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HOUSE FILE 576
BY COMMITTEE ON STATE GOVERNMENT

MAR 18 1993
Place On Calendar

(SUCCESSOR TO HSB 175)

Passed Senate, Date ^(P. 992) 4-1-93 Passed House, Date ^(P. 1942) 5/1/93
Vote: Ayes 93 Nays 4 Vote: Ayes 99 Nays 0
Approved May 19, 1993

A BILL FOR

1 An Act relating to the procedures of and requirements enforced by
2 the campaign finance disclosure commission; changing filing
3 and other procedural requirements placed on candidates and
4 political committees; changing the procedures for the hearing
5 of complaints before the commission; and providing for
6 administrative penalties and judicial review.

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

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HF 576

1 Section 1. Section 56.2, subsection 4, unnumbered
2 paragraph 1, Code 1993, is amended to read as follows:

3 "Candidate's committee" means the committee designated by
4 the candidate to receive contributions in the aggregate,
5 expend funds in the aggregate, or incur indebtedness in the
6 aggregate as follows:

7 Sec. 2. Section 56.2, subsection 15, Code 1993, is amended
8 to read as follows:

9 15. "Political committee" means a committee, but not a
10 candidate's committee, which accepts contributions in excess
11 of two hundred fifty dollars in the aggregate, makes
12 expenditures in excess of two hundred fifty dollars in the
13 aggregate, or incurs indebtedness in excess of two hundred
14 fifty dollars in the aggregate ~~of more than two hundred fifty~~
15 ~~dollars~~ in any one calendar year for the purpose of supporting
16 or opposing a candidate for public office or ballot issue, or
17 an association, lodge, society, cooperative, union,
18 fraternity, sorority, educational institution, civic
19 organization, labor organization, religious organization, or
20 professional organization which makes contributions in the
21 aggregate of more than two hundred fifty dollars in any one
22 calendar year for the purpose of supporting or opposing a
23 candidate for public office or a ballot issue. "Political
24 committee" also includes a committee which accepts
25 contributions in excess of two hundred fifty dollars in the
26 aggregate, makes expenditures in excess of two hundred fifty
27 dollars in the aggregate, or incurs indebtedness in excess of
28 two hundred fifty dollars in the aggregate ~~of more than two~~
29 ~~hundred-fifty-dollars~~ in a calendar year to cause the
30 publication or broadcasting of material in which the public
31 policy positions or voting record of an identifiable candidate
32 is discussed and in which a reasonable person could find
33 commentary favorable or unfavorable to those public policy
34 positions or voting record.

35 Sec. 3. Section 56.2, Code 1993, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 15A. "Political purpose" or "political
3 purposes" means the support or opposition of a candidate or
4 ballot issue.

5 Sec. 4. Section 56.3, subsections 1, 2, and 4, Code 1993,
6 are amended to read as follows:

7 1. Every committee shall appoint a treasurer who shall be
8 an Iowa resident who has reached the age of majority. An
9 expenditure shall not be made by the treasurer or treasurer's
10 designee for or on behalf of a committee without the approval
11 of the chairperson of the committee, or the candidate.

12 2. An individual who receives contributions for a
13 committee without the prior authorization of the chairperson
14 of the committee or the candidate shall be responsible for
15 either rendering the contributions to the treasurer within
16 fifteen days of the date of receipt of the contributions, or
17 depositing the contributions in the account maintained by the
18 committee within seven days of the date of receipt of the
19 contributions. A person who receives contributions for a
20 committee shall, not later than fifteen days from the date of
21 receipt of the contributions or on demand of the treasurer,
22 render to the treasurer the contributions and an account of
23 the total of all contributions; including the name and address
24 of each person making a contribution in excess of ten dollars,
25 the amount of the contributions, and the date on which the
26 contributions were received. The treasurer shall deposit all
27 contributions within seven days of receipt by the treasurer in
28 an account maintained by the committee in a financial
29 institution located in Iowa. All funds of a committee shall
30 be segregated from any other funds held by officers, members,
31 or associates of the committee or the committee's candidate.
32 However, if a candidate's committee receives contributions
33 only from the candidate, or if a permanent organization
34 temporarily engages in activity which qualifies it as a
35 political committee and all expenditures of the organization

1 are made from existing general operating funds and funds are
2 not solicited or received for this purpose from sources other
3 than operating funds, then that committee is not required to
4 maintain a separate account in a financial institution. The
5 funds of a committee are not attachable for the personal debt
6 of the committee's candidate or an officer, member, or
7 associate of the committee.

