the following: "counsel"."
8 3. By renumbering as necessary.

By CARPENTER of Polk

H-4116 FILED APRIL 21, 1993

out of order 4/23/93 (P. 1625)

H-4110

1 Amend the amendment, H-4057, to the Senate
2 amendment, H-3703, to House File 144, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 1, line 43, by inserting after the figure
5 "6" the following: ", 8,".

6 2. Page 1, by inserting after line 46 the
7 following:

8 "8. If a hearing on the complaint is ordered the
9 ethics committee shall receive all admissible
10 evidence, determine any factual or legal issues
11 presented during the hearing, and make findings of
12 fact based upon evidence received. Hearings shall be
13 conducted in the manner prescribed in section 17A.12.
14 The rules of evidence applicable under section 17A.14
15 shall also apply in hearings before the ethics
16 committee. ~~A-preponderance-of-clear~~ Clear and
17 convincing evidence shall be required to support a
18 finding that the member of the general assembly or
19 lobbyist before the general assembly has committed a
20 violation of this chapter. Parties to a complaint
21 may, subject to the approval of the ethics committee,
22 negotiate for settlement of disputes that are before
23 the ethics committee. Terms of any negotiated
24 settlements shall be publicly recorded. If a
25 complaint is filed or initiated less than ninety days
26 before the election for a state office, for which the
27 person named in the complaint is the incumbent
28 officeholder, the ethics committee shall, if possible,
29 set the hearing at the earliest available date so as
30 to allow the issue to be resolved before the election.
31 An extension of time for a hearing may be granted when
32 both parties mutually agree on an alternate date for
33 the hearing. The ethics committee shall make every
34 effort to hear all ethics complaints within three
35 months of the date that the complaints are filed.
36 However, after three months from the date of the
37 filing of the complaint, extensions of time for
38 purposes of preparing for hearing may only be granted
39 by the ethics committee when the party charged in the
40 complaint with the ethics violation consents to an
41 extension. If the party charged does not consent to
42 an extension, the ethics committee shall not grant any
43 extensions of time for preparation prior to hearing.
44 All complaints alleging a violation of this chapter or
45 the code of ethics shall be heard within nine months
46 of the filing of the complaint. Final dispositions of
47 violations, which the ethics committee have found to
48 have been established by ~~a-preponderance-of~~ clear and
49 convincing evidence, shall be made within thirty days
50 of the conclusion of the hearing on the complaint."

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Page 2

- 1 3. Page 2, by inserting after line 35 the
 2 following:
 3 " . Page 8, by inserting after line 23 the
 4 following:
 5 " . Page 37, by striking line 13 and inserting
 6 the following: "the general assembly, on forms
 7 prescribed by each house of the general assembly, a
 8 report".
 9 4. By renumbering as necessary.

By CARPENTER of Polk
 NEUHAUSER of Johnson

H-4110 FILED APRIL 21, 1993

out of order 4/23/93 (P. 1625)

HOUSE FILE 144

H-4140

- 1 Amend the amendment, H-4057, to the Senate
 2 amendment, H-3703, to House File 144, as amended,
 3 passed, and reprinted by the House, as follows:
 4 1. Page 2, line 4, by inserting after the word
 5 "complaint" the following: ", unless the complaint
 6 has been publicly disclosed.".

By HALVORSON of Webster
 CARPENTER of Polk

H-4140 FILED APRIL 21, 1993

*Adapted
 4-23-93
 (P. 1628)*

HOUSE FILE 144

H-4168

1 Amend the amendment, H-4057, to the Senate
2 amendment, H-3703, to House File 144, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 1, by inserting after line 21 the
5 following:

6 " . Page 2, line 29, by inserting after the
7 word "duties" the following: ", unless the person is
8 designated, by the agency in which the person serves
9 or is employed, to represent the official position of
10 the agency".

11 . Page 2, line 35, by inserting after the word
12 "employment" the following: ", unless the person is
13 designated, by the agency in which the person is
14 employed, to represent the official position of the
15 agency".

16 2. Page 1, line 43, by inserting after the figure
17 "6" the following: ", 8,".

18 3. Page 1, by inserting after line 46 the
19 following:

20 "8. If a hearing on the complaint is ordered the
21 ethics committee shall receive all admissible
22 evidence, determine any factual or legal issues
23 presented during the hearing, and make findings of
24 fact based upon evidence received. Hearings shall be
25 conducted in the manner prescribed in section 17A.12.
26 The rules of evidence applicable under section 17A.14
27 shall also apply in hearings before the ethics
28 committee. ~~A-preponderance-of-clear~~ Clear and
29 convincing evidence shall be required to support a
30 finding that the member of the general assembly or
31 lobbyist before the general assembly has committed a
32 violation of this chapter. Parties to a complaint
33 may, subject to the approval of the ethics committee,
34 negotiate for settlement of disputes that are before
35 the ethics committee. Terms of any negotiated
36 settlements shall be publicly recorded. If a
37 complaint is filed or initiated less than ninety days
38 before the election for a state office, for which the
39 person named in the complaint is the incumbent
40 officeholder, the ethics committee shall, if possible,
41 set the hearing at the earliest available date so as
42 to allow the issue to be resolved before the election.
43 An extension of time for a hearing may be granted when
44 both parties mutually agree on an alternate date for
45 the hearing. The ethics committee shall make every
46 effort to hear all ethics complaints within three
47 months of the date that the complaints are filed.
48 However, after three months from the date of the
49 filing of the complaint, extensions of time for
50 purposes of preparing for hearing may only be granted

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1 by the ethics committee when the party charged in the
 2 complaint with the ethics violation consents to an
 3 extension. If the party charged does not consent to
 4 an extension, the ethics committee shall not grant any
 5 extensions of time for preparation prior to hearing.
 6 All complaints alleging a violation of this chapter or
 7 the code of ethics shall be heard within nine months
 8 of the filing of the complaint. Final dispositions of
 9 violations, which the ethics committee have found to
 10 have been established by ~~a preponderance of~~ clear and
 11 convincing evidence, shall be made within thirty days
 12 of the conclusion of the hearing on the complaint."

13 4. Page 2, by inserting after line 35 the
 14 following:

15 "_____. Page 8, by inserting after line 23 the
 16 following:

17 "_____. Page 36, by striking lines 14 through 27
 18 and inserting the following: "registration statement
 19 at times and in the manner provided in this section.
 20 Lobbyists engaged in lobbying activities before the
 21 general assembly shall file the statement with the
 22 chief clerk of the house of representatives or the
 23 secretary of the senate. Lobbyists engaged in
 24 lobbying activities before the office of the governor
 25 or any state agency shall file the statement with the
 26 executive council or with the agency before which the
 27 lobbyist is engaged in lobbying activities board. The
 28 chief clerk of the house and the secretary of the
 29 senate shall provide appropriate registration forms to
 30 lobbyists before the general assembly. The executive
 31 council board shall prescribe appropriate registration
 32 forms for lobbyists before the office of the governor
 33 and state agencies. ~~Persons receiving registration~~
 34 ~~statement".~~

35 _____. Page 36, by striking line 34 and inserting
 36 the following: "chief clerk of the house and the
 37 secretary of the senate".

38 _____. Page 37, by striking line 13 and inserting
 39 the following: "the general assembly, on forms
 40 prescribed by each house of the general assembly, a
 41 report".

42 5. Page 2, by inserting after line 41 the
 43 following:

44 "_____. Page 9, line 5, by striking the word
 45 "council" and inserting the following: "counsel"."

46 6. By numbering and renumbering as necessary.

By CARPENTER of Polk

H-4168 FILED APRIL 22, 1993

Adopted
4/23/93
(p. 1635)

HOUSE FILE 144

H-4143

1 Amend the amendment, H-4057, to the Senate
2 amendment, H-3703, to House File 144, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 1, by inserting after line 35 the
5 following:

6 " . Page 3, line 47, by inserting after the
7 word "anniversary." the following: "However, the
8 value of gifts given by restricted donors to elected
9 public officials under this paragraph shall be
10 reported to the board."

11 2. Page 1, line 43, by inserting after the figure
12 "6" the following: ", 8,".

13 3. Page 1, by inserting after line 46 the
14 following:

15 "8. If a hearing on the complaint is ordered the
16 ethics committee shall receive all admissible
17 evidence, determine any factual or legal issues
18 presented during the hearing, and make findings of
19 fact based upon evidence received. Hearings shall be
20 conducted in the manner prescribed in section 17A.12.
21 The rules of evidence applicable under section 17A.14
22 shall also apply in hearings before the ethics
23 committee. A preponderance of ~~clear and convincing~~
24 evidence shall be required to support a finding that
25 the member of the general assembly or lobbyist before
26 the general assembly has committed a violation of this
27 chapter. Parties to a complaint may, subject to the
28 approval of the ethics committee, negotiate for
29 settlement of disputes that are before the ethics
30 committee. Terms of any negotiated settlements shall
31 be publicly recorded. If a complaint is filed or
32 initiated less than ninety days before the election
33 for a state office, for which the person named in the
34 complaint is the incumbent officeholder, the ethics
35 committee shall, if possible, set the hearing at the
36 earliest available date so as to allow the issue to be
37 resolved before the election. An extension of time
38 for a hearing may be granted when both parties
39 mutually agree on an alternate date for the hearing.
40 The ethics committee shall make every effort to hear
41 all ethics complaints within three months of the date
42 that the complaints are filed. However, after three
43 months from the date of the filing of the complaint,
44 extensions of time for purposes of preparing for
45 hearing may only be granted by the ethics committee
46 when the party charged in the complaint with the
47 ethics violation consents to an extension. If the
48 party charged does not consent to an extension, the
49 ethics committee shall not grant any extensions of
50 time for preparation prior to hearing. All complaints

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Page 2

B

1 alleging a violation of this chapter or the code of
2 ethics shall be heard within nine months of the filing
3 of the complaint. Final dispositions of violations,
4 which the ethics committee have found to have been
5 established by a preponderance of ~~clear-and-convincing~~
6 evidence, shall be made within thirty days of the
7 conclusion of the hearing on the complaint."

C

8 4. Page 2, line 9, by inserting after the word
9 "met." the following: "However, rules adopted shall
10 not restrict the ability of persons who are not
11 members of the ethics committee to lawfully exercise
12 their rights to freedom of speech."

B

13 5. Page 2, by inserting after line 25 the
14 following:
15 " . Page 5, by striking lines 21 through 23."

D

16 6. Page 2, by striking lines 34 and 35.

17 7. Page 3, by inserting after line 15 the

E

18 following:
19 " . Page 9, line 46, by striking the figure
20 "11" and inserting the following: "8"."

21 8. By numbering and renumbering as necessary.
By HALVORSON of Webster

H-4143 FILED APRIL 22, 1993

A. Lost
B. out of order
C. Withdrawn
D. absent
E. Lost
4/23/93
(P. 1629)

HOUSE FILE 144

H-4186

1 Amend House File 144, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 68B.2, Code 1993, is amended
6 by striking the section and inserting in lieu thereof
7 the following:

8 68B.2 DEFINITIONS.

9 When used in this chapter, unless the context
10 otherwise requires:

11 1. "Agency" means a department, division, board,
12 commission, or bureau of the state, including a
13 regulatory agency, or any of its political
14 subdivisions.

15 2. "Candidate" means a candidate as defined in
16 section 56.2 and includes a person elected to public
17 office until the person takes office.

18 3. "Compensation" means any money, thing of value,
19 or financial benefit conferred in return for services
20 rendered or to be rendered.

21 4. "Employee" means a full-time, salaried employee
22 of the state of Iowa and does not include part-time
23 employees or independent contractors. Employee
24 includes but is not limited to all clerical personnel.

25 5. a. "Gift" means a rendering of money,
26 property, services, discount, loan forgiveness,
27 payment of indebtedness, or anything else of value in
28 return for which legal consideration of equal or
29 greater value is not given and received, if the donor
30 is in any of the following categories:

31 (1) Is doing or seeking to do business of any kind
32 with the donee's agency.

33 (2) Is engaged in activities which are regulated
34 or controlled by the donee's agency.

35 (3) Has interests which may be substantially and
36 materially affected, in a manner distinguishable from
37 the public generally, by the performance or
38 nonperformance of the donee's official duty.

39 (4) Is a lobbyist with respect to matters within
40 the donee's jurisdiction.

41 b. However, "gift" does not mean any of the
42 following:

43 (1) Campaign contributions.

44 (2) Informational material relevant to a public
45 servant's official functions, such as books,
46 pamphlets, reports, documents, or periodicals, and
47 registration fees or tuition not including travel or
48 lodging, for not more than three days, at seminars or
49 other public meetings conducted in this state, at
50 which the public servant receives information relevant

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- 1 to the public servant's official functions.
2 Information or participation received under the
3 exclusion of this paragraph may be applied to satisfy
4 a continuing education requirement of the donee's
5 regulated occupation or profession if the donee pays
6 any registration costs exceeding thirty-five dollars.
7 (3) Anything received from a person related within
8 the fourth degree by kinship or marriage, unless the
9 donor is acting as an agent or intermediary for
10 another person not so related.
11 (4) An inheritance.
12 (5) Anything available to or distributed to the
13 public generally without regard to official status of
14 the recipient.
15 (6) Food, beverages, registration, and scheduled
16 entertainment at group events to which all members of
17 either house or both houses of the general assembly
18 are invited.
19 (7) Actual expenses for food, beverages, travel,
20 lodging, registration, and scheduled entertainment of
21 the donee for a meeting, which is given in return for
22 participation in a panel or speaking engagement at the
23 meeting.
24 (8) Plaques or items of negligible resale value
25 given as recognition for public services.
26 6. "Immediate family members" means the spouse and
27 minor children of a person required to file reports
28 pursuant to this chapter or the rules adopted or
29 executive order issued pursuant to this chapter.
30 7. "Is doing business with the donee's agency"
31 means being a party to any one or any combination of
32 sales, purchases, leases, or contracts to, from, or
33 with the state or a political subdivision, or any
34 agency thereof.
35 8. "Legislative employee" means a full-time
36 officer or employee of the general assembly but does
37 not include members of the general assembly.
38 9. "Local official" and "local employee" mean an
39 official or employee of a political subdivision of
40 this state.
41 10. "Member of the general assembly" means an
42 individual duly elected to the senate or the house of
43 representatives of the state of Iowa.
44 11. "Official" means an officer of the state of
45 Iowa receiving a salary or per diem whether elected or
46 appointed or whether serving full-time or part-time.
47 "Official" includes but is not limited to supervisory
48 personnel and members of state agencies and does not
49 include members of the general assembly or legislative
50 employees.

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1 12. "Public disclosure" means a written report
2 filed by the fifteenth day of the month following the
3 month in which a gift is received as required by this
4 chapter or required by rules adopted or executive
5 order issued pursuant to this chapter.

6 13. "Regulatory agency" means the department of
7 agriculture and land stewardship, department of
8 employment services, department of commerce, Iowa
9 department of public health, department of public
10 safety, department of education, state board of
11 regents, department of human services, department of
12 revenue and finance, department of inspections and
13 appeals, department of personnel, public employment
14 relations board, state department of transportation,
15 civil rights commission, department of public defense,
16 and department of natural resources.

17 Where the terms "legislative employee", "member of
18 the general assembly", "candidate", "employee", "local
19 employee", "official" or "local official" are used in
20 this chapter, they include a firm of which any of
21 those persons is a partner and a corporation of which
22 any of those persons holds ten percent or more of the
23 stock either directly or indirectly, and the spouse
24 and minor children of any of those persons.

25 Sec. 2. Section 68B.3, Code 1993, is amended by
26 striking the section and inserting in lieu thereof the
27 following:

28 68B.3 WHEN PUBLIC BIDS REQUIRED.

29 No official, employee, member of the general
30 assembly, or legislative employee shall sell any goods
31 having a value in excess of five hundred dollars to
32 any state agency unless pursuant to an award or
33 contract let after public notice and competitive
34 bidding. This section shall not apply to the
35 publication of resolutions, advertisements, or other
36 legal propositions or notices in newspapers designated
37 pursuant to law for such purpose and for which the
38 rates are fixed pursuant to law.

39 Section 3. NEW SECTION. 68B.5 GIFTS SOLICITED OR
40 ACCEPTED.

41 1. An official, employee, local official, local
42 employee, member of the general assembly, candidate,
43 legislative employee or that person's immediate family
44 member shall not, directly or indirectly, solicit,
45 accept, or receive from any one donor in any one
46 calendar day a gift or a series of gifts having a
47 value of thirty-five dollars or more.

48 2. A person shall not, directly or indirectly,
49 offer or make a gift or a series of gifts to an
50 official, employee, local official, local employee,

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1 member of the general assembly, candidate, or
2 legislative employee, in any one calendar day, if the
3 gift or series of gifts has a value of thirty-five
4 dollars or more. A person shall not, directly or
5 indirectly, join with one or more other persons to
6 offer or make a gift or a series of gifts to an
7 official, employee, local official, local employee,
8 member of the general assembly, candidate, or
9 legislative employee, in any one calendar day, if the
10 gift or series of gifts has a total value of thirty-
11 five dollars or more. The thirty-five dollar
12 limitation of this section applies separately to a
13 person and the person's immediate family member.

14 3. A person may give and an official, employee,
15 local official, local employee, member of the general
16 assembly, candidate, legislative employee or the
17 person's immediate family member may accept in any one
18 calendar day a gift or a series of gifts which has a
19 value of thirty-five dollars or more and not be in
20 violation of this section if the gift or series of
21 gifts is donated within thirty days to a public body,
22 a bona fide educational or charitable organization, or
23 the department of general services. All such items
24 donated to the department of general services shall be
25 disposed of by assignment to state agencies for
26 official use or by public sale.

27 Sec. 4. Section 68B.6, Code 1993, is amended by
28 striking the section and inserting in lieu thereof the
29 following:

30 68B.6 SERVICES AGAINST STATE PROHIBITED.

31 No official, employee, or legislative employee
32 shall receive, directly or indirectly, or enter into
33 any agreement, express or implied, for any
34 compensation, in whatever form, for the appearance or
35 rendition of services by that person or another
36 against the interest of the state in relation to any
37 case, proceeding, application, or other matter before
38 any state agency, any court of the state of Iowa, any
39 federal court, or any federal bureau, agency,
40 commission, or department.

41 Sec. 5. Section 68B.7, Code 1993, is amended by
42 striking the section and inserting in lieu thereof the
43 following:

44 68B.7 BAN FOR TWO-YEAR PERIOD AFTER SERVICE.

45 No person who has served as an official or employee
46 of a state agency shall within a period of two years
47 after the termination of such service or employment
48 appear before such state agency or receive
49 compensation for any services rendered on behalf of
50 any person, firm, corporation, or association in

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1 relation to any case, proceeding, or application with
2 respect to which such person was directly concerned
3 and personally participated during the period of
4 service or employment.

5 A person who has served as the head of or on a
6 commission or board of a regulatory agency or as a
7 deputy thereof, shall not, within a period of two
8 years after the termination of such service accept
9 employment with that commission, board, or agency or
10 receive compensation for any services rendered on
11 behalf of any person, firm, corporation, or
12 association in any case, proceedings, or application
13 before the department with which the person so served
14 wherein the person's compensation is to be dependent
15 or contingent upon any action by such agency with
16 respect to any license, contract, certificate, ruling,
17 decision, opinion, rate schedule, franchise, or other
18 benefit, or in promoting or opposing, directly or
19 indirectly, the passage of bills or resolutions before
20 either house of the general assembly.

21 Sec. 6. NEW SECTION. 68B.12. REPORTING OF
22 HONORARIA.

23 1. The campaign finance disclosure commission
24 shall adopt rules requiring the filing of periodic
25 reports by officeholders showing all honoraria
26 received during the reporting period.

27 2. The rules shall require that:

28 a. Holders of statewide office must file reports
29 with the state commissioner of elections.

30 b. Holders of the office of state senator must
31 file reports with the secretary of the senate.

32 c. Holders of the office of state representative
33 must file reports with the chief clerk of the house of
34 representatives.

35 d. Holders of county and other offices must file
36 reports with the county commissioner of elections.

37 3. The reports shall be available for public
38 inspection.

39 Sec. 7. Section 68B.25, Code 1993, is amended by
40 striking the section and inserting in lieu thereof the
41 following:

42 68B.25 ADDITIONAL PENALTY.

43 In addition to any penalty contained in any other
44 provision of law, a person who knowingly and
45 intentionally violates a provision of sections 68B.3
46 to 68B.6 is guilty of a serious misdemeanor and may be
47 reprimanded, suspended, or dismissed from the person's
48 position or otherwise sanctioned.

49 Sec. 8. Section 68B.31, Code 1993, is amended by
50 striking the section and inserting in lieu thereof the

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1 following:

2 68B.31 LEGISLATIVE ETHICS COMMITTEE.

3 There shall be an ethics committee in the senate
4 and an ethics committee in the house, each to consist
5 of seven members; three members to be appointed by the
6 majority leader in each house, two members by the
7 minority leader in each house and two individuals who
8 shall not be employees of the general assembly by the
9 chief justice of the Iowa supreme court.

10 The two individuals appointed by the chief justice
11 of the supreme court shall receive a per diem as
12 specified in section 7E.6 and travel expenses at the
13 same rate as paid members of interim committees for
14 attending meetings of the ethics committee. Members
15 of the general assembly shall receive a per diem as
16 specified in section 7E.6 and travel expenses at the
17 same rate as paid members of interim committees for
18 attending meetings held when the general assembly is
19 not in session. The per diem and expenses shall be
20 paid from funds appropriated by section 2.12.

21 The president pro tempore of the senate is
22 designated as chairperson of the senate committee.
23 The house committee shall elect a chairperson. The
24 chairperson of each committee shall have the following
25 powers, duties and functions:

26 1. Prepare a code of ethics within thirty days
27 after the commencement of the session.

28 2. Prepare rules relating to lobbyists and
29 lobbying activities in the general assembly.

30 3. Issue advisory opinions interpreting the intent
31 of constitutional and statutory provisions relating to
32 legislators and lobbyists as well as interpreting the
33 code of ethics and rules issued pursuant to this
34 section. Opinions shall be issued when approved by a
35 majority of the seven members and may be issued upon
36 the written request of a member of the general
37 assembly or upon the committee's initiation. Opinions
38 are not binding on the legislator or lobbyist.

39 4. Receive and investigate complaints and charges
40 against members of its house alleging a violation of
41 the code of ethics, rules governing lobbyists, this
42 chapter, or other matters referred to it by its house.
43 The committee shall recommend rules for the receipt
44 and processing of complaints made during the
45 legislative session and those made after the general
46 assembly adjourns.

47 5. Recommend legislation relating to legislative
48 ethics and lobbying activities.

49 The ethics committees may employ independent legal
50 counsel to assist them in carrying out their duties

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1 under this chapter with the approval of a committee's
2 house when the general assembly is in session and with
3 the approval of the rules and administration committee
4 of that house when the general assembly is not in
5 session. Payment of costs for the independent legal
6 counsel shall be made from section 2.12.

7 The code of ethics and rules relating to lobbyists
8 and lobbying activities shall not become effective
9 until approved by the members of the house to which
10 the proposed code and rules apply. The code or rules
11 may be amended either upon the recommendation of the
12 ethics committee or by members of the general
13 assembly.

14 Violation of the code of ethics may result in
15 censure, reprimand, or other sanctions as determined
16 by a majority of the member's house. However, a
17 member may be suspended or expelled and the member's
18 salary forfeited only if directed by a two-thirds vote
19 of the member's house. A suspension, expulsion, or
20 forfeiture of salary shall be for the duration
21 specified in the directing resolution. However, it
22 shall not extend beyond the end of the general
23 assembly during which the violation occurred.

24 Violation of a rule relating to lobbyists and lobbying
25 activities may result in censure, reprimand, or other
26 sanctions as determined by a majority of the members
27 of the house in which the violation occurred.

28 However, a lobbyist may be suspended from lobbying
29 activities for the duration provided in the directing
30 resolution only if directed by a two-thirds vote of
31 the house in which the violation occurred.

32 Sec. 9. Section 68B.39, Code 1993, is amended by
33 striking the section and inserting in lieu thereof the
34 following:

35 68B.39 REPORTING OF GIFTS AND FINANCIAL
36 DISCLOSURE.

37 1. The house of representatives and the senate
38 shall adopt rules requiring the reporting of gifts
39 made to members of the general assembly, legislative
40 employees, and their immediate family members. The
41 rules shall require public disclosure of the nature,
42 amount, date, and donor of a gift or gifts from any
43 one donor made to one of those individuals which
44 exceed fifteen dollars in cumulative value in any one
45 calendar day. The rules shall require such disclosure
46 by both the donor and donee. However, the rules of
47 either or both houses may waive the reporting of food
48 and beverage provided for immediate consumption in the
49 presence of the donor.

50 2. The governor shall issue an executive order

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1 requiring the reporting of gifts made to officials and
2 employees of the executive department of the state and
3 their immediate family members. The executive order
4 shall require public disclosure of the nature, amount,
5 date, and donor of a gift or gifts from any one donor
6 made to one of those individuals which exceeds fifteen
7 dollars in cumulative value in any one calendar day.
8 The executive order shall require such disclosure by
9 both the donor and donee. The executive order may
10 waive the reporting of food and beverage provided for
11 immediate consumption in the presence of the donor.

12 3. The supreme court of this state shall adopt
13 rules requiring the reporting of gifts made to
14 officials and employees of the judicial department of
15 this state and their immediate family members. The
16 rules shall require public disclosure of the nature,
17 amount, date, and donor of a gift or gifts from any
18 one donor made to one of those individuals which
19 exceeds fifteen dollars in cumulative value in any one
20 calendar day. The rules shall require such disclosure
21 by both the donor and donee. The rules may waive the
22 reporting of food and beverage provided for immediate
23 consumption in the presence of the donor.

24 4. The governing body of a political subdivision
25 of this state shall adopt rules requiring the
26 reporting of gifts made to its respective members and
27 their immediate family members and its local officials
28 and local employees and their immediate family
29 members. The rules as adopted shall require public
30 disclosure of the nature, amount, date, and donor of a
31 gift or gifts from any one donor made to one of those
32 individuals which exceeds fifteen dollars in
33 cumulative value in any one calendar day. The rules
34 shall require such disclosure by both the donor and
35 donee. The rules may waive the reporting of food and
36 beverage provided for immediate consumption in the
37 presence of the donor. Copies of the rules and
38 reports shall be filed with the county auditor of the
39 county in which the political subdivision is located.

40 The secretary of state shall develop a standard
41 form for public disclosure of gifts in compliance with
42 this subsection which shall be available at every
43 county auditor's office without cost.

44 5. a. In determining the value of a gift, an
45 individual making a gift on behalf of more than one
46 person shall not divide the value of the gift by the
47 number of persons on whose behalf the gift is made.

48 b. The value of a gift to the donee is the value
49 actually received.

50 c. For the purposes of the reporting requirements

1 of this section, a donor of a gift made by more than
2 one individual to one or more donees shall report the
3 gift if the total value of the gift to the donee
4 exceeds fifteen dollars.

5 6. The rules required under this section shall
6 provide that expenses for food, beverages,
7 registration, and scheduled entertainment at group
8 events to which all members of either house or both
9 houses of the general assembly have been invited shall
10 be reported for each such event by reporting the date,
11 location, and total expense incurred by the donor or
12 donors.

13 7. Reporting requirements adopted or issued under
14 this section may include requirements relating to the
15 reporting of income which is not a gift.

16 8. A person who does not make public disclosure of
17 gifts as required by this chapter or the rules adopted
18 or executive order issued pursuant to this chapter is
19 guilty of a serious misdemeanor.

20 Sec. 10. Sections 68B.4A, 68B.4B, 68B.5A, 68B.21,
21 68B.22, 68B.23, 68B.24, 68B.32, 68B.33, 68B.34,
22 68B.35, 68B.36, 68B.37, and 68B.38, Code 1993, are
23 repealed."

24 2. Title page, by striking the title and
25 inserting the following: "An Act relating to
26 government ethics and providing penalties."

27
28 *By Connors*
29 *Tyrrell*

30
31 *H-4186 Filed April 23, 1993*

32
33 Connors of Polk offered amendment H-4186, to the Senate
34 amendment H-3703, filed from the floor by him and Tyrrell of Iowa.

35
36 Carpenter of Polk rose on a point of order that amendment
37 H-4186 was not germane. to the Senate amendment H-3703.

38
39 The Speaker ruled the point well taken and amendment H-4186
40 not germane. to the Senate amendment H-3703.

41
42 Connors of Polk asked for unanimous consent to suspend the rules
43 to consider amendment H-4186.

44
45 Objection was raised.

46
47 Connors of Polk moved to suspend the rules to consider amend-
48 ment H-4186.

49
50 A non-record roll call was requested.

51
52 Rule 75 was invoked.

53
54 The ayes were 42, nays 50.

55
56 The motion to suspend the rules lost.

14.217 75

57
58 Connors of Polk asked and received unanimous consent that
59 amendment H-4186, to the Senate amendment H-3703, not be
60 printed in the clip sheet or the House Journal.

;

From Journal
4/23/93
Page 1628

amendment
is a
Drafters Copy

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 144

S-3623

1 Amend the Senate Amendment H-3703, to House File
2 144, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by striking line 15, and inserting the
5 following: "contributions in excess of five hundred
6 dollars in the aggregate, expend funds in excess of
7 five hundred dollars in the aggregate, or incur
8 indebtedness on".

9 2. Page 1, by striking lines 22 through 27.

10 3. Page 1, by inserting after line 33, the
11 following:

12 "____. Page 7, line 17, by striking the words "the
13 governor, lieutenant governor,"."

14 4. Page 2, by inserting after line 12, the
15 following:

16 "____. By striking page 11, line 35, through page
17 12, line 1, and inserting the following:

18 "1. A person who serves as a statewide elected
19 official, the executive or"."

20 5. Page 2, lines 20 and 21, by striking the words
21 "or the office of the governor".

22 6. Page 2, line 29, by inserting after the word
23 "duties" the following: ", unless the person is
24 designated, by the agency in which the person serves
25 or is employed, to represent the official position of
26 the agency".

27 7. Page 2, line 35, by inserting after the word
28 "employment" the following: ", unless the person is
29 designated, by the agency in which the person is
30 employed, to represent the official position of the
31 agency".

32 8. Page 2, lines 40 and 41, by striking the words
33 "or the office of the governor".

34 9. Page 3, by inserting after line 7, the
35 following:

36 "____. Page 13, by striking line 13, and inserting
37 the following:

38 "1. No-official All"."

39 10. Page 3, by striking lines 12 through 16.

40 11. Page 3, by striking lines 27 through 29 and
41 inserting the following:

42 "____. Page 15, line 29, by striking the words
43 "Items of food and drink" and inserting the following:
44 "Nonmonetary items"."

45 12. Page 3, by striking lines 30 through 38.

46 13. By striking page 3, line 48, through page 4,
47 line 6.

48 14. Page 4, by striking lines 18 and 19.

49 15. Page 4, by inserting after line 22 the
50 following:

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Page 2

1 "_____. Page 20, by striking line 15 and inserting
2 the following:
3 "Sec. _____. Section 68B.31, subsections 6, 8, and
4 9, Code 1993, are".
5 "_____. Page 21, by inserting after line 12 the
6 following:
7 "8. If a hearing on the complaint is ordered the
8 ethics committee shall receive all admissible
9 evidence, determine any factual or legal issues
10 presented during the hearing, and make findings of
11 fact based upon evidence received. Hearings shall be
12 conducted in the manner prescribed in section 17A.12.
13 The rules of evidence applicable under section 17A.14
14 shall also apply in hearings before the ethics
15 committee. ~~A-preponderance-of-clear~~ Clear and
16 convincing evidence shall be required to support a
17 finding that the member of the general assembly or
18 lobbyist before the general assembly has committed a
19 violation of this chapter. Parties to a complaint
20 may, subject to the approval of the ethics committee,
21 negotiate for settlement of disputes that are before
22 the ethics committee. Terms of any negotiated
23 settlements shall be publicly recorded. If a
24 complaint is filed or initiated less than ninety days
25 before the election for a state office, for which the
26 person named in the complaint is the incumbent
27 officeholder, the ethics committee shall, if possible,
28 set the hearing at the earliest available date so as
29 to allow the issue to be resolved before the election.
30 An extension of time for a hearing may be granted when
31 both parties mutually agree on an alternate date for
32 the hearing. The ethics committee shall make every
33 effort to hear all ethics complaints within three
34 months of the date that the complaints are filed.
35 However, after three months from the date of the
36 filing of the complaint, extensions of time for
37 purposes of preparing for hearing may only be granted
38 by the ethics committee when the party charged in the
39 complaint with the ethics violation consents to an
40 extension. If the party charged does not consent to
41 an extension, the ethics committee shall not grant any
42 extensions of time for preparation prior to hearing.
43 All complaints alleging a violation of this chapter or
44 the code of ethics shall be heard within nine months
45 of the filing of the complaint. Final dispositions of
46 violations, which the ethics committee have found to
47 have been established by ~~a-preponderance-of~~ clear and
48 convincing evidence, shall be made within thirty days
49 of the conclusion of the hearing on the complaint.

50 9. The ethics committee of each house shall

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-2-

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Page 3

1 maintain recommend rules for adoption by the
2 respective house relating to the confidentiality of a
3 complaint unless either the complainant or the alleged
4 violate publicly discloses or information which has
5 been filed or provided to the committee. Rules
6 adopted shall provide for initial confidentiality of a
7 complaint, unless the complaint has been publicly
8 disclosed, and shall permit the ethics committee to
9 treat some or all of the contents of a complaint or
10 other information as confidential if the committee
11 finds that the criteria established under section
12 22.7, subsection 18, for keeping certain information
13 confidential, are met. If the existence of a
14 complaint or a preliminary investigation--The is made
15 public, the ethics committee, upon such a disclosure
16 by the complainant or the alleged violator, may shall
17 publicly confirm the existence of the complaint or
18 preliminary inquiry and, in the ethics committee's
19 discretion, make public the complaint or investigation
20 and any documents which were issued to either any
21 party to the complaint or investigation. However,
22 this subsection shall not prevent the committee from
23 furnishing the complaint or other information to the
24 appropriate law enforcement authorities at any time.
25 Upon commencement of a hearing on a complaint, all
26 investigative material shall be made available to the
27 subject of the hearing and any material that is
28 introduced at the hearing shall be public
29 information."

30 16. Page 5, line 40, by inserting after the
31 figure "68B.35" the following: "PERSONAL".

32 17. Page 6, by striking line 15.

33 18. Page 7, line 11, by inserting after the word
34 "house." the following: "The legislative council
35 shall adopt rules for the time and manner for the
36 filing of financial statements by legislative
37 employees of the central legislative staff agencies."

38 19. By striking page 7, line 41, through page 8,
39 line 8.

40 20. Page 8, by inserting after line 23 the
41 following:

42 "____. Page 36, by striking lines 14 through 27
43 and inserting the following: "registration statement
44 at times and in the manner provided in this section.
45 Lobbyists engaged in lobbying activities before the
46 general assembly shall file the statement with the
47 chief clerk of the house of representatives or the
48 secretary of the senate. Lobbyists engaged in
49 lobbying activities before the office of the governor
50 or any state agency shall file the statement with the

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Page 4

~~1 executive-council-or-with-the-agency-before-which-the~~
~~2 lobbyist-is-engaged-in-lobbying-activities~~ board. The
3 chief clerk of the house and the secretary of the
4 senate shall provide appropriate registration forms to
5 lobbyists before the general assembly. The executive
6 ~~council~~ board shall prescribe appropriate registration
7 forms for lobbyists before the office of the governor
8 and state agencies. ~~Persons-receiving-registration~~
9 ~~statement~~".

10 _____. Page 36, by striking line 34 and inserting
11 the following: "chief clerk of the house and the
12 secretary of the senate".

13 _____. Page 37, by striking line 13 and inserting
14 the following: "the general assembly, on forms
15 prescribed by each house of the general assembly, a
16 report".

17 21. Page 9, by striking lines 2 and 3, and
18 inserting the following:

19 "_____. Page 39, line 21, by striking the word
20 "subsections" and inserting the following:
21 "subsection".

22 "_____. Page 39, by striking lines 22 through 26."

23 22. Page 9, line 5, by striking the word
24 "council" and inserting the following: "counsel".

25 23. Page 9, by striking lines 12 and 13, and
26 inserting the following: "or school office to receive
27 contributions in excess of five hundred dollars in the
28 aggregate, expend funds in excess of five hundred
29 dollars in the aggregate, or incur indebtedness on
30 behalf of the".