8 4. The treasurer and candidate in the case of a
9 candidate's committee, and the treasurer and chairperson in
10 the case of a political committee, shall preserve all records
11 required to be kept by this section for a period of one-year
12 three years from the date of the election in which the
13 committee is involved, or the certified date of dissolution of
14 the committee, whichever is applicable.

15 Sec. 5. Section 56.5, subsection 2, paragraphs c and f,
16 and subsection 5, Code 1993, are amended to read as follows:

17 c. The name, address, office sought, and the party
18 affiliation of all candidates whom the committee is supporting
19 and, if the committee is supporting the entire ticket of any
20 party, the name of the party. If, however, the committee is
21 supporting several candidates who are not identified by name
22 or are not of the same political affiliation, the committee
23 may provide a statement of purpose in lieu of candidate names
24 or political party affiliation.

25 f. A signed statement by the treasurer of the committee
26 and the candidate, in the case of a candidate's committee, or
27 by the treasurer of the committee and the chairperson, in the
28 case of a political committee, which shall be-in-the-following
29 form:

30 "I-am verify that they are aware that-i-am-required of the
31 requirement to file disclosure reports if the committee
32 receives, the committee officers, the candidate, or both the
33 committee officers and the candidate receive contributions in
34 excess of two hundred fifty dollars in the aggregate, makes
35 make expenditures in excess of two hundred fifty dollars in

1 the aggregate, or incurs incur indebtedness in excess of two
2 hundred fifty dollars in the aggregate in a calendar year for
3 the purpose of supporting or opposing any candidate for public
4 office or ballot issue." In the case of statements relating
5 to candidates for city or school office, a five hundred dollar
6 aggregate threshold level shall apply instead of the two
7 hundred fifty dollar threshold level.

8 5. A committee or organization not domiciled in Iowa which
9 makes a contribution to a candidate's committee or political
10 committee domiciled in Iowa shall disclose each contribution
11 to the commission. A committee or organization not domiciled
12 in Iowa which is not registered and filing full disclosure
13 reports of all financial activities with the federal election
14 commission or another state's disclosure commission shall
15 register and file full disclosure reports with the commission
16 pursuant to this chapter, shall appoint an eligible Iowa
17 elector as committee or organization treasurer, and shall
18 maintain an account in a financial institution located in
19 Iowa. A committee which is currently filing a disclosure
20 report in another jurisdiction shall either file a statement
21 of organization under subsections 1 and 2 and file disclosure
22 reports, the same as those required of Iowa-domiciled
23 committees, under section 56.6, or shall file one copy of a
24 verified statement with the commission and a second copy with
25 the treasurer of the committee receiving the contribution.
26 The form shall be completed and filed at the time the
27 contribution is made. The verified statement shall be on
28 forms prescribed by the commission. The form shall include
29 the complete name, address, and telephone number of the
30 contributing committee, the state or federal jurisdiction
31 under which it is registered or operates, the identification
32 of any parent entity or other affiliates or sponsors, its
33 purpose, the name, and address, and signature of an Iowa
34 resident authorized to receive service of original notice and
35 the name and address of the receiving committee, the amount of

1 the cash or in-kind contribution, and the date the
2 contribution was made.

3 Sec. 6. Section 56.5A, Code 1993, is amended to read as
4 follows:

5 56.5A CANDIDATE'S COMMITTEE.

6 Each candidate for federal, state, or county office shall
7 organize one, and only one, candidate's committee for a
8 specific office sought when the candidate receives
9 contributions in excess of two hundred fifty dollars in the
10 aggregate, makes expenditures in excess of two hundred fifty
11 dollars in the aggregate, or incurs indebtedness in excess of
12 two hundred fifty dollars in the aggregate in a calendar year.

13 Each candidate for city or school office shall organize
14 one, and only one, candidate's committee for a specific office
15 sought when the candidate receives contributions in excess of
16 five hundred dollars in the aggregate, makes expenditures in
17 excess of five hundred dollars in the aggregate, or incurs
18 indebtedness in excess of five hundred dollars in the
19 aggregate in a calendar year.

20 Sec. 7. Section 56.6, Code 1993, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 7. A committee which requests disclosure
23 forms from the commission or a county commissioner shall, at
24 the time of making or submitting the request, submit a check
25 payable to the campaign finance disclosure commission in the
26 amount of ten dollars to offset the costs of printing and
27 distributing the forms. Moneys paid to the commission under
28 this subsection, and any interest earned on those moneys are
29 repayment receipts under section 8.2 and shall not revert to
30 the general fund of the state under section 8.33.