31 24. Page 9, line 36, by inserting after the word
32 "Act." the following: "However, members of the
33 campaign finance disclosure commission shall serve as
34 members of the ethics and campaign disclosure board
35 until the members of the new board are appointed.
36 Employees of the campaign finance disclosure
37 commission shall be retained as employees of the
38 ethics and campaign disclosure board until such time
39 as the board hires its own employees. Rules and
40 procedures of the campaign finance disclosure
41 commission shall remain in effect until amended or
42 rescinded by the ethics and campaign disclosure board.
43 Matters pending before the campaign finance disclosure
44 commission shall, upon the dissolution of the
45 commission and the creation of the board, be treated
46 as if commenced initially before the ethics and
47 campaign disclosure board and shall retain the same
48 status that the matters had before the commission."

49 25. By numbering and renumbering and changing
50 internal references as necessary.

RECEIVED FROM THE HOUSE

S-3623 FILED APRIL 26, 1993

Senate concurred 4/27/93 (p. 137e)

HSB 31

ETHICS

HOUSE FILE 144
BY (PROPOSED COMMITTEE ON
ETHICS BILL BY
CHAIRPERSON CARPENTER)

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

A BILL FOR

1 An Act relating to ethics in state government and providing
2 penalties.

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

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1 Section 1. Section 68B.2, Code 1993, is amended to read as
2 follows:

3 68B.2 DEFINITIONS.

4 As used in this chapter, unless the context otherwise
5 requires:

6 1. "Agency" means a department, division, board,
7 commission, bureau, or office of the executive or legislative
8 branch of state government, the office of attorney general,
9 the state board of regents, community colleges, and the office
10 of the governor, including a regulatory agency, or any
11 political subdivision of the state.

12 2. "Candidate" means a candidate under chapter 56 but does
13 not include any judge standing for retention in a judicial
14 election.

15 3. "Candidate's committee" means the committee designated
16 by the candidate, as provided under chapter 56, to receive
17 contributions, expend funds, or incur indebtedness on behalf
18 of the candidate in the aggregate as follows:

19 a. For a state or county office, in excess of two hundred
20 fifty dollars in any calendar year.

21 b. For a city or school office, in excess of five hundred
22 dollars in any calendar year.

23 3A. "Client" means a private person or a state, federal,
24 or local government entity that pays compensation to a
25 lobbyist.

26 4. "Compensation" means any money, thing of value, or
27 financial benefit conferred in return for services rendered or
28 to be rendered.

29 5. "Contribution" means a gift, loan, advance, deposit,
30 rebate, refund, transfer of money, an in-kind transfer, or the
31 payment of compensation for the personal services of another
32 person.

33 6. a. "Gift" means a rendering of anything of value in
34 return for which legal consideration of equal or greater value
35 is not given and received, if the donor is in any of the

1 following categories:

2 (1) Is or is seeking to be a party to any one or any
3 combination of sales, purchases, leases, or contracts to,
4 from, or with the agency in which the donee holds office or is
5 employed.

6 ~~(2) Is engaged in activities which are regulated or~~
7 ~~controlled by a regulatory agency in which the donee holds an~~
8 ~~office or is employed.~~

9 {3} Will personally be, or is the agent of a person who
10 will be, directly and substantially affected financially by
11 the performance or nonperformance of the donee's official duty
12 in a way that is greater than the effect on the public
13 generally or on a substantial class of persons to which the
14 person belongs as a member of a profession, occupation,
15 industry, or region.

16 {4} (3) Is a lobbyist with respect to matters within the
17 donee's jurisdiction.

18 b. However, "gift" does not mean any of the following:

19 (1) Contributions to a candidate or a candidate's
20 committee.

21 (2) Informational material relevant to a public servant's
22 official functions, such as books, pamphlets, reports,
23 documents, or periodicals.

24 (3) Anything received from a person related within the
25 fourth degree by kinship or marriage, unless the donor is
26 acting as an agent or intermediary for another person not so
27 related.

28 (4) An inheritance.

29 (5) Anything available or distributed to the public
30 generally without regard to the official status of the
31 recipient.

32 (6) Actual expenses of a donee for food, beverages,
33 registration, travel, and lodging for a meeting, which is
34 given in return for participation in a panel or speaking
35 engagement at the meeting when the expenses relate directly to

1 the day or days on which the donee has participation or
2 presentation responsibilities.

3 (7) Plaques or items of negligible resale value given as
4 recognition for public services.

5 (8) ~~Items of food and drink~~ Nonmonetary items or services
6 provided with a value of less than three dollars that are
7 received from any one donor during one calendar day.

8 (9) Items or services solicited or given to a state,
9 national, or regional organization in which the state of Iowa
10 or a political subdivision of the state of Iowa is a member.

11 (10) Items or services received as part of a regularly
12 scheduled event that is part of a conference, seminar, or
13 other meeting that is sponsored and directed by any state,
14 national, or regional organization in which the state of Iowa
15 or a political subdivision of the state of Iowa is a member.

16 (11) Items received by public officials or public
17 employees as part of the person's official duties when the
18 state or a political subdivision of the state is the donee of
19 the gift, provided that the public official or public employee
20 does not receive a direct personal benefit as a result of the
21 receipt of the gift.

22 (12) Birthday, wedding, anniversary, and similar
23 ceremonial gifts if the donor is not a party to a proceeding
24 that is pending before the recipient or a member of the
25 recipient's immediate family and will not be, or is not the
26 agent of a person who will be, directly and substantially
27 affected financially by the performance or nonperformance of
28 the donee's official duty in a way that is greater than the
29 effect on the public generally or on a substantial class of
30 persons to which the donor belongs as a member of a
31 profession, occupation, industry, or region.

32 (13) Payment of salary or expenses by a person's employer
33 or the firm in which the person is a member for the cost of
34 attending a meeting of a subunit of an agency when the person
35 whose expenses are being paid serves on a board, commission,

1 committee, council, or other subunit of the agency and the
2 person is not entitled to receive compensation or
3 reimbursement of expenses from the state or a political
4 subdivision of the state for attending the meeting.

5 (14) Payment of expenses for food, beverages,
6 registration, travel, and lodging for a conference, seminar,
7 meeting, or similar activity, if the expenses are incurred
8 during the course of and as a part of the performance of the
9 official duties of the official, state employee, member of the
10 general assembly, or legislative employee and prior approval
11 for the payment has been obtained from the executive council,
12 in the case of officials or state employees, or from the
13 legislative council, in the case of members of the general
14 assembly or legislative employees.

15 c. For purposes of determining the value of an item given
16 or received, an individual who gives an item on behalf of more
17 than one person shall not divide the value of the item by the
18 number of persons on whose behalf the item is given and the
19 value of an item received shall be the value actually received
20 by the donee.

21 7. a. "Honorarium" means anything of value that is
22 accepted by, or on behalf of, a public official or public
23 employee as consideration for an appearance, speech, or
24 article if the person giving the thing of value is in any of
25 the following categories:

26 (1) Is or is seeking to be a party to any one or any
27 combination of sales, purchases, leases, or contracts to,
28 from, or with the agency in which the public official or
29 public employee serves or is employed.

30 ~~(2) Is engaged in activities which are regulated or~~
31 ~~controlled by a regulatory agency in which the public official~~
32 ~~holds an office or the public employee is employed.~~

33 (3) Will personally be, or is the agent of a person who
34 will be, directly and substantially affected financially by
35 the performance or nonperformance of the donee's official duty

1 in a way that is greater than the effect on the public
2 generally or on a substantial class of persons to which the
3 person belongs as a member of a profession, occupation,
4 industry, or region.

5 (4 3) Is a lobbyist with respect to matters within the
6 public official's or public employee's jurisdiction.

7 b. "Honorarium" does not include any of the following:

8 (1) Actual expenses of a donee for food, beverages,
9 travel, and lodging paid as provided under subsection 6,
10 paragraph "b", subparagraph (6).

11 (2) A nonmonetary gift or series of nonmonetary gifts
12 donated within thirty days to a public body, a bona fide
13 educational or charitable organization, or the department of
14 general services as provided in section 68B.22, subsection 3.

15 (3) A payment made to a public official or public employee
16 for services rendered as part of a bona fide private business,
17 trade, or profession in which the public official or public
18 employee is engaged if the payment is commensurate with the
19 actual services rendered and is not being made because of the
20 person's status as a public official or public employee, but,
21 rather, because of some special expertise or other
22 qualification.

23 8. "Immediate family members" means the spouse and minor
24 dependent children of a public official or public employee.

25 9. "Legislative employee" means a permanent full-time
26 ~~official~~-or employee of the general assembly but does not
27 include members of the general assembly.

28 10. a. "Lobbyist" means a person who, either by acting
29 directly or by soliciting others to act, does any of the
30 following:

31 (1) Is paid compensation for encouraging the passage,
32 defeat, approval, veto, or modification of legislation, or
33 regulation, or for influencing the decision of a rule, or an
34 executive order by the members of the general assembly, a
35 state agency, or any statewide elected official.

1 (2) Represents-on-a-regular-basis Is designated to
2 represent before the general assembly, a state agency, or any
3 statewide elected official, the official position of an
4 organization which has as one of its purposes the
5 encouragement of the passage, defeat, approval, veto, or
6 modification of legislation, or-regulation,-or-the-influencing
7 of-a-decision-of-the-members-of-the-general-assembly,-a-state
8 agency,-or-any-statewide-elected-official a rule, or an
9 executive order.

10 (3) Is a federal, state, or local government official or
11 employee who represents is designated by the federal, state,
12 or local government official or employee's agency to represent
13 the official position of the official-or-employee's agency and
14 who encourages the passage, defeat, approval, veto, or
15 modification of legislation, or-regulation,-or-the-influencing
16 of a decision-of rule, or an executive order by the members of
17 the general assembly, a state agency, or the-office-of-the
18 governor any statewide elected official.

19 (4) Incurs expenses of more than two hundred fifty dollars
20 in a calendar quarter in communicating with the general
21 assembly, a state agency, or any statewide elected official to
22 encourage the passage, defeat, approval, veto, or modification
23 of legislation, a rule, or an executive order.

24 b. "Lobbyist" does not mean:

25 (1) Officials and employees of a political party organized
26 in the state of Iowa representing more than two percent of the
27 total votes cast for governor in the last preceding general
28 election, but only when representing the political party in an
29 official capacity.

30 (2) Representatives of the news media only when engaged in
31 the reporting and dissemination of news and editorials.

32 (3) The governor and lieutenant governor of the state of
33 Iowa, all other statewide elected officials, and elected
34 federal officials.

35 (4) Persons whose activities are limited to formal

1 appearances to give testimony at public sessions of committees
2 of the general assembly ~~or public hearings of state agencies~~
3 and whose appearances as a result of testifying, are recorded
4 in the records of the committee ~~or agency~~.

5 (5) A person who appears or communicates as a ~~lawyer~~
6 licensed to practice law in this state professional
7 representing a client before any an agency or in a contested
8 case matter or proceeding under chapter 17A in which only a
9 person possessing the particular license may appear or
10 communicate in a representative capacity.

11 (6) ~~Members of legislative~~ the staff of the United States
12 congress or the Iowa general assembly.

13 (7) Agency officials and employees ~~who~~ while they are
14 engaged in activities designed to influence the decisions of
15 the agency in which they serve or are employed.

16 (8) Persons when they are responding to requests for
17 information or assistance that are made by public officials or
18 public employees.

19 (9) Persons when they appear or communicate with an agency
20 to request information either on behalf of themselves or
21 others.

22 (10) Persons when they appear or communicate with a state
23 administrative agency in a public proceeding or hearing.

24 11. "Local employee" means a person employed by a
25 political subdivision of this state.

26 12. "Local official" means an officeholder of a political
27 subdivision of this state.

28 13. "Member of the general assembly" means an individual
29 duly elected to the senate or the house of representatives of
30 the state of Iowa.

31 14. "Official" means ~~an officer of the state of Iowa~~
32 ~~receiving a salary or per diem whether elected or appointed or~~
33 ~~whether serving full time or part time but does not include~~
34 ~~officers or employees of political subdivisions of the state.~~
35 "Official" includes but is not limited to supervisory

1 personnel, ~~members and employees of the governor's office,~~
2 ~~members of other statewide elected offices, and members of~~
3 ~~state agencies and the governor, lieutenant governor, all~~
4 statewide elected officials, the executive or administrative
5 head or heads of an agency of state government, the deputy
6 executive or administrative head or heads of an agency of
7 state government, members of boards or commissions as defined
8 under section 7E.4, and heads of the major subunits of
9 departments or independent state agencies whose positions
10 involve a substantial exercise of administrative discretion or
11 the expenditure of public funds as defined under rules of the
12 department or agency adopted pursuant to chapter 17A.
13 "Official" does not include officers or employees of political
14 subdivisions of the state, members of the general assembly,
15 legislative employees, or officers or employees of the
16 judicial branch of government who are not members or employees
17 of the office of attorney general, or members of state
18 government entities which are or exercise the same type of
19 authority that is exercised by councils or committees as
20 defined under section 7E.4.

21 15. "Person" means, without limitation, any individual,
22 corporation, business trust, estate, trust, partnership or
23 association, labor union, or any other legal entity.

24 16. "Public disclosure" means a written report filed by a
25 person as required by this chapter or required by rules
26 adopted and issued pursuant to this chapter.

27 17. "Public employee" means state employees, legislative
28 employees, and local employees.

29 18. "Public office" means any state, county, city, or
30 school office or any other office of a political subdivision
31 of the state that is filled by election.

32 19. "Public official" means officials, local officials,
33 and members of the general assembly.

34 20. "Regulatory agency" means the department of
35 agriculture and land stewardship, department of employment

1 services, department of commerce, Iowa department of public
2 health, department of public safety, department of education,
3 state board of regents, department of human services,
4 department of revenue and finance, department of inspections
5 and appeals, department of personnel, public employment
6 relations board, state department of transportation, civil
7 rights commission, department of public defense, and
8 department of natural resources.

9 21. "State employee" means a person who is not an official
10 and is a paid employee of the state of Iowa and does not
11 include an independent contractor, an employee of the judicial
12 department who is not an employee of the office of attorney
13 general, a legislative employee, or an employee of a political
14 subdivision of the state. "State employee" includes but is
15 not limited to all clerical personnel.

16 Sec. 2. NEW SECTION. 68B.2A CONFLICTS OF INTEREST.

17 1. Any person who serves or is employed by the state or a
18 political subdivision of the state shall not engage in any
19 outside employment or activity which is inconsistent,
20 incompatible, or in conflict with the person's official duties
21 and responsibilities. In determining whether particular
22 outside employment or activity creates an unacceptable
23 conflict of interest, situations in which an unacceptable
24 conflict shall be deemed to exist shall include, but not to be
25 limited to, any of the following:

26 a. The outside employment or activity involves the use of
27 the state's or the political subdivision's time, facilities,
28 equipment, and supplies or the use of the state or political
29 subdivision badge, uniform, business card, or other evidences
30 of office or employment to give the person or member of the
31 person's immediate family an advantage or pecuniary benefit
32 that is not available to other similarly situated members or
33 classes of members of the general public. For purposes of
34 this subsection, a person is not "similarly situated" merely
35 by being or being related to a person who serves or is

1 employed by the state or a political subdivision of the state.
2 b. The outside employment or activity involves the receipt
3 of, promise of, or acceptance of money or other consideration
4 by the person, or a member of the person's immediate family,
5 from anyone other than the state or the political subdivision
6 for the performance of any act that the person would be
7 required or expected to perform as a part of the person's
8 regular duties or during the hours during which the person
9 performs service or work for the state or political
10 subdivision of the state.

11 c. The outside employment or activity may later be
12 subject, directly or indirectly, to the official control,
13 inspection, review, audit, or enforcement authority of the
14 person, during the performance of the person's duties of
15 office or employment.

16 2. If the outside employment or activity is employment or
17 activity described in subsection 1, paragraph "a" or "b", the
18 person shall immediately cease the employment or activity. If
19 the outside employment or activity is employment or activity
20 described in subsection 1, paragraph "c", unless otherwise
21 provided by law, the person shall take one of the following
22 courses of action:

23 a. Cease the outside employment or activity.

24 b. Publicly disclose the existence of the conflict and
25 refrain from taking any official action or performing any
26 official duty that would detrimentally affect or create a
27 benefit for the outside employment or activity. For purposes
28 of this paragraph, "official action" or "official duty"
29 includes, but is not limited to, participating in any vote,
30 granting any license or permit, determining the facts or law
31 in a contested case or rule making proceeding, conducting any
32 inspection, or providing any other official service or thing
33 that is not available generally to members of the public in
34 order to further the interests of the outside employment or
35 activity.

1 3. Unless otherwise specifically provided the requirements
2 of this section shall be in addition to, and shall not
3 supersede, any other rights or remedies provided by law.

4 Sec. 3. Section 68B.3, subsection 1, Code 1993, is amended
5 to read as follows:

6 1. An official, a state employee, a member of the general
7 assembly, or a legislative employee shall not sell, in any one
8 occurrence, any goods or services having a value in excess of
9 five-hundred two thousand dollars to any state agency unless
10 the sale is made pursuant to an award or contract let after
11 public notice and competitive bidding. This subsection shall
12 not apply to the publication of resolutions, advertisements,
13 or other legal propositions or notices in newspapers
14 designated pursuant to law for the publication of legal
15 propositions or notices and for which rates are fixed pursuant
16 to law. This subsection shall also not apply to sales of
17 services by persons subject to the requirements of this
18 section to state executive branch agencies or subunits of
19 departments or independent agencies as defined under section
20 7E.4 that are not the subunit of the department or independent
21 agency in which the person serves or is employed or are not a
22 subunit of a department or independent agency with which the
23 person has substantial and regular contact as part of the
24 person's duties.

25 For purposes of this section, "services" does not include
26 instruction at an accredited education institution if the
27 person providing the instruction meets the minimum education
28 and licensing requirements established for ~~teachers~~
29 instructors at the education institution.

30 Sec. 4. Section 68B.5A, Code 1993, is amended to read as
31 follows:

32 68B.5A TWO-YEAR BAN ON CERTAIN LOBBYING ACTIVITIES AFTER
33 SERVICE.

34 1. A person who serves as the governor, lieutenant
35 governor, a statewide elected official, the executive or

1 administrative head of an agency of state government, the
2 deputy executive or administrative head of an agency of state
3 government, the head of a major subunit of a department or
4 independent state agency whose position involves a substantial
5 exercise of administrative discretion or the expenditure of
6 public funds as defined under rules of the department or
7 agency adopted pursuant to chapter 17A, a full-time employee
8 of an office of a statewide elected official or the office of
9 the governor, a member of the general assembly, or a
10 legislative employee shall not act as a lobbyist during the
11 time in which the person serves or is employed by the state
12 unless the person is designated, by the agency in which the
13 person serves or is employed, to represent the official
14 position of the agency.

15 ~~† 2.~~ A person ~~who has served as an official, state~~
16 ~~employee member of the general assembly, or legislative~~
17 ~~employee~~ who is subject to the requirements of subsection 1
18 shall not within two years after the termination of service or
19 employment become a lobbyist.

20 3. A person who has served as a state employee and who was
21 not a full-time employee of an office of a statewide elected
22 official or the office of the governor shall not, within two
23 years after termination of employment, become a lobbyist
24 before the agency in which the person was employed or before
25 state agencies or officials or employees with whom the person
26 had substantial and regular contact as part of the person's
27 former duties.

28 ~~2 4.~~ This section shall not apply to a person ~~who is a~~
29 ~~former official, state employee, member of the general~~
30 ~~assembly, or legislative employee~~ who is subject to the
31 requirements of subsections 1, 2, or 3 and who, within two
32 years of leaving service or employment with the state, is
33 elected to, appointed to, or employed by another office of the
34 state, or to an office of a political subdivision of the
35 state, or the federal government and appears or communicates

1 on behalf of that office.

2 Sec. 5. Section 68B.5A, Code 1993, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 5. Subsection 1 shall not apply to
5 persons who are lobbyists and are serving as the governor,
6 lieutenant governor, a statewide elected official, the
7 executive or administrative head of an agency of state
8 government, or the head of a major subunit of a department or
9 independent state agency whose position involves a substantial
10 exercise of administrative discretion or the expenditure of
11 public funds as defined under rules of the department or
12 agency adopted under chapter 17A on the effective date of this
13 Act.

14 Sec. 6. Section 68B.6, Code 1993, is amended to read as
15 follows:

16 68B.6 SERVICES AGAINST STATE PROHIBITED.

17 1. No-official The governor, lieutenant governor, all
18 statewide elected officials, the executive or administrative
19 head or heads of an agency of state government, the deputy
20 executive or administrative head or heads of an agency of
21 state government, the heads of the major subunits of
22 departments or independent state agencies whose positions
23 involve a substantial exercise of administrative discretion or
24 the expenditure of public funds as defined under rules of the
25 department or agency under chapter 17A, state employee, or
26 legislative employee shall not receive, directly or
27 indirectly, or enter into any agreement, express or implied,
28 for any compensation, in whatever form, for the appearance or
29 rendition of services by that person or another against the
30 interest of the state in relation to any case, proceeding,
31 application, or other matter before any state agency, any
32 court of the state of Iowa, any federal court, or any federal
33 bureau, agency, commission or department.

34 2. A person who is an official, but who is not subject to
35 the requirements of subsection 1, shall not receive, directly

1 or indirectly, or enter into any agreement, express or
2 implied, for any compensation, in whatever form, for the
3 appearance or rendition of services by that person or another
4 against the interest of the state in relation to any case,
5 proceeding, application, or other matter before the subunit of
6 department or independent agency in which the person serves,
7 is employed, or with which the person has substantial and
8 regular contact as part of the person's duties.

9 Sec. 7. Section 68B.22, subsection 4, paragraphs b and c,
10 Code 1993, are amended to read as follows:

11 b. The donor of the gifts travel and lodging is not the
12 business being contacted and the food and beverages are
13 consumed during the course of the meeting.

14 c. The public official or public employee ~~makes-a-planned~~
15 plays a significant role in the presentation to the business
16 on behalf of the public official's or public employee's
17 agency.

18 Sec. 8. Section 68B.24, Code 1993, is amended to read as
19 follows:

20 68B.24 LOANS -- RECEIPT FROM LOBBYISTS PROHIBITED.

21 1. An official, member of the general assembly, state
22 employee, legislative employee, or candidate for state office
23 shall not, directly or indirectly, seek or accept a loan or
24 series of loans from a person who is a lobbyist.

25 2. A lobbyist shall not, directly or indirectly, offer or
26 make a loan or series of loans to an official, member of the
27 general assembly, state employee, legislative employee, or
28 candidate for state office. A lobbyist shall also not,
29 directly or indirectly, join with one or more persons to offer
30 or make a loan or series of loans to an official, member of
31 the general assembly, state employee, legislative employee, or
32 candidate for state office.

33 3. This section shall not apply to loans made in the
34 ordinary course of business. For purposes of this section, a
35 loan is "made in the ordinary course of business" when it is

1 made by a person who is regularly engaged in a business that
2 makes loans to members of the general public and the finance
3 charges and other terms of the loan are the same or
4 substantially similar to the finance charges and loan terms
5 that are available to members of the general public.

6 Sec. 9. Section 68B.25, Code 1993, is amended to read as
7 follows:

8 68B.25 ADDITIONAL PENALTY.

9 In addition to any penalty contained in any other provision
10 of law, a person who knowingly and intentionally violates a
11 provision of sections 68B.3 68B.2A through 68B.7, or sections
12 68B.21 through 68B.24, or sections 68B.35 through 68B.38 is
13 guilty of a serious misdemeanor and may be reprimanded,
14 suspended, or dismissed from the person's position or
15 otherwise sanctioned.

16 Sec. 10. Section 68B.31, subsection 4, Code 1993, is
17 amended by adding the following new unnumbered paragraph:

18 NEW UNNUMBERED PARAGRAPH. The ethics committee may employ
19 independent legal counsel to assist the committee in carrying
20 out their duties under this chapter. Payment of costs for the
21 independent legal counsel shall be made from funds
22 appropriated pursuant to section 2.12.

23 Sec. 11. Section 68B.31, subsection 6, unnumbered
24 paragraph 1, Code 1993, is amended to read as follows:

25 The ethics committee shall promptly notify any party
26 alleged to have committed a violation of the code of ethics or
27 this chapter of the filing of a complaint by causing a copy of
28 the complaint to be served or personally delivered to the
29 party charged, unless service is waived by the party charged,
30 and shall review a the complaint to determine if the complaint
31 meets the requirements for formal sufficiency. If the
32 complaint is deficient as to form, the complaint shall be
33 returned to the complainant with a statement of the nature of
34 the deficiency and the party charged in the complaint shall be
35 notified that the complaint has been returned. If a

1 complaint, previously found to be deficient as to form, is
2 refiled in different form, the party charged in the complaint
3 shall be provided with a copy of the new document in the same
4 manner as provided for service of the initial complaint. Any
5 amendments to a complaint that are filed with the committee
6 shall also be served or personally delivered, unless service
7 is waived, to the party charged in the complaint. If the
8 complaint is sufficient as to form, the ethics committee shall
9 review the complaint to determine whether the complaint states
10 a valid charge which may be investigated. A valid complaint
11 must allege all of the following:

12 Sec. 12. Section 68B.31, subsection 11, Code 1993, is
13 amended to read as follows:

14 11. Violation of a provision of this chapter or rules
15 adopted relating to ethical conduct may result in censure,
16 reprimand, or other sanctions as determined by a majority of
17 the member's house. However, a member may be suspended or
18 expelled and the member's salary forfeited only if directed by
19 a two-thirds vote of the member's house. A suspension,
20 expulsion, or forfeiture of salary shall be for the duration
21 ~~specified in the directing resolution. However, it shall not~~
22 ~~extend beyond the end of the general assembly during which the~~
23 ~~violation occurred.~~ Violation of a rule relating to lobbyists
24 and lobbying activities may result in censure, reprimand, or
25 other sanctions as determined by a majority of the members of
26 the house in which the violation occurred. However, a
27 lobbyist may be suspended from lobbying activities for the
28 duration provided in the directing resolution only if directed
29 by a two-thirds vote of the house in which the violation
30 occurred.

31 Sec. 13. Section 68B.32, subsection 2, unnumbered
32 paragraph 1, and subsection 6, Code 1993, are amended to read
33 as follows:

34 The executive council shall promptly notify any party
35 alleged to have committed a violation of the code of ethics or

1 this chapter of the filing of a complaint by causing a copy of
2 the complaint to be served or personally delivered to the
3 party charged, unless service is waived by the party charged,
4 and shall review the complaint to determine if the complaint
5 meets the requirements for formal sufficiency. If the
6 complaint is deficient as to form, the complaint shall be
7 returned to the complainant with a statement of the nature of
8 the deficiency and the party charged in the complaint shall be
9 notified that the complaint has been returned. If a
10 complaint, previously found to be deficient as to form, is
11 refiled in different form, the party charged in the complaint
12 shall be provided with a copy of the new document in the same
13 manner as provided for service of the initial complaint. Any
14 amendments to a complaint that are filed with the committee
15 shall also be served or personally delivered, unless service
16 is waived, to the party charged in the complaint. If the
17 complaint is sufficient as to form, the executive council
18 shall review the complaint to determine whether the complaint
19 states a valid charge which may be investigated. A valid
20 complaint must allege all of the following:

21 6. A complaint which is supported by probable cause may be
22 prosecuted at an executive council hearing by the independent
23 special counsel. The executive council may employ legal
24 counsel and employ the services of an administrative law judge
25 to assist the council in carrying out the duties required
26 under this section.

27 Sec. 14. Section 68B.34, Code 1993, is amended to read as
28 follows:

29 68B.34 INVESTIGATION BY INDEPENDENT SPECIAL COUNSEL --
30 PROBABLE CAUSE.

31 The purpose of an investigation by the independent special
32 counsel is to determine whether there is probable cause to
33 proceed with an adjudicatory hearing on the matter. In
34 conducting investigations and holding hearings, the
35 independent special counsel may require by subpoena the

1 attendance and testimony of witnesses and may subpoena books,
2 papers, records, and any other real evidence relating to the
3 matter before the independent special counsel. The
4 independent special counsel shall have the additional
5 authority provided in section 17A.13. If the independent
6 special counsel determines at any stage in the proceedings
7 that take place prior to hearing that the complaint is without
8 merit, the independent special counsel shall report that
9 determination to the appropriate ethics committee or the
10 executive council and the complaint shall be dismissed and the
11 complainant and the party charged shall be notified. If,
12 after investigation, the independent special counsel
13 determines evidence exists which, if proven, would support a
14 finding of a violation of this chapter, a finding of probable
15 cause shall be made and reported to the ethics committee or
16 executive council, and a hearing shall be ordered by the
17 ethics committee as provided in section 68B.31 or by the
18 executive council as provided in section 68B.32. Independent
19 special counsel investigations are not meetings of a
20 governmental body within the meaning of chapter 21, and
21 records and information obtained by independent special
22 counsel during investigations are confidential until disclosed
23 to a legislative ethics committee or the executive council
24 under section 68B.31 or 68B.32.

25 Sec. 15. Section 68B.35, Code 1993, is amended to read as
26 follows:

27 1. Except as otherwise provided in this section, each
28 ~~official, member of the general assembly, and candidate for~~
29 ~~state office shall file~~ a statement of personal financial
30 disclosure ~~in the manner provided in this section~~ that
31 discloses the sources of the person's income and any
32 significant financial interests of the ~~official, member, or~~
33 candidate person shall be filed by the following persons and
34 in the manner required in this section:

35 a. The governor and lieutenant governor.

- 1 b. Any statewide elected official.
2 c. The executive or administrative head or heads of an
3 agency of state government.
4 d. The deputy executive or administrative head or heads of
5 an agency of state government.
6 e. The head of a major subunit of a department or
7 independent state agency whose position involves a substantial
8 exercise of administrative discretion or the expenditure of
9 public funds as defined under rules of the department or
10 agency adopted pursuant to chapter 17A.
11 f. Members of the banking board, the campaign finance
12 disclosure commission, the credit union review board, the
13 economic development board, the employment appeal board, the
14 environmental protection commission, the health facilities
15 council, the Iowa business investment corporation board of
16 directors, the Iowa finance authority, the Iowa product
17 development corporation, the Iowa public employees' retirement
18 system investment board, the lottery board, the natural
19 resource commission, the parole board, the petroleum under-
20 ground storage tank fund board, the public employment
21 relations board, the state racing and gaming commission, the
22 state board of regents, the tax review board, the
23 transportation commission, the office of consumer advocate,
24 and the utilities board and full-time members of other boards
25 and commissions as defined under section 7E.4 who receive an
26 annual salary for their service on the board or commission.
27 g. Members of the general assembly.
28 h. Candidates for state office.
29 i. Legislative employees who are the head or deputy head
30 of a legislative agency or whose position involves a
31 substantial exercise of administrative discretion or the
32 expenditure of public funds as defined under rules prescribed
33 by the legislative council.
34 2. For purposes of this section, "disclosure of sources of
35 income" includes disclosure of the nature of each business in

1 which the official, member, or candidate person is engaged and
2 receives more than five hundred dollars annually in income and
3 the nature of the business of each company in which the
4 official, member, or candidate person has an income-producing
5 interest that generates over five hundred dollars in annual
6 income.

7 PARAGRAPH DIVIDED. For purposes of this section,
8 "significant financial interests" includes investments in
9 stocks, bonds, bills, notes, mortgages, or other securities
10 offered for sale through recognized financial brokers if the
11 value of the investments equals either greater than five
12 percent of the total outstanding issue of any stocks, bonds,
13 bills, notes, mortgages, or other securities of the offering
14 entity or the percentage of ownership interest in the entity
15 which represents the fair market value of ten thousand
16 dollars, whichever is less as of December 31 of the year
17 preceding the year in which disclosure is to be made; any in-
18 state or out-of-state business, trade, labor, farm,
19 professional, religious, educational, or charitable
20 association, foundation, or organization which is involved in
21 supporting or opposing any measures brought before the body in
22 which the official, member, or candidate person holds office
23 and by which the official, member, or candidate person is
24 employed or retained or has rendered services for compensation
25 within the previous twelve months; any office or directorship
26 held during the previous twelve months by the official,
27 member, or candidate person in any corporation, firm,
28 enterprise, labor union, farm organization, cooperative,
29 religious, education, or charitable association or
30 organization or trade or professional association.

31 3. A candidate for state office shall file the statement
32 of personal financial disclosure with the campaign finance
33 disclosure commission concerning the year preceding the year
34 in which the election is to be held and concerning so much of
35 the year in which the election is to be held as has elapsed by

1 the date specified in section 43.11 for the filing of
2 nomination papers for state office. The statement shall be
3 filed no later than thirty days after the date on which the a
4 person formally-becomes-a-candidate is required under section
5 43.11 to file nomination papers for state office. ~~Officials~~
6 Persons specified under subsection 1, paragraphs "a" through
7 "f", shall also file the statements at times, locations, and
8 in the manner designated by the executive council. Members of
9 the house of representatives shall also file the statements
10 with the chief clerk of the house, and members of the senate
11 shall also file the statements with the secretary of the
12 senate, at times and in the manner designated by the chief
13 clerk and the secretary. Disclosures filed by persons
14 specified under subsection 1, paragraphs "a" through "f", and
15 members of the general assembly shall be updated on no less
16 than an annual basis. The general assembly, by concurrent
17 resolution, and the executive council shall each prescribe and
18 adopt rules to implement this section.

19 Sec. 16. Section 68B.36, subsections 1 and 3, Code 1993,
20 are amended to read as follows:

21 1. All lobbyists shall, on or before the day their
22 lobbying activity begins, register by filing a lobbyist's
23 registration statement in the manner provided in this section.
24 Lobbyists engaged in lobbying activities before the general
25 assembly shall file the statement with the chief clerk of the
26 house of representatives or the secretary of the senate.
27 Lobbyists engaged in lobbying activities before the office of
28 the governor or any state agency shall file the statement with
29 the executive council or with the agency before which the
30 lobbyist is engaged in lobbying activities. The legislative
31 council shall prescribe and the chief clerk of the house and
32 the secretary of the senate shall provide appropriate
33 registration forms to lobbyists before the general assembly.
34 The executive council shall prescribe appropriate registration
35 forms for lobbyists before the office of the governor and

1 state agencies. Persons receiving registration statement
2 filings from lobbyists in the office of the governor and state
3 agencies shall forward a copy of the statements to the
4 executive council.

5 3. For persons registered to lobby before the general
6 assembly, registration expires upon the commencement of the
7 next regular session of the general assembly, except that the
8 legislative council may prescribe and chief clerk of the house
9 and the secretary of the senate may ~~adopt~~ and implement a
10 reasonable preregistration procedure in advance of each
11 regular session during which persons may register for that
12 session and the following legislative interim. For persons
13 registered to lobby before the office of the governor or a
14 state agency, registration expires upon the commencement of a
15 new calendar year. The executive council may adopt and
16 implement a reasonable preregistration procedure in advance of
17 each new calendar year during which persons may register for
18 that year.

19 Sec. 17. Section 68B.37, Code 1993, is amended to read as
20 follows:

21 68B.37 LOBBYIST REPORTING.

22 1. A lobbyist before the general assembly shall file with
23 the ~~campaign-finance-disclosure-commission~~ chief clerk of the
24 house or the secretary of the senate, on forms prescribed by
25 the ~~commission~~ legislative council, a separate report
26 disclosing the following: the lobbyist's clients; all
27 campaign contributions made by the lobbyist during the prior
28 calendar month; ~~and~~ the recipient of the campaign
29 contributions; and expenditures made by the lobbyist for
30 purposes of providing the services enumerated under section
31 68B.2, subsection 10, paragraph "a". For purposes of this
32 subsection "expenditures" do not include expenditures made by
33 any club, committee, partnership, organization, business,
34 union, association, or corporation for the purpose of
35 publishing a newsletter or other release to its officers,

1 directors, members, shareholders, or employees.

2 2. A lobbyist before a state agency or the office of the
3 governor shall file with the campaign-finance-disclosure
4 commission executive council, on forms prescribed by the
5 commission executive council, a report disclosing the same
6 items described in subsection 1.

7 3. The report of contributions, and expenditures, and
8 gifts must shall be filed within thirty days of registration
9 as a lobbyist and thereafter on a monthly basis only if there
10 is activity to report and on dates to be determined by the
11 campaign-finance-disclosure-commission executive council, the
12 chief clerk of the house, and the secretary of the senate. In
13 addition, a report shall be filed annually by each lobbyist at
14 the end of each calendar year, or at the time of cancellation
15 of the lobbyist's registration, whichever first occurs. The
16 legislative council and the executive council shall consult
17 with each other in developing forms to implement this section.
18 The general assembly, by concurrent resolution, and the
19 executive council shall each prescribe and adopt rules to
20 implement this section.

21 Sec. 18. Section 68B.38, Code 1993, is amended to read as
22 follows:

23 68B.38 LOBBYIST'S CLIENT REPORTING.