31 Sec. 8. Section 56.10, subsection 1, Code 1993, is amended
32 to read as follows:

33 1. Review the contents of all disclosure reports and other
34 statements filed with the commission and promptly advise each
35 committee of errors found. The commission may verify

1 information contained in the reports with other parties to
2 assure accurate disclosure. The commission may, upon its own
3 motion, initiate action and conduct a hearing under section
4 ~~56.117-subsections-1-and-2~~ 56.30, subsection 7, and section
5 56.31. The commission may require the county commissioner to
6 file summary reports with it periodically.

7 Sec. 9. Section 56.10, subsection 9, Code 1993, is amended
8 to read as follows:

9 9. The commission and the county commissioners shall
10 provide proper forms to each committee ~~which-is-required-to~~
11 ~~file-a-report-with-them~~ that submits a request for forms. A
12 ~~form-packet~~ The commission and the county commissioner shall
13 ~~be-mailed~~ mail requests for forms to each active committee on
14 or about ~~April-25~~ January 1 of each year.

15 Sec. 10. Section 56.12A, Code 1993, is amended to read as
16 follows:

17 56.12A USE OF PUBLIC MONEYS FOR POLITICAL PURPOSES.

18 The state and the governing body of a county, city, or
19 other political subdivision of the state shall not expend or
20 permit the expenditure of public moneys for political
21 purposes, including supporting or opposing a ballot issue.

22 This section shall not be construed to limit the freedom of
23 speech of ~~the-governing-body-of,-or-the~~ officials or employees
24 of the state or of officials or employees of the a governing
25 body of, a county, city, or other political subdivision of the
26 state. This section also shall not be construed to prohibit
27 the state or a governing body of a political subdivision of
28 the state from expressing an opinion on a ballot issue through
29 the passage of a resolution or proclamation.

30 Sec. 11. Section 56.15, subsections 1 and 4, Code 1993,
31 are amended to read as follows:

32 1. Except as provided in subsection subsections 3 and 4,
33 it is unlawful for an insurance company, savings and loan
34 association, bank, credit union, or corporation organized
35 pursuant to the laws of this state or any other state,

1 territory, or foreign country, whether for profit or not, or
2 an officer, agent or representative acting for such insurance
3 company, savings and loan association, bank, credit union, or
4 corporation, to contribute any money, property, labor, or
5 thing of value, directly or indirectly, to a committee, or for
6 the purpose of influencing the vote of an elector, except that
7 such resources may be so expended in connection with a utility
8 franchise election held pursuant to section 364.2, subsection
9 4, or a ballot issue. All such expenditures are subject to
10 the disclosure requirements of this chapter.

11 4. The restrictions imposed by this section relative to
12 making, soliciting or receiving contributions shall not apply
13 to a nonprofit corporation or organization which uses those
14 contributions to encourage registration of voters and
15 participation in the political process, or to publicize public
16 issues, or both, but does not use any part of those
17 contributions to endorse or oppose any candidate for public
18 office or. A nonprofit corporation or organization may use
19 contributions solicited or received to support or oppose
20 ballot issues but the expenditures shall be disclosed by the
21 nonprofit corporation or corporation in the manner provided
22 for a permanent organization temporarily engaged in a
23 political activity under section 56.6.

24 Sec. 12. NEW SECTION. 56.30 COMPLAINTS -- PROCEDURE.

25 1. Any person may file a complaint alleging that a
26 candidate, committee, or other person has committed a
27 violation of this chapter or rules adopted by the commission.
28 The commission shall prescribe and provide forms for this
29 purpose. A complaint must include the name and address of the
30 complainant, a statement of the facts believed to be true that
31 form the basis of the complaint, including the sources of
32 information and approximate dates of the acts alleged, and a
33 certification by the complainant under penalty of perjury that
34 the facts stated to be true are true to the best of the
35 complainant's knowledge.

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

8 3. Unless the chairperson of the commission concludes that
9 immediate notification would prejudice a preliminary
10 investigation or subject the complainant to an unreasonable
11 risk, the commission shall mail a copy of the complaint to the
12 subject of the complaint within three working days of the
13 acceptance of the complaint. If a determination is made by
14 the chairperson not to mail a copy of the complaint to the
15 subject of the complaint within the three working days time
16 period, the commission shall approve and establish the time
17 and conditions under which the subject will be informed of the
18 filing and contents of the complaint. If a complaint is filed
19 within thirty days of an election, the person who is the
20 subject of the allegations in the complaint shall be permitted
21 to request and may receive a preliminary hearing on the
22 allegations within three working days of notification of the
23 filing of the complaint.

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

29 a. Facts that would establish a violation of a provision
30 of this chapter or rules adopted by the commission.

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

34 c. Facts that would establish that the subject of the
35 complaint is a party subject to the jurisdiction of the

1 commission.