24 1. No later than January 31 and July 31 of each year,
25 unless no payments are made, a lobbyist's client shall file
26 with the general assembly or the executive council a report
27 that contains information on all salaries, fees, and retainers
28 paid by the lobbyist's client to the lobbyist for lobbying
29 purposes during the preceding six calendar months. Reports by
30 lobbyists' clients shall be filed with the same entity with
31 which the lobbyist filed the lobbyist's report and
32 registration.

33 2. The report due January 31 shall include a cumulative
34 total of all lobbying-expenditures salaries, fees, retainers,
35 and reimbursements of expenses paid to the lobbyist for

1 lobbying activities during the preceding calendar year. The
2 legislative council and the executive council shall, in
3 consultation with each other, develop forms to implement this
4 section.

5 3. An organization which is a client of a lobbyist, but is
6 not itself a donor under section 68B.2, subsection 6,
7 paragraph "a", shall in addition to the items reported as
8 provided in subsections 1 and 2, report any monetary or
9 nonmonetary items or services provided that are given to an
10 official, state employee, member of the general assembly, or
11 legislative employee for which no legal consideration of equal
12 or greater value is given. Reports of items under this
13 subsection shall be made at the times and in the manner
14 provided for reports under subsections 1 and 2.

15 Sec. 19. Section 68B.39, Code 1993, is amended to read as
16 follows:

17 68B.39 SUPREME COURT RULES.

18 The supreme court of this state shall prescribe rules by
19 January 1, 1993, establishing a code of ethics for officials
20 and employees of the judicial department of this state, and
21 the immediate family members of the officials and employees.
22 Rules prescribed under this paragraph shall include provisions
23 relating to the receipt or acceptance of gifts and honoraria,
24 interests in public contracts, services against the state, and
25 financial disclosure which are substantially similar to the
26 requirements of this chapter.

27 The supreme court of this state shall also prescribe rules
28 which relate to activities by officials and employees of the
29 judicial department which constitute conflicts of interest.

30 Sec. 20. NEW SECTION. 68B.40 RULES BY EXECUTIVE COUNCIL
31 AND GENERAL ASSEMBLY.

32 Except as otherwise provided, the executive council shall
33 adopt rules establishing a code of ethics for officials and
34 state employees and otherwise providing for the implementation
35 of the provisions of this chapter that relate to officials,

1 state employees, and lobbyists of state agencies. The general
2 assembly shall, by resolution, prescribe rules providing for
3 the implementation of the provisions of this chapter that
4 relate to members of the general assembly, legislative
5 employees, other legislative staff, and lobbyists of the
6 general assembly.

7 Sec. 21. Section 22.7, Code 1993, is amended by adding the
8 following new subsections:

9 NEW SUBSECTION. 29. Complaints received by a legislative
10 ethics committee or the executive council pursuant to chapter
11 68B, unless either the complainant or the alleged violator
12 publicly discloses the existence of a complaint or a
13 preliminary investigation.

14 NEW SUBSECTION. 30. Records and information obtained or
15 held by independent special counsel during the course of an
16 investigation conducted pursuant to section 68B.34.
17 Information that is disclosed to a legislative ethics
18 committee or the executive counsel subsequent to a
19 determination of probable cause by independent special counsel
20 and made pursuant to sections 68B.31 or 68B.32 is not a
21 confidential record unless otherwise provided by law.

22 Sec. 22. Section 56.42, subsection 1, Code 1993, is
23 amended by adding the following new paragraph:

24 NEW PARAGRAPH. e. Contributions to another candidate's
25 committee when the candidate for whom both committees are
26 formed is the same person.

27 Sec. 23. REPEAL. Section 5 of this Act is repealed
28 effective January 1, 1995.

29 EXPLANATION

30 Section 1 of this bill removes judges standing for
31 retention in a judicial election from the definition of the
32 term candidate, removes the term "gift" from the definition of
33 the term "contribution", and removes the conflicting term
34 "official" from the definition of the term "legislative
35 employee". Section 1 of the bill also provides that only

1 those public officials and employees who are designated to
2 represent the official position of the officials' or
3 employees' agency and persons who are designated to represent
4 the official position of organizations that lobby before an
5 agency are required to comply with the registration and other
6 requirements placed on lobbyists. Persons who testify at
7 legislative hearings, persons who communicate as licensed
8 professionals, persons who are members of state or
9 congressional legislative staffs, are responding to requests
10 for information that are made by public officials or public
11 employees, persons who request information from an agency, and
12 persons who appear in public administrative proceedings, are
13 exempted from the definition of the term "lobbyist."

14 The exception for lawyers who are representing clients
15 before agencies is changed to include other licensed
16 professionals under certain circumstances. The definition of
17 the term "official" is also changed to include the governor,
18 lieutenant governor, heads and deputy heads of state agencies,
19 members of boards and commissions, and persons who are heads
20 of major state agency subdivisions who have certain kinds of
21 authority. The definition excludes those persons who are
22 members of governmental bodies that only have the authority to
23 study issues and make recommendations for action.

24 Section 1 of the bill also amends the list of prohibited
25 donors of gifts to delete the provision relating to regulatory
26 agencies, and to add agents of persons who may be affected by
27 official action to the list of possible prohibited donors.
28 Nonmonetary items and services provided, that have a value of
29 less than three dollars, are substituted for the current
30 exemption for gifts of food and drink in that amount.
31 Registration expenses are also excluded if given in return for
32 a speaking engagement.

33 Section 1 of the bill provides that items received by a
34 public official or public employee as part of their official
35 duties from which they derive no direct personal benefit and

1 which are actually given to the state or a political
2 subdivision of the state are not gifts. The section also
3 permits receipt of ceremonial gifts by public officials and
4 employees under certain circumstances and the receipt of
5 salary or expenses from the person's employer or firm if the
6 person is not entitled to receipt of reimbursement of expenses
7 by the state or a political subdivision.

8 Changes are also made in section 1 in the list of possible
9 donors of honoraria that parallel the changes made in the gift
10 definition.

11 The definition of "state employee" is changed in section 1
12 to exclude officials from and include employees of the office
13 of the attorney general in the definition.

14 A definition of the term "client" is also added in section
15 1, which is used in the provisions relating to lobbyist and
16 client reporting.

17 Section 2 establishes a conflict of interest provision and
18 prohibits persons who serve or are employed by the state or a
19 political subdivision of the state from engaging in certain
20 kinds of outside employment or activities. The section
21 provides that the person is to cease an activity specified to
22 be a conflict of interest and provides for disclosure of
23 certain activities or employment. Violation of the provision
24 is a serious misdemeanor. Remedies and penalties provided
25 under the section are in addition to any other remedies or
26 rights available by law.

27 Section 3 of this bill provides that sales made by state
28 officials or employees to state agencies other than the one in
29 which the person holds office or is employed are not subject
30 to the competitive bid provisions of chapter 68B.

31 Section 4 of this bill makes the ban on lobbying apply to
32 current state office holders and employees, but adds transfers
33 of employment or changes in office within state government,
34 transfers to federal office or employment, or acting as a
35 state level legislative liaison to the types of activities

1 that are excluded from the lobbying ban. The lobbying ban is
2 qualified to permit lobbying by employees, if the lobbying is
3 confined to agencies, officials, or employees with whom the
4 employee was not employed or did not have substantial contact.

5 Section 5 of this bill provides that the two-year lobbying
6 ban does not apply to persons who are both lobbyists and
7 officials on the effective date of the bill. Section 23
8 repeals the exemption contained in section 5 effective January
9 1, 1995.

10 Section 6 of the bill changes the applicability of the
11 general services against the state prohibition by removing the
12 term official and inserting a list of officials to whom it
13 applies. A specific prohibition is added for persons not
14 covered by the general prohibition, which prevents services
15 against the state in matter before the person's own agency
16 subunit or an agency subunit with which the person has
17 substantial and regular contact.

18 Section 7 of the bill permits food and beverages consumed
19 during a meeting to be received from a business being
20 contacted and provides that a public official or employee play
21 a significant role in the presentation to the business being
22 contacted.

23 Section 8 of the bill excepts loans made in the ordinary
24 course of business from the types of loans that lobbyists are
25 prohibited from making to officials, members of the general
26 assembly, state employees, or candidates for state office.

27 Section 9 of the bill amends the penalty provision of
28 chapter 68B to include violations of the conflict of interest
29 provision.

30 Section 10 of the bill permits the legislative ethics
31 committee of each house to employ the services of an
32 independent legal counsel to assist the committee in carrying
33 out their duties.

34 Section 11 of the bill provides for notification of a
35 person charged with an ethics violation of the existence and

1 contents of a complaint.

2 Section 12 of the bill removes the language that restricts
3 the duration of certain available remedies for ethical
4 violations to the general assembly in which the violation
5 occurred.

6 Section 13 of the bill permits the executive council to
7 retain the services of a legal counsel and an administrative
8 law judge when performing duties related to the hearings on
9 ethical violations by executive branch officials and
10 employees.

11 Section 14 of the bill provides that investigations by
12 independent special counsel are not public meetings under
13 chapter 21. The information or records obtained during the
14 investigation are not public records until they are disclosed
15 to an ethics body after the probable cause stage of the
16 investigation. Section 21 provides that the information
17 received during the investigations is a confidential record
18 until disclosed to the ethics bodies.

19 Section 15 of the bill limits the sources of income that
20 are to be disclosed in personal financial disclosure
21 statements to sources that produce income of more than \$500
22 annually, delineates persons required to make such
23 disclosures.

24 Section 16 provides for the prescription of forms and
25 procedures for lobbyist registration by the legislative
26 council.

27 Section 17 of the bill changes the place at which
28 lobbyist's reports must be filed to make it consistent with
29 the place of registration. End of the year or end of lobbying
30 registration reports are also provided for and no reports are
31 required if there is no activity to report.

32 Section 18 provides that a client of a lobbyist need not
33 report salaries, fees, or retainers if none were paid during
34 the reporting period and adds report of items given to state
35 officials and employees if the client does not meet the donor

1 definitions contained in the gift definition.

2 Section 19 provides that the rules to be prescribed by the
3 supreme court for judicial officials and employees are to
4 include provisions relating to conflicts of interest.

5 Section 20 provides for the adoption and prescription of
6 rules to implement chapter 68B by the executive council and
7 the general assembly, respectively. The section also provides
8 for the adoption of a code of ethics for the executive branch
9 of state government.

10 Section 21 provides for confidentiality of ethics
11 complaints, under certain circumstances, and for the
12 confidentiality of investigations by the independent special
13 prosecutor until the determination of probable cause is made
14 and turned over to a legislative ethics committee or the
15 executive council.

16 Section 22 provides that a candidate's committee may
17 transfer funds to another candidate's committee if the
18 candidate for whom both committees are formed is the same
19 person.

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HOUSE FILE 144

AN ACT

RELATING TO GOVERNMENT ETHICS, PROVIDING PENALTIES, TRANSITION PROVISIONS, PROVIDING FOR RETROACTIVE APPLICABILITY, AND AN EFFECTIVE DATE.

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

Section 1. Section 68B.2, Code 1993, is amended to read as follows:

68B.2 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Agency" means a department, division, board, commission, bureau, or office of the executive or legislative branch of state government, the office of attorney general, the state board of regents, community colleges, and the office of the governor, including a regulatory agency, or any political subdivision of the state, but does not include any agricultural commodity promotional board, which is subject to a producer referendum.

2. "Agency of state government" or "state agency" means a department, division, board, commission, bureau, or office of the executive or legislative branch of state government, the office of attorney general, the state board of regents, community colleges, and the office of the governor, including a regulatory agency, but does not include any agricultural commodity promotional board, which is subject to a producer referendum.

2A. "Board" means the Iowa ethics and campaign disclosure board.

2 J. "Candidate" means a candidate under chapter 56 but does not include any judge standing for retention in a judicial election.

3 4. "Candidate's committee" means the committee designated by the a candidate for a state, county, city, or

school office, as provided under chapter 56, to receive contributions in excess of five hundred dollars in the aggregate, expend funds in excess of five hundred dollars in the aggregate, or incur indebtedness on behalf of the candidate in excess of five hundred dollars in the aggregate as follows:

a---~~For a state or county office, in excess of two hundred fifty dollars in any calendar year.~~

b---~~For a city or school office, in excess of five hundred dollars in any calendar year.~~

5. "Client" means a private person or a state, federal, or local government entity that pays compensation to or designates an individual to be a lobbyist.

4 6. "Compensation" means any money, thing of value, or financial benefit conferred in return for services rendered or to be rendered.

5 7. "Contribution" means a gift, loan, advance, deposit, rebate, refund, transfer of money, an in-kind transfer, or the payment of compensation for the personal services of another person.

6 8. a. "Gift" means a rendering of anything of value in return for which legal consideration of equal or greater value is not given and received, ~~if the donor is in any of the following categories:~~

(1) ~~is or is seeking to be a party to any one or any combination of sales, purchases, leases, or contracts to, from, or with the agency in which the donee holds office or is employed.~~

(2) ~~is engaged in activities which are regulated or controlled by a regulatory agency in which the donee holds an office or is employed.~~

(3) ~~will be directly and substantially affected financially by the performance or nonperformance of the donee's official duty in a way that is greater than the effect on the public generally or on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region.~~

{4}--Is a lobbyist with respect to matters within the donee's jurisdiction:

b.--However, "gift" does not mean any of the following:

{1}--Contributions to a candidate or a candidate's committee:

{2}--Informational material relevant to a public servant's official functions, such as books, pamphlets, reports, documents, or periodicals:

{3}--Anything received from a person related within the fourth degree by kinship or marriage, unless the donor is acting as an agent or intermediary for another person not so related:

{4}--An inheritance:

{5}--Anything available or distributed to the public generally without regard to the official status of the recipient:

{6}--Actual expenses of a donee for food, beverages, travel, and lodging for a meeting, which is given in return for participation in a panel or speaking engagement at the meeting when the expenses relate directly to the day or days on which the donee has participation or presentation responsibilities:

{7}--Plaques or items of negligible resale value given as recognition for public services:

{8}--Items of food and drink with a value of less than three dollars that are received from any one donor during one calendar day:

{9}--Items or services solicited or given to a state, national, or regional organization in which the state of Iowa or a political subdivision of the state of Iowa is a member:

{10}--Items or services received as part of a regularly scheduled event that is part of a conference, seminar, or other meeting that is sponsored and directed by any state, national, or regional organization in which the state of Iowa or a political subdivision of the state of Iowa is a member:

c.--For purposes of determining the value of an item given or received, an individual who gives an item on behalf of more

than one person shall not divide the value of the item by the number of persons on whose behalf the item is given and the value of an item received shall be the value actually received by the donee:

7 9. a. "Honorarium" means anything of value that is accepted by, or on behalf of, a public official or public employee given as consideration for an appearance, speech, or article if the person giving the thing of value is in any of the following categories:

{1}--Is or is seeking to be a party to any one or any combination of sales, purchases, leases, or contracts to or from, or with the agency in which the public official or public employee serves or is employed.

{2}--Is engaged in activities which are regulated or controlled by a regulatory agency in which the public official holds an office or the public employee is employed:

{3}--Will be directly and substantially affected financially by the performance or nonperformance of the donee's official duty in a way that is greater than the effect on the public generally or on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region:

{4}--Is a lobbyist with respect to matters within the public official's or public employee's jurisdiction:

b.--"Honorarium" does not include any of the following:

{1}--Actual expenses of a donee for food, beverages, travel, and lodging paid as provided under subsection 6, paragraph "b", subparagraph (6):

{2}--A nonmonetary gift or series of nonmonetary gifts donated within thirty days to a public body, a bona fide educational or charitable organization, or the department of general services as provided in section 60B.22, subsection 3:

{3}--A payment made to a public official or public employee for services rendered as part of a bona fide private business, trade, or profession in which the public official or public employee is engaged if the payment is commensurate with the actual services rendered and is not being made because of the

~~person's status as a public official or public employee; but, rather, because of some special expertise or other qualifications;~~

8 10. "Immediate family members" means the spouse and minor dependent children of a public official or public employee.

9 11. "Legislative employee" means a permanent full-time ~~official or~~ employee of the general assembly but does not include members of the general assembly.

10 12. a. "Lobbyist" means a person an individual who, by acting directly, does any of the following:

(1) ~~Is paid~~ Receives compensation for ~~encouraging to encourage~~ the passage, defeat, approval, veto, or modification of legislation or regulation, or for influencing the decision of, a rule, or an executive order by the members of the general assembly, a state agency, or any statewide elected official.

(2) ~~Represents on a regular basis~~ Is a designated representative of an organization which has as one of its purposes the encouragement of the passage, defeat, approval, veto, or modification of legislation or regulation, or the influencing of a decision of the members of, a rule, or an executive order before the general assembly, a state agency, or any statewide elected official.

(3) ~~Is~~ Represents the position of a federal, state, or local government ~~official or employee who represents the official position of the official or employee's~~ agency and who encourages, in which the person serves or is employed as the designated representative, for purposes of encouraging the passage, defeat, approval, veto, or modification of legislation, or regulation, or the influencing of decision of the a rule, or an executive order by members of the general assembly, a state agency, or the office of the governor any statewide elected official.

(4) Makes expenditures of more than one thousand dollars in a calendar year, other than to pay compensation to an individual who provides the services specified under

subparagraph (1) or to communicate with only the members of the general assembly who represent the district in which the individual resides, to communicate in person with members of the general assembly, a state agency, or any statewide elected official for purposes of encouraging the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order.

b. "Lobbyist" does not mean:

(1) Officials and employees of a political party organized in the state of Iowa representing more than two percent of the total votes cast for governor in the last preceding general election, but only when representing the political party in an official capacity.

(2) Representatives of the news media only when engaged in the reporting and dissemination of news and editorials.

(3) ~~The governor and lieutenant governor of the state of Iowa, all other statewide~~ All federal, state, and local elected officials, and ~~elected federal officials while~~ performing the duties and responsibilities of office.

(4) Persons whose activities are limited to formal appearances to give testimony or provide information or assistance at public sessions of committees of the general assembly or at public hearings of state agencies and whose appearances ~~as a result of testifying, are recorded in the records of the committee or agency or who are giving testimony or providing information or assistance at the request of~~ public officials or employees.

(5) ~~A person who appears or communicates as a lawyer licensed to practice law in this state representing a client before any agency or in a contested case proceeding under chapter 17A;~~

(6) Members of legislative the staff of the United States congress or the Iowa general assembly.

(7) (6) Agency officials and employees who influence the decisions of while they are engaged in activities within the agency in which they serve or are employed or with another agency with which the official's or employee's agency is involved in a collaborative project.