2 5. After receiving an evaluation of the legal sufficiency
3 of the complaint, the chairperson shall refer the complaint to
4 the commission for a formal determination by the commission of
5 the legal sufficiency of the allegations contained in the
6 complaint.

7 6. If the commission determines that none of the
8 allegations contained in the complaint are legally sufficient,
9 the complaint shall be dismissed. The complainant shall be
10 sent a notice of dismissal stating the reason or reasons for
11 the dismissal. If a copy of the complaint was sent to the
12 subject of the complaint, a copy of the notice shall be sent
13 to the subject of the complaint. If the commission determines
14 that a complaint, which has been found to be legally
15 insufficient, is frivolous and has been filed in bad faith,
16 the commission may penalize the complainant in an amount not
17 to exceed two thousand dollars. If the commission determines
18 that any allegation contained in the complaint is legally
19 sufficient, the complaint shall be referred to the commission
20 staff for investigation of any legally sufficient allegations.

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

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

1 papers, records, and other real evidence relating to the
2 matter under investigation. Upon the request of the
3 commission, an appropriate county attorney or the attorney
4 general shall assist the staff of the commission in its
5 investigation.

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

22 10. At any stage during the investigation or after the
23 initiation of a contested case proceeding, the commission may
24 approve a settlement regarding an alleged violation. Terms of
25 a settlement shall be reduced to writing and be available for
26 public inspection. An informal settlement may provide for any
27 administrative remedy specified in section 56.32. However,
28 the commission shall not approve a settlement unless the
29 commission determines that the terms of the settlement are in
30 the public interest and are consistent with the purposes of
31 this chapter and rules of the commission. In addition, the
32 commission may authorize commission staff to seek informal
33 voluntary compliance in routine matters brought to the
34 attention of the commission or its staff.

35 11. A complaint shall be a public record, but some or all

1 of the contents may be treated as confidential under section
2 22.7, subsection 18, to the extent necessary under subsection
3 3. Information informally reported to the commission and
4 commission staff which results in a commission-initiated
5 investigation shall be a public record but may be treated as
6 confidential information consistent with the provisions of
7 section 22.7, subsection 18. However, if the commission
8 decides to initiate an investigation on its own motion, the
9 informal information, in an unaltered form, shall be provided
10 upon request to the subject of the investigation. If the
11 complainant, the person who provides information to the
12 commission, or the person who is the subject of an
13 investigation publicly discloses the existence of an
14 investigation, the commission may publicly confirm the
15 existence of the disclosed formal complaint or investigation
16 and, in the commission's discretion, make the complaint or the
17 informal referral public, as well as any other documents that
18 were issued by the commission to any party to the
19 investigation. However, investigative materials may be
20 furnished to the appropriate law enforcement authorities by
21 the commission at any time. Upon the commencement of a
22 contested case proceeding by the commission, all investigative
23 material relating to that proceeding shall be made available
24 to the subject of the proceeding. The entire record of any
25 contested case proceeding initiated under this section shall
26 be a public record.

27 12. Commission records used to achieve voluntary
28 compliance to resolve discrepancies and deficiencies shall not
29 be confidential unless otherwise required by law.

30 Sec. 13. NEW SECTION. 56.31 CONTESTED CASE PROCEEDINGS.

31 1. Contested case proceedings initiated as a result of the
32 issuance of a statement of charges pursuant to section 56.30,
33 subsection 9, shall be conducted in accordance with the
34 requirements of chapter 17A. A preponderance of the evidence
35 shall be required to support a finding that a person has

1 violated this chapter or any rules adopted by the commission.
2 The case in support of the statement of charges shall be
3 presented at the hearing by one of the commission's attorneys
4 or staff unless, upon the request of the commission, the
5 charges are prosecuted by another legal counsel designated by
6 the attorney general. A person making a complaint under
7 section 56.30, subsection 1, is not a party to contested case
8 proceedings conducted relating to allegations contained in the
9 complaint.

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

19 3. Upon a finding by the commission that the party charged
20 has violated this chapter or rules adopted by the commission,
21 the commission may impose any penalty provided for by section
22 56.32. Upon a final decision of the commission finding that
23 the party charged has not violated this chapter or the rules
24 of the commission, the complaint shall be dismissed and the
25 party charged and the original complainant, if any, shall be
26 notified.

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

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

33 Sec. 14. NEW SECTION. 56.32 ADMINISTRATIVE REMEDIES.

34 1. Upon a finding that a violation of this chapter or
35 rules of the commission has occurred, the commission may issue

1 an order providing for one or more of the following:

2 a. That the violator is required to cease and desist from
3 the violation found.