(7) An individual who is a member, director, trustee, officer, or committee member of a business, trade, labor, farm, professional, religious, education, or charitable association, foundation, or organization who either is not paid compensation or is not specifically designated as provided in paragraph "a", subparagraph (1) or (2).

(g) Persons whose activities are limited to submitting data, views, or arguments in writing, or requesting an opportunity to make an oral presentation under section 17A.4, subsection 1.

¶ 13. "Local employee" means a person employed by a political subdivision of this state.

¶ 14. "Local official" means an officeholder of a political subdivision of this state.

¶ 15. "Member of the general assembly" means an individual duly elected to the senate or the house of representatives of the state of Iowa.

¶ 16. ~~"Official" means an officer of the state of Iowa receiving a salary or per diem whether elected or appointed or whether serving full-time or part-time but does not include officers or employees of political subdivisions of the state; "official" includes but is not limited to supervisory personnel; members and employees of the governor's office; members of other statewide elected offices; and members of state agencies and all statewide elected officials, the executive or administrative head or heads of an agency of state government, the deputy executive or administrative head or heads of an agency of state government, members of boards or commissions as defined under section 7E.4, and heads of the major subunits of departments or independent state agencies whose positions involve a substantial exercise of administrative discretion or the expenditure of public funds as defined under rules of the board adopted in consultation with the department or agency and pursuant to chapter 17A. "Official" does not include officers or employees of political subdivisions of the state, members of the general assembly, legislative employees, or officers or employees of the~~

judicial branch of government who are not members or employees of the office of attorney general, members of state government entities which are or exercise the same type of authority that is exercised by councils or committees as defined under section 7E.4, or members of any agricultural commodity promotional board, if the board is subject to a producer referendum.

¶ 17. "Person" means, without limitation, any individual, corporation, business trust, estate, trust, partnership or association, labor union, or any other legal entity.

¶ 18. "Public disclosure" means a written report filed by a person as required by this chapter or required by rules adopted and issued pursuant to this chapter.

¶ 19. "Public employee" means state employees, legislative employees, and local employees.

¶ 20. "Public office" means any state, county, city, or school office or any other office of a political subdivision of the state that is filled by election.

¶ 21. "Public official" means officials, local officials, and members of the general assembly.

¶ 22. "Regulatory agency" means the department of agriculture and land stewardship, department of employment services, department of commerce, Iowa department of public health, department of public safety, department of education, state board of regents, department of human services, department of revenue and finance, department of inspections and appeals, department of personnel, public employment relations board, state department of transportation, civil rights commission, department of public defense, and department of natural resources.

23. "Restricted donor" means a person who is in any of the following categories:

a. is or is seeking to be a party to any one or any combination of sales, purchases, leases, or contracts to, from, or with the agency in which the donee holds office or is employed.

b. Will personally be, or is the agent of a person who will be, directly and substantially affected financially by the performance or nonperformance of the donee's official duty in a way that is greater than the effect on the public generally or on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region.

c. Is personally, or is the agent of a person who is, the subject of or party to a matter which is pending before a subunit of a regulatory agency and over which the donee has discretionary authority as part of the donee's official duties or employment within the regulatory agency subunit.

d. Is a lobbyist or a client of a lobbyist with respect to matters within the donee's jurisdiction.

24. "State employee" means a person who is not an official and is a paid employee of the state of Iowa and does not include an independent contractor, an employee of the judicial department who is not an employee of the office of attorney general, a legislative employee, or an employee of a political subdivision of the state, or an employee of any agricultural commodity promotional board, if the board is subject to a producer referendum. "State-employee" includes but is not limited to all clerical personnel.

25. "Statewide elected official" means the governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, secretary of agriculture, and attorney general of the state of Iowa.

Sec. 2. NEW SECTION. 68B.2A CONFLICTS OF INTEREST.

1. Any person who serves or is employed by the state or a political subdivision of the state shall not engage in any outside employment or activity which is in conflict with the person's official duties and responsibilities. In determining whether particular outside employment or activity creates an unacceptable conflict of interest, situations in which an unacceptable conflict shall be deemed to exist shall include, but not to be limited to, any of the following:

a. The outside employment or activity involves the use of the state's or the political subdivision's time, facilities, equipment, and supplies or the use of the state or political subdivision badge, uniform, business card, or other evidences of office or employment to give the person or member of the person's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the general public. This paragraph does not apply to off-duty peace officers who provide private duty security or fire fighters or basic or advanced emergency medical care providers certified under chapter 147 or 147A who provide private duty fire safety or emergency medical services while carrying their badge or wearing their official uniform, provided that the person has secured the prior approval of the agency or political subdivision in which the person is regularly employed to engage in the activity. For purposes of this subsection, a person is not "similarly situated" merely by being or being related to a person who serves or is employed by the state or a political subdivision of the state.

b. The outside employment or activity involves the receipt of, promise of, or acceptance of money or other consideration by the person, or a member of the person's immediate family, from anyone other than the state or the political subdivision for the performance of any act that the person would be required or expected to perform as a part of the person's regular duties or during the hours during which the person performs service or work for the state or political subdivision of the state.

c. The outside employment or activity is subject to the official control, inspection, review, audit, or enforcement authority of the person, during the performance of the person's duties of office or employment.

2. If the outside employment or activity is employment or activity described in subsection 1, paragraph "a" or "b", the person shall immediately cease the employment or activity. If the outside employment or activity is employment or activity described in subsection 1, paragraph "c", or constitutes any

other unacceptable conflict of interest, unless otherwise provided by law, the person shall take one of the following courses of action:

- a. Cease the outside employment or activity.
- b. Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. For purposes of this paragraph, "official action" or "official duty" includes, but is not limited to, participating in any vote, taking affirmative action to influence any vote, granting any license or permit, determining the facts or law in a contested case or rule making proceeding, conducting any inspection, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity.
3. Unless otherwise specifically provided the requirements of this section shall be in addition to, and shall not supersede, any other rights or remedies provided by law.

Sec. 3. Section 68B.3, subsection 1, Code 1993, is amended to read as follows:

1. An official, a state employee, a member of the general assembly, or a legislative employee shall not sell, in any one occurrence, any goods or services having a value in excess of five-hundred two thousand dollars to any state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding. This subsection shall not apply to the publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated pursuant to law for the publication of legal propositions or notices and for which rates are fixed pursuant to law. This subsection shall also not apply to sales of services by persons subject to the requirements of this section to state executive branch agencies or subunits of departments or independent agencies as defined under section 7E.4 that are not the subunit of the department or independent agency in which the person serves or is employed or are not a

subunit of a department or independent agency with which the person has substantial and regular contact as part of the person's duties.

For purposes of this section, "services" does not include instruction at an accredited education institution if the person providing the instruction meets the minimum education and licensing requirements established for teachers and instructors at the education institution.

Sec. 4. Section 68B.5A, Code 1993, is amended to read as follows:

68B.5A TWO-YEAR BAN ON CERTAIN LOBBYING ACTIVITIES AFTER SERVICE.

1. A person who serves as a statewide elected official, the executive or administrative head of an agency of state government, the deputy executive or administrative head of an agency of state government, or a member of the general assembly shall not act as a lobbyist during the time in which the person serves or is employed by the state unless the person is designated, by the agency in which the person serves or is employed, to represent the official position of the agency.

1A. The head of a major subunit of a department or independent state agency, full-time employee of an office of a statewide elected official, or a legislative employee, whose position involves a substantial exercise of administrative discretion or the expenditure of public funds, shall not, during the time in which the person serves or is employed by the state, act as a lobbyist before the agency in which the person is employed or before state agencies, officials, or employees with whom the person has substantial or regular contact as part of the person's duties, unless the person is designated, by the agency in which the person serves or is employed, to represent the official position of the agency.

1B. A state or legislative employee, who is not subject to the requirements of subsection 1A shall not act as a lobbyist in relation to any particular case, proceeding, or application with respect to which the person is directly concerned and

personally participates as part of the person's employment, unless the person is designated, by the agency in which the person is employed, to represent the official position of the agency.

2. A person who has served as an officer, state employee, member of the general assembly, or legislative employee who is subject to the requirements of subsection 1 shall not within two years after the termination of service or employment become a lobbyist.

3. The head of a major subunit of a department or independent state agency, full-time employee of an office of a statewide elected official, or a legislative employee whose position involves a substantial exercise of administrative discretion or the expenditure of public funds, shall not, within two years after termination of employment, become a lobbyist before the agency in which the person was employed or before state agencies or officials or employees with whom the person had substantial and regular contact as part of the person's former duties.

3A. A state or legislative employee, who is not subject to the requirements of subsection 1A shall not, within two years after termination of employment, act as a lobbyist in relation to any particular case, proceeding, or application with respect to which the person was directly concerned and personally participated as part of the person's employment.

4. This section shall not apply to a person who is a former official, state employee, member of the general assembly, or legislative employee who, within two years of leaving service or employment with the state, is elected to, appointed to, or employed by another office of the state, or to an office of a political subdivision of the state, or the federal government and appears or communicates on behalf or as part of the duties of that office or employment.

Sec. 5. Section 68B.6, Code 1993, is amended to read as follows:

68B.6 SERVICES AGAINST STATE PROHIBITED.

1. No-official: All statewide elected officials, the executive or administrative head or heads of an agency of state government, the deputy executive or administrative head or heads of an agency of state government, the heads of the major subunits of departments or independent state agencies whose positions involve a substantial exercise of administrative discretion or the expenditure of public funds as defined under rules of the board, in consultation with the department or agency, under chapter 17A, state employee employees, or legislative employee employees shall not receive, directly or indirectly, or enter into any express or implied agreement for, express or implied, for any compensation, in whatever form, for the appearance or rendition of services by that person or another against the interest of the state in relation to any case, proceeding, application, or other matter before any state agency, any court of the state of Iowa, any federal court, or any federal bureau, agency, commission or department.

2. A person who is an official, but who is not subject to the requirements of subsection 1, shall not receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation, in whatever form, for the appearance or rendition of services by that person or another against the interest of the state in relation to any case, proceeding, application, or other matter before the subunit of a department or independent agency in which the person serves, is employed, or with which the person has substantial and regular contact as part of the person's duties.

Sec. 6. Section 68B.22, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

68B.22 GIFTS ACCEPTED OR RECEIVED.

1. Except as otherwise provided in this section, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor. A public official, public employee, candidate, or the person's immediate family member shall not

solicit any gift or series of gifts from a restricted donor at any time.

2. Except as otherwise provided in this section, a restricted donor shall not, directly or indirectly, offer or make a gift or a series of gifts to a public official, public employee, or candidate. Except as otherwise provided in this section, a restricted donor shall not, directly or indirectly, join with one or more other restricted donors to offer or make a gift or a series of gifts to a public official, public employee, or candidate.

3. A restricted donor may give, and a public official, public employee, or candidate, or the person's immediate family member, may accept an otherwise prohibited nonmonetary gift or a series of otherwise prohibited nonmonetary gifts and not be in violation of this section if the nonmonetary gift or series of nonmonetary gifts is donated within thirty days to a public body, the department of general services, or a bona fide educational or charitable organization, if no part of the net earnings of the educational or charitable organization inures to the benefit of any private stockholder or other individual. All such items donated to the department of general services shall be disposed of by assignment to state agencies for official use or by public sale.

4. Notwithstanding subsections 1 and 2, the following gifts may be received by public officials, public employees, candidates, or members of the immediate family of public officials, public employees, or candidates:

- a. Contributions to a candidate or a candidate's committee.
- b. Informational material relevant to a public official's or public employee's official functions, such as books, pamphlets, reports, documents, periodicals, or other information that is recorded in a written, audio, or visual format.
- c. Anything received from anyone related within the fourth degree by kinship or marriage, unless the donor is acting as an agent or intermediary for another person not so related.
- d. An inheritance.

e. Anything available or distributed free of charge to members of the general public without regard to the official status of the recipient.

f. Items received from a bona fide charitable, professional, educational, or business organization to which the donee belongs as a dues paying member, if the items are given to all members of the organization without regard to individual members' status or positions held outside of the organization and if the dues paid are not inconsequential when compared to the items received.

g. Actual expenses of a donee for food, beverages, registration, travel, and lodging for a meeting, which is given in return for participation in a panel or speaking engagement at the meeting when the expenses relate directly to the day or days on which the donee has participation or presentation responsibilities.

h. Plaques or items of negligible resale value which are given as recognition for the public services of the recipient.

i. Nonmonetary items with a value of three dollars or less that are received from any one donor during one calendar day.

j. Items or services solicited by or given to, for purposes of a business or educational conference, seminar, or other meeting, a state, national, or regional government organization in which the state of Iowa or a political subdivision of the state is a member, or solicited by or given for the same purposes to state, national, or regional government organizations whose memberships and officers are primarily composed of state or local government officials or employees.

k. Items or services received by members or representatives of members at a regularly scheduled event that is part of a business or educational conference, seminar, or other meeting that is sponsored and directed by any state, national, or regional government organization in which the state of Iowa or a political subdivision of the state is a member, or received at such an event by members or representatives of members of state, national, or regional

government organizations whose memberships and officers are primarily composed of state or local government officials or employees.

l. Funeral flowers or memorials to a church or nonprofit organization.

m. Gifts which are given to a public official or public employee for the public official's or public employee's wedding or twenty-fifth or fiftieth wedding anniversary.

n. Payment of salary or expenses by a person's employer or the firm in which the person is a member for the cost of attending a meeting of a subunit of an agency when the person whose expenses are being paid serves on a board, commission, committee, council, or other subunit of the agency and the person is not entitled to receive compensation or reimbursement of expenses from the state or a political subdivision of the state for attending the meeting.

o. Gifts of food, beverages, travel, or lodging received by a public official or public employee if all of the following apply:

(1) The public official or public employee is officially representing an agency in a delegation whose sole purpose is to attract a specific new business to locate in the state, encourage expansion or retention of an existing business already established in the state, or to develop markets for Iowa businesses or products.

(2) The donor of the gift is not the business or businesses being contacted. However, food or beverages provided by the business or businesses being contacted which are consumed during the meeting are not a gift under section 68B.2, subsection 8, or this section.

(3) The public official or public employee plays a significant role in the presentation to the business or businesses on behalf of the public official's or public employee's agency.

p. Gifts other than food, beverages, travel, and lodging received by a public official or public employee which are received from a person who is a citizen of a country other

than the United States and is given during a ceremonial presentation or as a result of a custom of the other country and is of personal value only to the donee.

5. For purposes of determining the value of an item given or received, an individual who gives an item on behalf of more than one person shall not divide the value of the item by the number of persons on whose behalf the item is given and the value of an item received shall be the value actually received by the donee.

6. A gift shall not be considered to be received by a public official or public employee if the state is the donee of the gift and the public official or public employee is required to receive the gift on behalf of the state as part of the performance of the person's duties of office or employment.

7. A person shall not request, and a member of the general assembly shall not agree, that a member of the general assembly sell tickets for a community related social event that is to be held for members of the general assembly in Polk county during the legislative session. This section shall not apply to Polk county or city of Des Moines events that are open to the public generally or are held only for Polk county or city of Des Moines legislators.

8. An organization or association which has as one of its purposes the encouragement of the passage, defeat, introduction, or modification of legislation shall not give and a member of the general assembly shall not receive food, beverages, registration, or scheduled entertainment with a per person value in excess of three dollars.

Sec. 7. Section 68B.23, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

68B.23 HONORARIA -- BANNED.

1. Except as provided in subsection 2, a public official or public employee shall not seek or accept an honorarium from a restricted donor.

2. A public official or public employee may accept an honorarium from any person under the following circumstances:

a. The honorarium consists of payment of actual expenses of a donee for registration, food, beverages, travel, and lodging paid in return for participation in a panel or speaking engagement at a meeting when the expenses relate directly to the day or days on which the recipient has participation or presentation responsibilities.

b. The honorarium consists of a nonmonetary item or series of nonmonetary items that the public official or public employee donates within thirty days to a public body, a bona fide educational or charitable organization, or the department of general services as provided in section 68B.22, subsection 3.

c. The honorarium consists of a payment made to a public official or public employee for services rendered as part of a bona fide private business, trade, or profession in which the public official or public employee is engaged if the payment is commensurate with the actual services rendered and is not being made because of the person's status as a public official or public employee, but, rather, because of some special expertise or other qualification.

Sec. 8. Section 68B.24, Code 1993, is amended to read as follows:

68B.24 LOANS -- RECEIPT FROM LOBBYISTS PROHIBITED.

1. An official, member of the general assembly, state employee, legislative employee, or candidate for state office shall not, directly or indirectly, seek or accept a loan or series of loans from a person who is a lobbyist.

2. A lobbyist shall not, directly or indirectly, offer or make a loan or series of loans to an official, member of the general assembly, state employee, legislative employee, or candidate for state office. A lobbyist shall also not, directly or indirectly, join with one or more persons to offer or make a loan or series of loans to an official, member of the general assembly, state employee, legislative employee, or candidate for state office.

3. This section shall not apply to loans made in the ordinary course of business. For purposes of this section, a

loan is "made in the ordinary course of business" when it is made by a person who is regularly engaged in a business that makes loans to members of the general public and the finance charges and other terms of the loan are the same or substantially similar to the finance charges and loan terms that are available to members of the general public.

Sec. 9. Section 68B.25, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

68B.25 ADDITIONAL PENALTY.

In addition to any penalty contained in any other provision of law, a person who knowingly and intentionally violates a provision of sections 68B.2A through 68B.7, sections 68B.22 through 68B.24, or sections 68B.35 through 68B.38 is guilty of a serious misdemeanor and may be reprimanded, suspended, or dismissed from the person's position or otherwise sanctioned.

Sec. 10. Section 68B.26, Code 1993, is amended to read as follows:

68B.26 ACTIONS COMMENCED.

Actions against public officials or public employees to enforce the provisions of this chapter may be commenced by the filing of a complaint with the county attorney by any legal resident of the state of Iowa who is eighteen years of age or more at the time of commencing the action or by the attorney general. Complaints regarding conduct of local officials or local employees which violates this chapter shall be filed with the county attorney in the county where the accused resides.

Sec. 11. Section 68B.31, subsection 4, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The ethics committee may employ independent legal counsel to assist the committee in carrying out the committee's duties under this chapter. Payment of costs for the independent legal counsel shall be made from funds appropriated pursuant to section 2.12.