4 b. That the violator is required to take any remedial
5 action deemed appropriate by the commission.

6 c. That the violator is required to file any report,
7 statement, or other information required by this chapter or
8 rules of the commission.

9 d. That the violator is required to pay a civil penalty of
10 not more than two thousand dollars for each violation of this
11 chapter or rules of the commission.

12 e. Publicly reprimanding the violator for violations of
13 this chapter or rules of the commission.

14 f. That the complaint and supporting information is
15 referred to the attorney general or appropriate county
16 attorney with a recommendation for criminal prosecution.

17 2. At any stage during an investigation or during the
18 commission's review of routine compliance matters, the
19 commission may resolve the matter by admonishment to the
20 alleged violator or by any other means not specified in
21 subsection 1 as a posthearing remedy.

22 Sec. 15. NEW SECTION. 56.33 JUDICIAL REVIEW --
23 ENFORCEMENT.

24 Judicial review of any action of the commission may be
25 sought in accordance with chapter 17A. If a person fails to
26 comply with an order of the commission issued pursuant to
27 section 56.31, the commission may petition the district court
28 for enforcement of the order of the commission. Judicial
29 enforcement of an order of the commission may be sought within
30 one year of the date of the order in any court in which a
31 petition for judicial review of the order of the commission
32 could have been filed by the party to whom the order pertains.
33 A proceeding for judicial enforcement shall be conducted, as
34 far as possible, in a manner consistent with judicial review
35 of contested cases pursuant to chapter 17A.

1 Sec. 16. NEW SECTION. 56.34 CRIMINAL PROSECUTIONS.

2 Upon receipt of an order and recommendations from the
3 commission, the county attorney or attorney general shall
4 review the order and recommendation. Within five days of
5 receiving the order, the county attorney or attorney general
6 shall institute the recommended actions and any other action
7 for relief, including a permanent or temporary injunction,
8 restraining order or other appropriate remedy in the district
9 court in and for the county in which the accused resides or
10 shall advise the commission that in the county attorney's or
11 attorney general's judgment the case does not merit
12 prosecution. If the county attorney or attorney general does
13 not initiate the recommended action within five days of
14 receipt or if the county attorney or attorney general advises
15 against prosecution of the report, the commission may take the
16 report before any judge of the district court, who shall
17 determine if sufficient cause exists to warrant action. If
18 the judge of the district court finds that the report warrants
19 prosecution, the county attorney or attorney general shall
20 immediately commence the action unless disqualified. In the
21 event of disqualification, the commission may retain an
22 attorney to represent it and commence the action. The county
23 attorney or attorney general may also institute criminal
24 action independently from any action by the commission.

25 Sec. 17. NEW SECTION. 56.35 HEARING COSTS.

26 If a person is found to have violated this chapter or rules
27 of the commission, the commission may recover from the person
28 all or a portion of the costs associated with the following
29 procedures and personnel:

- 30 1. Transcripts.
- 31 2. Witness fees and expenses.
- 32 3. Commissioner per diem and expenses.
- 33 4. Depositions.
- 34 5. Service of process.
- 35 6. Court reporter fees.

1 Fees and costs recovered under this section are repayment
2 receipts as defined in section 8.2.

3 Sec. 18. Section 56.40, Code 1993, is amended to read as
4 follows:

5 56.40 CAMPAIGN FUNDS.

6 As used in this division, "campaign funds" means
7 contributions to a candidate or candidate's committee which
8 are required by this chapter to be deposited in a separate
9 campaign account. A candidate's committee shall not accept
10 contributions from any other candidate's committee including
11 candidate's committees from other states or for federal
12 office, unless the candidate for whom each committee is
13 established is the same person.

14 Sec. 19. Section 331.756, subsection 15, Code 1993, is
15 amended to read as follows:

16 15. Review the report-and-recommendations order and
17 supporting information of the campaign finance disclosure
18 commission and proceed to institute the recommended actions or
19 advise the commission that prosecution is not merited as
20 provided in section ~~56.11, subsection 4~~ 56.34.

21 Sec. 20. Section 56.11, Code 1993, is repealed.

22 EXPLANATION

23 Sections 1, 2, and 6, of the bill provide that candidate's
24 committees and political committees must receive aggregate
25 contributions, expend funds in the aggregate, and incur
26 indebtedness in the aggregate in excess of the threshold
27 amounts in order to be subject to the requirements of chapter
28 56, by definition.

29 Section 3 of the bill creates a definition of the term
30 political purpose or political purposes. The term is used in
31 section 10 of the bill, which relates to the use of public
32 moneys for political purposes.

33 Section 4 of this bill requires that every committee
34 regulated by the campaign finance disclosure commission
35 appoint a treasurer who is also an eligible elector in Iowa, a

1 requirement that the consent of the chairperson or the
2 candidate be obtained in order for any person to receive
3 contributions for a committee. Under the bill treasurers of
4 committees are required to keep the records of the committee
5 for three years beyond the date of the election in which the
6 committee is involved.

7 Section 5 permits committee statements of organization,
8 which are for either multiple unnamed candidates or for
9 candidates of diverse parties, to contain a statement of
10 purpose in lieu of requiring a list of candidate names or
11 candidate political party affiliation. The provision for a
12 signed statement that acknowledges the thresholds at which
13 committees become subject to disclosure requirements under
14 chapter 56 is changed to require the signature of both the
15 treasurer and the candidate, in the case of a candidate's
16 committee, or the treasurer of the committee and the
17 chairperson of the committee, in the case of a political
18 committee. The statement language will vary according to the
19 differing threshold requirements for state and county offices
20 and city and school offices. Out-of-state committees or
21 organizations will now have to appoint an eligible Iowa
22 elector as committee or organization treasurer and maintain an
23 account in an Iowa financial institution. The Iowa resident
24 designated to receive service of process for the out-of-state
25 entities will also have to be informed that they have been
26 designated as the person to receive service of process.

27 Sections 7 and 9 of the bill change the procedure for
28 receiving forms from the campaign finance disclosure
29 commission and the county commissioners. Currently, the
30 commission and commissioners provide packets of forms to each
31 active committee. The sections change that procedure to
32 provide that committees must request, and submit payment for,
33 any forms required to be filed. The commission and
34 commissioners are to provide copies of request forms to each
35 active committee on January 1 of each year. Moneys received

1 by the commission for the cost of the forms are in addition to
2 any funds appropriated to the commission and do not revert to
3 the state.

4 Section 8 makes a technical change needed due to the repeal
5 of section 56.11 and the creation of new complaint procedures.

6 Section 10 adds the state to the group of governmental
7 entities that is forbidden to expend public funds for
8 political purposes, but provides that the state or a political
9 subdivision of the state may express an opinion through a
10 resolution or proclamation.

11 Section 11 provides that a nonprofit corporation may expend
12 funds to support or oppose a ballot issue, but that the
13 expenditure will be subject to disclosure under section 56.6.

14 Sections 12 through 17 create a new procedure for the
15 hearing of complaints by the campaign finance disclosure
16 commission and establish penalties for violation of chapter
17 56. Anyone may file a complaint with the commission under the
18 procedures. Upon the filing of a complaint, the complaint is
19 to be reviewed for formal and legal sufficiency. If the
20 complaint is formally deficient, it will be returned to the
21 complainant. If the complaint is legally deficient, as
22 determined by the commission, it will be dismissed and
23 returned to the complainant. If the complaint is formally and
24 legally sufficient, the matters will be referred to commission
25 staff for investigation. The commission may also initiate
26 investigations into matters subject to the commission's
27 jurisdiction, without the filing of a formal citizen's
28 complaint. If, after an investigation, probable cause to
29 believe that a violation of chapter 56 has occurred is not
30 found to exist, the matter will be dismissed. If, however,
31 probable cause is established, then the matter will proceed to
32 hearing, which will be conducted in the manner that contested
33 cases under chapter 17A are conducted, and, if a violation is
34 found, the violator may be subject to a range of possible
35 punishments. Decisions of the commission are subject to

1 judicial review and the commission may seek and obtain
2 recovery of moneys spent in investigating and hearing a
3 complaint. Matters under investigation may be referred for
4 prosecution or prosecuted independently by appropriate law
5 enforcement authorities.

6 Section 18 prohibits a candidate's committee from receiving
7 contributions from other candidate's committees from out-of-
8 state or for federal office.

9 Sections 19 and 20 make a technical change needed due to
10 the repeal of section 56.11 in section 20 and the enactment of
11 new procedures for the processing of complaints in sections 12
12 through 17.

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HOUSE FILE 576

H-3508

- 1 Amend House File 576 as follows:
- 2 1. Page 15, line 13, by inserting after the word
- 3 "person." the following: "For purposes of this
- 4 section, "contributions" does not mean travel costs
- 5 incurred by a candidate in attending a campaign event
- 6 of another candidate."