Sec. 12. Section 68B.31, subsections 6, 8, and 9, Code 1993, are amended to read as follows:

6. The ethics committee shall promptly notify any party alleged to have committed a violation of the code of ethics, rules governing lobbyists, or this chapter of the filing of a complaint by causing a copy of the complaint to be served or personally delivered to the party charged, unless service is waived by the party charged, and shall review a the complaint to determine if the complaint meets the requirements for formal sufficiency. If the complaint is deficient as to form, the complaint shall be returned to the complainant with a statement of the nature of the deficiency and the party charged in the complaint shall be notified that the complaint has been returned. If a complaint, previously found to be deficient as to form, is refiled in different form, the party charged in the complaint shall be provided with a copy of the new document in the same manner as provided for service of the initial complaint. Any amendments to a complaint that are filed with the committee shall also be served or personally delivered, unless service is waived, to the party charged in the complaint. If the complaint is sufficient as to form, the ethics committee shall review the complaint to determine whether the complaint states a valid charge which may be investigated. A valid complaint must allege all of the following:

a. Facts, that if true, establish a violation of a provision of this chapter, the rules governing lobbyists, or the code of ethics for which penalties or other remedies are provided.

b. That the conduct providing the basis for the complaint occurred within three years of the filing of the complaint.

c. That the party charged with a violation is a party subject to the jurisdiction of the ethics committee.

8. If a hearing on the complaint is ordered the ethics committee shall receive all admissible evidence, determine any factual or legal issues presented during the hearing, and make findings of fact based upon evidence received. Hearings shall be conducted in the manner prescribed in section 17A.12. The rules of evidence applicable under section 17A.14 shall also

apply in hearings before the ethics committee. A ~~preponderance-of-clear~~ Clear and convincing evidence shall be required to support a finding that the member of the general assembly or lobbyist before the general assembly has committed a violation of this chapter. Parties to a complaint may, subject to the approval of the ethics committee, negotiate for settlement of disputes that are before the ethics committee. Terms of any negotiated settlements shall be publicly recorded. If a complaint is filed or initiated less than ninety days before the election for a state office, for which the person named in the complaint is the incumbent officeholder, the ethics committee shall, if possible, set the hearing at the earliest available date so as to allow the issue to be resolved before the election. An extension of time for a hearing may be granted when both parties mutually agree on an alternate date for the hearing. The ethics committee shall make every effort to hear all ethics complaints within three months of the date that the complaints are filed. However, after three months from the date of the filing of the complaint, extensions of time for purposes of preparing for hearing may only be granted by the ethics committee when the party charged in the complaint with the ethics violation consents to an extension. If the party charged does not consent to an extension, the ethics committee shall not grant any extensions of time for preparation prior to hearing. All complaints alleging a violation of this chapter or the code of ethics shall be heard within nine months of the filing of the complaint. Final dispositions of violations, which the ethics committee have found to have been established by ~~a-preponderance-of~~ clear and convincing evidence, shall be made within thirty days of the conclusion of the hearing on the complaint.

9. The ethics committee of each house shall maintain recommend rules for adoption by the respective house relating to the confidentiality of a complaint unless either the complainant or the alleged violator publicly discloses or information which has been filed or provided to the committee.

Rules adopted shall provide for initial confidentiality of a complaint, unless the complaint has been publicly disclosed, and shall permit the ethics committee to treat some or all of the contents of a complaint or other information as confidential if the committee finds that the criteria established under section 22.7, subsection 18, for keeping certain information confidential, are met. If the existence of a complaint or a preliminary investigation--The is made public, the ethics committee, upon such a disclosure by the complainant or the alleged violator, may shall publicly confirm the existence of the complaint or preliminary inquiry and, in the ethics committee's discretion, make public the complaint or investigation and any documents which were issued to either any party to the complaint or investigation. However, this subsection shall not prevent the committee from furnishing the complaint or other information to the appropriate law enforcement authorities at any time. Upon commencement of a hearing on a complaint, all investigative material shall be made available to the subject of the hearing and any material that is introduced at the hearing shall be public information.

Sec. 13. Section 68B.31, subsection 11, Code 1991, is amended to read as follows:

11. Violation of a provision of this chapter or rules adopted relating to ethical conduct may result in censure, reprimand, or other sanctions as determined by a majority of the member's house. However, a member may be suspended or expelled and the member's salary forfeited only if directed by a two-thirds vote of the member's house. A suspension, expulsion, or forfeiture of salary shall be for the duration specified in the directing resolution. ~~However, it shall not extend beyond the end of the general assembly during which the violation occurred.~~ Violation of a rule relating to lobbyists and lobbying activities may result in censure, reprimand, or other sanctions as determined by a majority of the members of the house in which the violation occurred. However, a lobbyist may be suspended from lobbying activities for the

duration provided in the directing resolution only if directed by a two-thirds vote of the house in which the violation occurred.

Sec. 14. Section 68B.32, Code 1991, is amended by striking the section and inserting in lieu thereof the following:

68B.32 INDEPENDENT ETHICS AND CAMPAIGN DISCLOSURE BOARD -- ESTABLISHED.

1. An Iowa ethics and campaign disclosure board is established as an independent agency. Effective January 1, 1994, the board shall administer this chapter and set standards for, investigate complaints relating to, and monitor the ethics of officials, employees, lobbyists, and candidates for office in the executive branch of state government. The board shall also administer and set standards for, investigate complaints relating to, and monitor the campaign finance practices of candidates for public office. The board shall consist of six members and shall be balanced as to political affiliation as provided in section 69.16. The members shall be appointed by the governor, subject to confirmation by the senate.

2. Members shall serve staggered six-year terms beginning and ending as provided in section 69.19. Any vacancy on the board shall be filled by appointment for the unexpired portion of the term, within ninety days of the vacancy and in accordance with the procedures for regular appointments. A member of the board may be reappointed to serve additional terms on the board. Members may be removed in the manner provided in chapter 69.

3. The board shall annually elect one member to serve as the chairperson of the board and one member to serve as vice chairperson. The vice chairperson shall act as the chairperson in the absence or disability of the chairperson or in the event of a vacancy in that office.

4. Members of the board shall receive a per diem as specified in section 7E.6 while conducting business of the board, and payment of actual and necessary expenses incurred in the performance of their duties. Members of the board

shall file statements of financial interest under section 68B.35.

5. The board shall employ a full-time executive secretary who shall be the board's chief administrative officer. The board shall employ or contract for the employment of legal counsel notwithstanding section 13.7, and any other personnel as may be necessary to carry out the duties of the board. The board's legal counsel shall be the chief legal officer of the board, and shall advise the board on all legal matters relating to the administration of this chapter and chapter 56. The state may be represented by the board's legal counsel in any civil action regarding the enforcement of this chapter or chapter 56, or, at the board's request, the state may be represented by the office of the attorney general. Notwithstanding section 19A.3, all of the board's employees, except for the executive secretary and legal counsel, shall be employed subject to the merit system provisions of chapter 19A.

Sec. 15. NEW SECTION. 68B.32A DUTIES OF THE BOARD.

The duties of the board shall include, but are not limited to, all of the following:

1. Adopt rules pursuant to chapter 17A and conduct hearings under sections 68B.32B and 68B.32C and chapter 17A, as necessary to carry out the purposes of this chapter and chapter 56.
2. Develop, prescribe, furnish, and distribute any forms necessary for the implementation of the procedures contained in this chapter and chapter 56 for the filing of reports and statements by persons required to file the reports and statements under this chapter and chapter 56.
3. Review the contents of all campaign finance disclosure reports and statements filed with the board and promptly advise each person or committee of errors found. The board may verify information contained in the reports with other parties to assure accurate disclosure. The board may also verify information by requesting that a candidate or committee produce copies of receipts, bills, logbooks, or other

memoranda of reimbursements of expenses to a candidate for expenses incurred during a campaign. The board, upon its own motion, may initiate action and conduct a hearing relating to requirements under chapter 56. The board may require a county commissioner of elections to periodically file summary reports with the board.

4. Receive and file registration and reporting from lobbyists of the executive branch of state government, client disclosure from clients of lobbyists of the executive branch of state government, and personal financial disclosure information from officials and employees in the executive branch of state government who are required to file personal financial disclosure information under this chapter. The board, upon its own motion, may initiate action and conduct a hearing relating to reporting requirements under this chapter.

5. Prepare and publish a manual setting forth examples of approved uniform systems of accounts and approved methods of disclosure for use by persons required to file statements and reports under this chapter and chapter 56. The board shall also prepare and publish other educational materials, and any other reports or materials deemed appropriate by the board. The board shall annually provide all officials and state employees with notification of the contents of this chapter and chapter 56 by distributing copies of educational materials to associations that represent the interests of the various governmental entities for dissemination to their membership.

6. Assure that the statements and reports which have been filed in accordance with this chapter and chapter 56 are available for public inspection and copying during the regular office hours of the office in which they are filed and not later than by the end of the day during which a report or statement was received. Rules adopted relating to public inspection and copying of statements and reports may include a charge for any copying and mailing of the reports and statements, shall provide for the mailing of copies upon the request of any person and upon prior receipt of payment of the costs by the board, and shall prohibit the use of the

information copied from reports and statements for soliciting contributions or for any commercial purpose by any person other than statutory political committees.

7. Require that the candidate of a candidate's committee, or the chairperson of a political committee, is responsible for filing disclosure reports under chapter 56, and shall receive notice from the board if the committee has failed to file a disclosure report at the time required under chapter 56. A candidate of a candidate's committee, or the chairperson of a political committee may be subject to a civil penalty for failure to file a disclosure report required under section 56.6, subsection 1.

8. Establish and impose penalties, and recommendations for punishment of persons who are subject to penalties of or punishment by the board or by other bodies, for the failure to comply with the requirements of this chapter or chapter 56.

9. Determine, in case of dispute, at what time a person has become a candidate.

10. Preserve copies of reports and statements filed with the board for a period of five years from the date of receipt.

11. Establish a procedure for requesting and issuing formal and informal board opinions to local officials and employees and to persons subject to the authority of the board under this chapter or chapter 56. Advice contained in formal board opinions shall, if followed, constitute a defense to a complaint filed with the board alleging a violation of this chapter, chapter 56, or rules of the board that is based on the same facts and circumstances.

12. Establish rules relating to ethical conduct for persons holding a state office in the executive branch of state government, including candidates, and for employees of the executive branch of state government and regulations governing the conduct of lobbyists of the executive branch of state government, including but not limited to conflicts of interest, abuse of office, misuse of public property, use of confidential information, participation in matters in which an official or state employee, has a financial interest, and rejection of improper offers.

13. Impose penalties upon, or refer matters relating to, persons who discharge any employee, or who otherwise discriminate in employment against any employee, for the filing of a complaint with, or the disclosure of information to, the board if the employee has filed the complaint or made the disclosure in good faith.

14. Establish fees, where necessary, to cover the costs associated with preparing, printing, and distributing materials to persons subject to the authority of the board.

Sec. 16. NEW SECTION. 68B.32B COMPLAINT PROCEDURES.

1. Any person may file a complaint alleging that a candidate, committee, person holding a state office in the executive branch of state government, employee of the executive branch of state government, or other person has committed a violation of this chapter or chapter 56 or rules adopted by the board. The board shall prescribe and provide forms for this purpose. A complaint must include the name and address of the complainant, a statement of the facts believed to be true that form the basis of the complaint, including the sources of information and approximate dates of the acts alleged, and a certification by the complainant under penalty of perjury that the facts stated to be true are true to the best of the complainant's knowledge.

2. The board staff shall review the complaint to determine if the complaint is sufficient as to form. If the complaint is deficient as to form, the complaint shall be returned to the complainant with a statement of the deficiency and an explanation describing how the deficiency may be cured. If the complaint is sufficient as to form, the complaint shall be referred for legal review.

3. Unless the chairperson of the board concludes that immediate notification would prejudice a preliminary investigation or subject the complainant to an unreasonable risk, the board shall mail a copy of the complaint to the subject of the complaint within three working days of the acceptance of the complaint. If a determination is made by the chairperson not to mail a copy of the complaint to the

subject of the complaint within the three working days time period, the board shall approve and establish the time and conditions under which the subject will be informed of the filing and contents of the complaint.

4. Upon completion of legal review, the chairperson of the board shall be advised whether, in the opinion of the legal advisor, the complaint states an allegation which is legally sufficient. A legally sufficient allegation must allege all of the following:

a. Facts that would establish a violation of a provision of this chapter, chapter 56, or rules adopted by the board.

b. Facts that would establish that the conduct providing the basis for the complaint occurred within three years of the complaint.

c. Facts that would establish that the subject of the complaint is a party subject to the jurisdiction of the board.

5. After receiving an evaluation of the legal sufficiency of the complaint, the chairperson shall refer the complaint to the board for a formal determination by the board of the legal sufficiency of the allegations contained in the complaint.

6. If the board determines that none of the allegations contained in the complaint are legally sufficient, the complaint shall be dismissed. The complainant shall be sent a notice of dismissal stating the reason or reasons for the dismissal. If a copy of the complaint was sent to the subject of the complaint, a copy of the notice shall be sent to the subject of the complaint. If the board determines that any allegation contained in the complaint is legally sufficient, the complaint shall be referred to the board staff for investigation of any legally sufficient allegations.

7. Notwithstanding subsections 1 through 6, the board may, on its own motion and without the filing of a complaint by another person, initiate investigations into matters that the board believes may be subject to the board's jurisdiction. This section does not preclude persons from providing information to the board for possible board-initiated investigation instead of filing a complaint.

8. The purpose of an investigation by the board's staff is to determine whether there is probable cause to believe that there has been a violation of this chapter or of rules adopted by the board. To facilitate the conduct of investigations, the board may issue and seek enforcement of subpoenas requiring the attendance and testimony of witnesses and subpoenas requiring the production of books, papers, records, and other real evidence relating to the matter under investigation. Upon the request of the board, an appropriate county attorney or the attorney general shall assist the staff of the board in its investigation.

9. If the board determines on the basis of an investigation by board staff that there is probable cause to believe the existence of facts that would establish a violation of this chapter, or of rules adopted by the board, the board may issue a statement of charges and notice of a contested case proceeding to the complainant and to the person who is the subject of the complaint, in the manner provided for the issuance of statements of charges under chapter 17A. If the board determines on the basis of an investigation by staff that there is no probable cause to believe that a violation has occurred, the board shall close the investigation, dismiss any related complaint, and the subject of the complaint shall be notified of the dismissal. If the investigation originated from a complaint filed by a person other than the board, the person making the complaint shall also be notified of the dismissal.

10. At any stage during the investigation or after the initiation of a contested case proceeding, the board may approve a settlement regarding an alleged violation. Terms of a settlement shall be reduced to writing and be available for public inspection. An informal settlement may provide for any remedy specified in section 68B.32D. However, the board shall not approve a settlement unless the board determines that the terms of the settlement are in the public interest and are consistent with the purposes of this chapter and rules of the board. In addition, the board may authorize board staff to

seek informal voluntary compliance in routine matters brought to the attention of the board or its staff.

11. A complaint shall be a public record, but some or all of the contents may be treated as confidential under section 22.7, subsection 18, to the extent necessary under subsection 3. Information informally reported to the board and board staff which results in a board-initiated investigation shall be a public record but may be treated as confidential information consistent with the provisions of section 22.7, subsection 18. If the complainant, the person who provides information to the board, or the person who is the subject of an investigation publicly discloses the existence of an investigation, the board may publicly confirm the existence of the disclosed formal complaint or investigation and, in the board's discretion, make the complaint or the informal referral public, as well as any other documents that were issued by the board to any party to the investigation. However, investigative materials may be furnished to the appropriate law enforcement authorities by the board at any time. Upon the commencement of a contested case proceeding by the board, all investigative material relating to that proceeding shall be made available to the subject of the proceeding. The entire record of any contested case proceeding initiated under this section shall be a public record.

12. Board records used to achieve voluntary compliance to resolve discrepancies and deficiencies shall not be confidential unless otherwise required by law.

Sec. 17. NEW SECTION. 68B.32C CONTESTED CASE PROCEEDINGS.

1. Contested case proceedings initiated as a result of the issuance of a statement of charges pursuant to section 68B.32B, subsection 9, shall be conducted in accordance with the requirements of chapter 17A. Clear and convincing evidence shall be required to support a finding that a person has violated this chapter or any rules adopted by the board pursuant to this chapter. A preponderance of the evidence

shall be required to support a finding that a person has violated chapter 56 or any rules adopted by the board pursuant to chapter 56. The case in support of the statement of charges shall be presented at the hearing by one of the board's attorneys or staff unless, upon the request of the board, the charges are prosecuted by another legal counsel designated by the attorney general. A person making a complaint under section 68B.32B, subsection 1, is not a party to contested case proceedings conducted relating to allegations contained in the complaint.

2. Hearings held pursuant to this chapter shall be heard by a quorum of the board, unless the board designates a board member or an administrative law judge to preside at the hearing. If a quorum of the board does not preside at the hearing, the board member or administrative law judge shall make a proposed decision. The board or presiding board member may be assisted by an administrative law judge in the conduct of the hearing and the preparation of a decision.

3. Upon a finding by the board that the party charged has violated this chapter or rules adopted by the board, the board may impose any penalty provided for by section 68B.32D. Upon a final decision of the board finding that the party charged has not violated this chapter or the rules of the board, the complaint shall be dismissed and the party charged and the original complainant, if any, shall be notified.

4. The right of an appropriate county attorney or the attorney general to commence and maintain a district court prosecution for criminal violations of the law is unaffected by any proceedings under this section.

5. The board shall adopt rules, pursuant to chapter 17A, establishing procedures to implement this section.

Sec. 18. NEW SECTION. 68B.32D PENALTIES -- RECOMMENDED ACTIONS.

1. The board, after a hearing and upon a finding that a violation of this chapter, chapter 56, or rules adopted by the board has occurred, may do one or more of the following:

- a. Issue an order requiring the violator to cease and desist from the violation found.
- b. Issue an order requiring the violator to take any remedial action deemed appropriate by the board.
- c. Issue an order requiring the violator to file any report, statement or other information as required by this chapter, chapter 56, or rules adopted by the board.
- d. Publicly reprimand the violator for violations of this chapter, chapter 56, or rules adopted by the board in writing and provide a copy of the reprimand to the violator's appointing authority.
- e. Make a written recommendation to the violator's appointing authority that the violator be removed or suspended from office, and include in the recommendation the length of the suspension.
- f. If the violation is a violation of this chapter or rules adopted by the board pursuant to this chapter and the violator is an elected official of the executive branch of state government, other than an official who can only be removed by impeachment, make a written recommendation to the attorney general or the appropriate county attorney that an action for removal from office be initiated pursuant to chapter 66.
- g. If the violation is a violation of this chapter or rules adopted by the board pursuant to this chapter and the violator is a lobbyist of the executive branch of state government, censure, reprimand, or impose other sanctions deemed appropriate by the board. A lobbyist may also be suspended from lobbying activities if the board finds that suspension is an appropriate sanction for the violation committed.
- h. Issue an order requiring the violator to pay a civil penalty of not more than two thousand dollars for each violation of this chapter, chapter 56, or rules adopted by the board.
- i. Refer the complaint and supporting information to the attorney general or appropriate county attorney with a

recommendation for prosecution or enforcement of criminal penalties.