(P.996) Adopted 4-1-93

By JOCHUM of Dubuque
BEATTY of Warren
CARPENTER of Polk

H-3508 FILED MARCH 26, 1993

HOUSE FILE 576

H-3605

- 1 Amend House File 576 as follows:
- 2 1. Page 15, by inserting after line 13, the
- 3 following:
- 4 "Sec. ____ . Section 56.41, subsection 1, Code 1993,
- 5 is amended by striking the subsection."
- 6 2. By numbering and renumbering as necessary.

By BEATTY of Warren
LUNDBY of Linn

H-3605 FILED MARCH 31, 1993

(P.997) adopted 4-1-93

HOUSE FILE 576

H-3606

- 1 Amend House File 576 as follows:
- 2 1. Page 5, by striking lines 20 through 30.
- 3 2. Page 6, by striking lines 7 through 14.
- 4 3. By renumbering as necessary.

By BEATTY of Warren

H-3606 FILED MARCH 31, 1993

(P.985) adopted 4-1-93

HOUSE FILE 576

H-3608

Amend House File 576, as follows:

1. Page 6, by inserting after line 29, the following:

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

Action involving a contribution or expenditure which must be reported under this chapter and which is taken by any person, candidate's committee or political committee on behalf of a candidate, if known and approved by the candidate, shall be deemed action by the candidate and reported by the candidate's committee. If a restricted campaign exists, the action involving an expenditure or contribution which must be reported under this chapter which is taken by any person, candidate's committee or political committee on behalf of a candidate, if known and approved by the candidate, shall be deemed action by the candidate, shall be reported by the candidate's committee, and shall be credited against the candidate's expenditure or contribution limits pursuant to section 56.33 or 56.36. It shall be presumed that a candidate approves the action if the candidate had knowledge of it and failed to file a statement of disavowal with the commissioner or commission board and take corrective action within seventy-two hours of the action. A person, candidate's committee or political committee taking such action independently of that candidate's committee shall notify that candidate's committee in writing within twenty-four hours of taking the action. The notification shall provide that candidate's committee with the cost of the promotion at fair market value. A copy of the notification shall be sent to the commission. If a candidate files a statement of disavowal, the commissioner or board shall forward a copy of the statement to the candidate's opponent.

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

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

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Page 2

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

6 2. Page 15, by inserting after line 2 the
7 following:

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

10 Sec. 103. NEW SECTION. 56.36 DEFINITIONS.

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

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

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

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

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

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

41 6. "Restricted campaign" means a campaign for an
42 eligible office in which there are two or more
43 candidates with qualifying nominations and all of
44 those candidates have registered with the board and
45 voluntarily agreed to limit campaign expenditures and
46 contributions pursuant to section 56.39.

47 Sec. 104. NEW SECTION. 56.37 REGISTRATION FOR A
48 RESTRICTED CAMPAIGN.

49 Each candidate for an eligible office shall
50 register with the commission and shall indicate

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Page 3

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

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

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

45 Sec. 105. NEW SECTION. 56.38 RESTRICTED
46 CAMPAIGNS -- LIMITS ON EXPENDITURES.

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

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

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

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

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

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

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

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

40 Sec. 106. NEW SECTION. 56.39 PERIODS THE
41 EXPENDITURE LIMITS ARE IN EFFECT.

42 If a restricted campaign exists, the limitations of
43 section 56.38 apply to expenses incurred during the
44 following periods:

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

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1 earlier, through the date of the general election for
2 that office.

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

11 Sec. 107. NEW SECTION. 56.39A ADJUSTMENTS FOR
12 BENEFITED CANDIDATES AND OPPONENTS.

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

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

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

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

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

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

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

30 Sec. 108. NEW SECTION. 56.39B RESTRICTED
31 CAMPAIGNS -- LIMITS ON ACCEPTANCE OF CONTRIBUTIONS.

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

36 1. Governor.