2. At any stage during an investigation or during the board's review of routine compliance matters, the board may resolve the matter by admonishment to the alleged violator or by any other means not specified in subsection 1 as a posthearing remedy.

3. If a person fails to comply with an order of the board under subsection 1, paragraphs "a", "b", "c", or "h", the board may petition the district court having jurisdiction for an order for enforcement of the order of the board. The enforcement proceeding shall be conducted as provided in section 68B.33.

Sec. 19. Section 68B.33, Code 1993, is amended to read as follows:

68B.33 JUDICIAL REVIEW -- ENFORCEMENT.

Judicial review of the actions of the executive-council~~;~~ board may be sought in accordance with chapter 17A. Judicial enforcement of orders of the executive-council~~;~~ board may be sought in accordance with chapter 17A.

Sec. 20. Section 68B.34, Code 1993, is amended to read as follows:

68B.34 INVESTIGATION BY INDEPENDENT SPECIAL COUNSEL -- PROBABLE CAUSE.

The purpose of an investigation by the independent special counsel is to determine whether there is probable cause to proceed with an adjudicatory hearing on the matter. In conducting investigations and holding hearings, the independent special counsel may require by subpoena the attendance and testimony of witnesses and may subpoena books, papers, records, and any other real evidence relating to the matter before the independent special counsel. The independent special counsel shall have the additional authority provided in section 17A.13. If the independent special counsel determines at any stage in the proceedings that take place prior to hearing that the complaint is without merit, the independent special counsel shall report that

determination to the appropriate ethics committee or the executive council and the complaint shall be dismissed and the complainant and the party charged shall be notified. If, after investigation, the independent special counsel determines evidence exists which, if proven, would support a finding of a violation of this chapter, a finding of probable cause shall be made and reported to the ethics committee or executive council, and a hearing shall be ordered by the ethics committee as provided in section 68B.31 or by the executive council as provided in section 68B.32. Independent special counsel investigations are not meetings of a governmental body within the meaning of chapter 21, and records and information obtained by independent special counsel during investigations are confidential until disclosed to a legislative ethics committee under section 68B.31.

Sec. 21. Section 68B.35, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

68B.35 PERSONAL FINANCIAL DISCLOSURE -- CERTAIN OFFICIALS, MEMBERS OF THE GENERAL ASSEMBLY, AND CANDIDATES.

1. The persons specified in subsection 2, shall file a financial statement at times and in the manner provided in this section that contains all of the following:

a. A list of each business, occupation, or profession in which the person is engaged and the nature of that business, occupation, or profession, unless already apparent.

b. A list of any other sources of income if the source produces more than one thousand dollars annually in gross income. Such sources of income listed pursuant to this paragraph may be listed under any of the following categories, or under any other categories as may be established by rule:

- (1) Securities.
- (2) Instruments of financial institutions.
- (3) Trusts.
- (4) Real estate.
- (5) Retirement systems.
- (6) Other income categories specified in state and federal income tax regulations.

2. The financial statement required by this section shall be filed by the following persons:

- a. Any statewide elected official.
- b. The executive or administrative head or heads of any agency of state government.
- c. The deputy executive or administrative head or heads of an agency of state government.
- d. The head of a major subunit of a department or independent state agency whose position involves a substantial exercise of administrative discretion or the expenditure of public funds as defined under rules adopted by the board, pursuant to chapter 17A, in consultation with the department or agency.

e. Members of the banking board, the ethics and campaign disclosure board, the credit union review board, the economic development board, the employment appeal board, the environmental protection commission, the health facilities council, the Iowa business investment corporation board of directors, the Iowa finance authority, the Iowa product development corporation, the Iowa public employees' retirement system investment board, the lottery board, the natural resource commission, the board of parole, the petroleum underground storage tank fund board, the public employment relations board, the state racing and gaming commission, the state board of regents, the tax review board, the transportation commission, the office of consumer advocate, the utilities board, and any full-time members of other boards and commissions as defined under section 7E.4 who receive an annual salary for their service on the board or commission.

- f. Members of the general assembly.
- g. Candidates for state office.
- h. Legislative employees who are the head or deputy head of a legislative agency or whose position involves a substantial exercise of administrative discretion or the expenditure of public funds.

3. The board in consultation with each executive department or independent agency, shall adopt rules pursuant

to chapter 17A to implement the requirements of this section that provide for the time and manner for the filing of financial statements by persons in the department or independent agency.

4. The ethics committee of each house of the general assembly shall recommend rules for adoption by each house for the time and manner for the filing of financial statements by members or employees of the particular house. The legislative council shall adopt rules for the time and manner for the filing of financial statements by legislative employees of the central legislative staff agencies. The rules shall provide for the filing of the financial statements with either the chief clerk of the house, the secretary of the senate, or other appropriate person or body.

5. A candidate for statewide office shall file a financial statement with the ethics and campaign disclosure board, a candidate for the office of state representative shall file a financial statement with the chief clerk of the house of representatives, and a candidate for the office of state senator shall file a financial statement with the secretary of the senate concerning the year preceding the year in which the election is to be held and concerning so much of the year in which the election is to be held as has elapsed by the date specified in section 43.11 for the filing of nomination papers for state office. The statement shall be filed no later than thirty days after the date on which a person is required to file nomination papers for state office under section 43.11. The ethics and campaign disclosure board shall adopt rules pursuant to chapter 17A providing for the filing of the financial statements with the board and for the deposit, retention, and availability of the financial statements. The ethics committees of the house of representatives and the senate shall recommend rules for adoption by the respective house providing for the filing of the financial statements with the chief clerk of the house or the secretary of the senate and for the deposit, retention, and availability of the financial statements.

Sec. 22. NEW SECTION. 68B.35B PERSONAL FINANCIAL DISCLOSURE STATEMENTS OF STATE OFFICIALS AND EMPLOYEES.

Personal financial disclosure statements filed with the board, chief clerk of the house, and the secretary of the senate shall be forwarded to the secretary of state for the recording of the information through electronic means. The board and the general assembly shall execute agreements with the secretary of state which provide for public access to and copying of the information, and include a site in the board offices for public viewing and copying of information, contained in personal financial disclosure statements filed with the board, the chief clerk of the house, and the secretary of the senate.

Sec. 23. Section 68B.36, subsections 1 and 3, Code 1993, are amended to read as follows:

1. All lobbyists shall, on or before the day their lobbying activity begins, register by filing a lobbyist's registration statement at times and in the manner provided in this section. Lobbyists engaged in lobbying activities before the general assembly shall file the statement with the chief clerk of the house of representatives or the secretary of the senate. Lobbyists engaged in lobbying activities before the office of the governor or any state agency shall file the statement with the ~~executive-council-or-with-the-agency-before which-the-lobbyist-is-engaged-in-lobbying-activities~~ board. The chief clerk of the house and the secretary of the senate shall provide appropriate registration forms to lobbyists before the general assembly. The ~~executive-council~~ board shall prescribe appropriate registration forms for lobbyists before the office of the governor and state agencies. ~~Persons receiving-registration-statement-filings-from-lobbyists-in-the office-of-the-governor-and-state-agencies-shall-forward-a-copy of-the-statements-to-the-executive-council.~~

3. For persons registered to lobby before the general assembly, registration expires upon the commencement of the next regular session of the general assembly, except that the chief clerk of the house and the secretary of the senate may

adopt and implement a reasonable preregistration procedure in advance of each regular session during which persons may register for that session and the following legislative interim. For persons registered to lobby before the office of the governor or a state agency, registration expires upon the commencement of a new calendar year. The executive-council board may adopt and implement a reasonable preregistration procedure in advance of each new calendar year during which persons may register for that year.

Sec. 24. Section 68B.37, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

68B.37 LOBBYIST REPORTING.

1. A lobbyist before the general assembly shall file with the general assembly, on forms prescribed by each house of the general assembly, a report disclosing all of the following:

- a. The lobbyist's clients.
- b. Campaign contributions made by the lobbyist during calendar months during the reporting period when the general assembly is not in session.
- c. The recipient of the campaign contributions.
- d. Expenditures made by the lobbyist for the purposes of providing the services enumerated under section 68B.2, subsection 12, paragraph "a".

For purposes of this subsection, "expenditures" do not include expenditures made by any organization for publishing a newsletter or other informational release for its members.

2. A lobbyist before a state agency or the office of the governor shall file with the board, on forms prescribed by the board, a report disclosing the same items described in subsection 1.

3. The reports by lobbyists before the general assembly shall be filed not later than twenty-five days following any month in which the general assembly is in session and thereafter on or before July 31 and October 31. The monthly report filed by a lobbyist before the general assembly in January shall contain information for the preceding calendar quarter or parts thereof during which the person was engaged

in lobbying. Reports filed by lobbyists before a state agency shall be filed on or before April 30, July 31, October 31, and January 31, for the preceding calendar quarter or parts thereof during which the person was engaged in lobbying. If a person cancels the person's lobbyist registration at any time during the calendar year, the reports required by this section are due on the dates required by this section or fifteen days after cancellation, whichever is earlier. The report due January 31 shall include all reportable items for the preceding calendar year in addition to containing the quarterly reportable items. A lobbyist who cancels the person's lobbyist registration before January 1 of a year shall file a report listing all reportable items for the year in which the cancellation was filed. A lobbyist who cancels the person's lobbyist registration between January 1 and January 15 of a year shall file a report listing all reportable items for the preceding year and so much of the month of January as has expired at the time of cancellation. However, if a lobbyist is a person who is designated to represent the interest of an organization as defined in section 68B.2, subsection 12, paragraph "a", subparagraph (2), but is not paid compensation for that representation and does not expend more than one thousand dollars as provided in section 68B.2, subsection 12, paragraph "a", subparagraph (4), the lobbyist shall only be required to file the report specified in this section once annually, which shall be performed at the time of filing the person's lobbyist registration form or forms.

Sec. 25. Section 68B.38, Code 1993, is amended to read as follows:

68B.38 LOBBYIST'S CLIENT REPORTING.

1. No Beginning in 1994, no later than January 31 and July 31 of each year, unless no payments are made, a lobbyist's client shall file with the general assembly or the executive council board a report that contains information on all salaries, fees, and retainers paid by the lobbyist's client to the lobbyist for lobbying purposes during the preceding six

calendar months. Reports by lobbyists' clients shall be filed with the same entity with which the lobbyist filed the lobbyist's report and registration.

2. The report due January 31 shall include a cumulative total of all lobbying-expenditures salaries, fees, retainers, and reimbursements of expenses paid to the lobbyist for lobbying activities during the preceding calendar year. The secretary of the senate, chief clerk of the house, and the board shall develop forms to implement this section.

Sec. 26. Section 68B.39, Code 1993, is amended to read as follows:

68B.39 SUPREME COURT RULES.

The supreme court of this state shall prescribe rules by January 1, 1993, establishing a code of ethics for officials and employees of the judicial department of this state, and the immediate family members of the officials and employees. Rules prescribed under this paragraph shall include provisions relating to the receipt or acceptance of gifts and honoraria, interests in public contracts, services against the state, and financial disclosure which are substantially similar to the requirements of this chapter.

The supreme court of this state shall also prescribe rules which relate to activities by officials and employees of the judicial department which constitute conflicts of interest.

Sec. 27. Section 22.7, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 29. Records and information obtained or held by independent special counsel during the course of an investigation conducted pursuant to section 68B.34. Information that is disclosed to a legislative ethics committee subsequent to a determination of probable cause by independent special counsel and made pursuant to sections 68B.31 or 68B.32 is not a confidential record unless otherwise provided by law.

Sec. 28. Section 56.2, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. "Board" means the Iowa ethics and campaign finance board established under section 68B.32.

Sec. 29. Section 56.2, subsection 4, Code 1993, is amended to read as follows:

4. "Candidate's committee" means the committee designated by the candidate for a state, county, city, or school office to receive contributions in excess of five hundred dollars in the aggregate, expend funds in excess of five hundred dollars in the aggregate, or incur indebtedness on behalf of the candidate in excess of five hundred dollars in the aggregate as follows:

a---For federal, state, or county office, in excess of two hundred-fifty-dollars in any calendar year on-behalf-of-the candidate.

b---For city or school office, in excess of five-hundred dollars in any calendar year on-behalf-of-the-candidate.

Sec. 30. Section 56.2, subsection 11, Code 1993, is amended to read as follows:

11. "Disclosure report" means a statement of contributions received, expenditures made, and indebtedness incurred on forms prescribed by rules adopted by the commission board in accordance with chapter 17A.

Sec. 31. Section 56.5, subsections 3 and 5, Code 1993, are amended to read as follows:

3. Any change in information previously submitted in a statement of organization or notice in case of dissolution of the committee shall be reported to the commission board or commissioner not more than thirty days from the date of the change or dissolution.

5. A committee not domiciled in Iowa which makes a contribution to a candidate's committee or political committee domiciled in Iowa shall disclose each contribution to the commission board. A committee not domiciled in Iowa which is not registered and filing full disclosure reports of all financial activities with the federal election commission or another state's disclosure commission shall register and file full disclosure reports with the commission board pursuant to

this chapter. A committee which is currently filing a disclosure report in another jurisdiction shall either file a statement of organization under subsections 1 and 2 and file disclosure reports, the same as those required of Iowa-domiciled committees, under section 56.6, or shall file one copy of a verified statement with the commission board and a second copy with the treasurer of the committee receiving the contribution. The form shall be completed and filed at the time the contribution is made. The verified statement shall be on forms prescribed by the commission board. The form shall include the complete name, address, and telephone number of the contributing committee, the state or federal jurisdiction under which it is registered or operates, the identification of any parent entity or other affiliates or sponsors, its purpose, the name and address of an Iowa resident authorized to receive service of original notice and the name and address of the receiving committee, the amount of the cash or in-kind contribution, and the date the contribution was made.

Sec. 32. Section 331.756, subsection 15, Code 1993, is amended to read as follows:

15. Review the report and recommendations of the campaign finance-disclosure-commission independent ethics and campaign finance board and proceed to institute the recommended actions or advise the commission board that prosecution is not merited as provided in section ~~56.117-subsection-4~~ 68B.32C.

Sec. 33. Sections 56.4, 56.6, 56.13, 56.20, and 56.23, Code 1993, are amended by striking the word "commission" or "campaign finance disclosure commission" and inserting the following: "commission board" or "campaign-finance-disclosure commission board".

Sec. 34. Section 56.42, subsection 1, Code 1993, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Contributions to another candidate's committee when the candidate for whom both committees are formed is the same person.

Sec. 35. TRANSITION -- INTENT -- RETROACTIVE APPLICATION -- EFFECTIVE DATE.

1. The provisions of section 4.13 shall apply to this Act except as follows:

a. Requirements relating to registration that are under chapter 68B prior to but not after the effective date of this Act are void and any registrations made pursuant to those requirements shall be given no effect as if never made. Registrations made pursuant to chapter 68B prior to the effective date of this Act, which are consistent with the requirements of this Act shall be in full force and effect, as if made pursuant to the requirements of this Act.

b. Requirements relating to financial disclosure that are imposed under chapter 68B prior to but not after the effective date of this Act are void retroactive to January 1, 1993. Financial disclosures made prior to the effective date of this Act, which are consistent with the requirements of this Act shall be deemed to be in full force and effect, as if made pursuant to the requirements of this Act.

c. Notwithstanding section 68B.5A, subsection 1, as amended by this Act, persons who are lobbyists as of the effective date of this Act, and whose positions in state government are in violation of subsection 1 of section 68B.5A as amended by this Act, may remain in those positions until July 1, 1994.

d. Section 8 of this Act, which amends section 68B.24, shall apply retroactively to any loans made on or after January 1, 1993. Any loans made during the period commencing January 1, 1993, and ending on the effective date of this Act, which are consistent with the requirements of section 8 of this Act shall not be in violation of the requirements of section 68B.24.

e. The portion of section 1 of this Act, amending section 68B.2 to exclude members of councils as defined under section 7E.4 from the official, shall apply retroactively to January 1, 1993, and shall exclude those persons from the requirements placed

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2. Persons who served as governor's appointees to state government entities which are or exercise the same type of authority that is exercised by councils or committees as defined under section 7E.4, prior to January 1, 1993, and who resigned from those positions prior to the effective date of this Act, may be reappointed by the governor, without senate confirmation, to complete the unexpired term resulting from the resignation, section 2.32 notwithstanding.

3. It is the intent of the general assembly that at least two members of the ethics and campaign disclosure board established in this Act be members of the campaign finance disclosure commission, established under section 56.9, immediately prior to the effective date of this Act. However, members of the campaign finance disclosure commission shall serve as members of the ethics and campaign disclosure board until the members of the new board are appointed. Employees of the campaign finance disclosure commission shall be retained as employees of the ethics and campaign disclosure board until such time as the board hires its own employees. Rules and procedures of the campaign finance disclosure commission shall remain in effect until amended or rescinded by the ethics and campaign disclosure board. Matters pending before the campaign finance disclosure commission shall, upon the dissolution of the commission and the creation of the board, be treated as if commenced initially before the ethics and campaign disclosure board and shall retain the same status that the matters had before the commission.

4. Notwithstanding section 68B.35, financial statements filed under section 68B.35 as amended in section 21 of this Act shall not be required to be filed until the rules provided under that section are adopted or prescribed by the entities required to establish rules. Disclosure statements filed during 1993, after the adoption or prescribing of rules under section 21 shall cover the period beginning with the effective date of this Act through December 31, 1993.

5. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 36. Sections 56.9, 56.10, and 56.11, Code 1993, are repealed.

Sec. 37. SEVERABILITY. If any provision of this Act or the application thereof to any person is invalid, the invalidity shall not affect the provisions or application of this Act which can be given effect without the invalid provisions or application, and to this end the provisions of this Act are severable.

Sec. 38. The Code editor shall change names in the Code, as necessary, which refer to the campaign finance disclosure commission to names which refer to the ethics and campaign disclosure board as established in this Act.

HAROLD VAN MAANEN
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 144, Seventy-fifth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved 5/28, 1993

TERRY E. BRANSTAD
Governor