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

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

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

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

50 a. Total political action committee contributions,

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- 1 thirty-five percent of the candidate's applicable
2 expenditure limit in a primary election, and thirty-
3 five percent of the candidate's expenditure limit in a
4 general election.
- 5 b. Largest political action committee
6 contribution, five thousand dollars.
- 7 c. Largest individual contribution, excluding
8 contributions made by a candidate to the candidate's
9 own campaign, one thousand dollars.
- 10 3. State senator.
- 11 a. Total political action committee contributions,
12 thirty-five percent of the candidate's applicable
13 expenditure limit in a primary election, and thirty-
14 five percent of the candidate's expenditure limit in a
15 general election.
- 16 b. Largest political action committee
17 contribution, one thousand dollars.
- 18 c. Largest individual contribution, excluding
19 contributions made by a candidate to the candidate's
20 own campaign, five hundred dollars.
- 21 4. State representative.
- 22 a. Total political action committee contributions,
23 thirty-five percent of the candidate's applicable
24 expenditure limit in a primary election, and thirty-
25 five percent of the candidate's expenditure limit in a
26 general election.
- 27 b. Largest political action committee
28 contribution, one thousand dollars.
- 29 c. Largest individual contribution, excluding
30 contributions made by the candidate to the candidate's
31 own campaign, five hundred dollars.
- 32 5. Individual contributions to the candidate or
33 candidate's committee made by one individual of a
34 cumulative value of one hundred dollars or more shall
35 be reported, including the name, address, occupation,
36 and place of business of the contributor.
- 37 Sec. 109. NEW SECTION. 56.39C PENALTIES.
- 38 1. A candidate who voluntarily agrees to a
39 restricted campaign, and who exceeds the expenditure
40 or contribution limitations in this division, shall be
41 subject to a fine which is based on the percentage by
42 which the candidate exceeds permitted expenditures or
43 contributions, so that the candidate shall pay a
44 percentage of the excess campaign expenditures or
45 contributions as follows:
- 46 a. Governor. For excess campaign expenditures or
47 contributions of under two thousand dollars, one
48 percent; for excess campaign expenditures or
49 contributions of two thousand to ten thousand dollars,
50 ten percent; for excess campaign expenditures or

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

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

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

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

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

34 2. Mileage expenses of the candidate, at a rate
35 determined pursuant to section 2.10, are not subject
36 to the expenditure limits of section 56.38.

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

39 4. A candidate who knowingly and intentionally
40 violates the expenditure or contribution limits of
41 section 56.38 or section 56.39B is, upon conviction,
42 guilty of a class "D" felony, but is only subject to a
43 fine and is not subject to imprisonment,
44 notwithstanding the provisions of section 902.9. A
45 candidate shall not take the oath of office pending
46 conviction or acquittal, following trial, on charges
47 brought under this subsection, and a candidate is
48 disqualified from holding office upon conviction
49 obtained pursuant to this subsection."

50 3. Page 15, by inserting after line 21, the

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1 following:

2 "Sec. ____ EFFECTIVE DATE. Sections 100 and 101,
3 and sections 102 through 109 of this Act take effect
4 January 1, 1994.

5 Sec. ____ ANTISEVERABILITY CLAUSE.
6 Notwithstanding section 4.12, if section 56.39A,
7 subsection 3 or 4, or section 56.39C, subsection 3, or
8 the application thereof is invalid, sections 100 and
9 101, and sections 102 through 109 of this Act shall be
10 invalid."

11 4. Title page, line 5, by inserting after the
12 word "commission;" the following: "providing for
13 voluntary limitation of campaign expenditures and
14 contributions for certain elective officers;"

15 5. By numbering, renumbering, and changing
16 internal references as necessary.

By JOCHUM of Dubuque
HANSEN of Woodbury
BERNAU of Story
HOLVECK of Polk

McKINNEY of Dallas
CONNORS of Polk
HAMMOND of Story
NEUHAUSER of Johnson

H-3608 FILED MARCH 31, 1993

Not Referred 4-1-93

HOUSE FILE 576

H-3607

1 Amend House File 576 as follows:

2 1. Page 15, line 13, by inserting after the word
3 "person." the following: "This section shall not be
4 construed to prohibit a candidate or candidate's
5 committee from using campaign funds or accepting
6 contributions for tickets to meals if the candidate
7 attends solely for the purpose of enhancing the
8 person's candidacy or the candidacy of another
9 person."

By SCHRADER of Marion

H-3607 FILED MARCH 31, 1993

*(p. 997) adopted
4-1-93*

HOUSE FILE 576

H-3614

1 Amend the amendment, H-3608, to House File 576, as
2 follows:
3 1. Page 6, by striking lines 37 through 43, and
4 inserting the following:
5 "a. No contributions from political action
6 committees, political parties, lobbyists, out-of-state
7 residents, or state candidates or elected officials."
8 2. Page 6, line 46, by striking the word
9 "thousand" and inserting the following: "hundred".
10 3. By striking page 6, line 50, through page 7,
11 line 6, and inserting the following:
12 "a. No contributions from political action
13 committees, political parties, lobbyists, out-of-state
14 residents, or state candidates or elected officials."
15 4. Page 7, line 9, by striking the word
16 "thousand" and inserting the following: "hundred".
17 5. Page 7, by striking lines 11 through 17, and
18 inserting the following:
19 "a. No contributions from political action
20 committees, political parties, lobbyists, out-of-state
21 residents, or state candidates or elected officials."
22 6. Page 7, line 20, by striking the word "five"
23 and inserting the following: "one".
24 7. Page 7, by striking lines 22 through 28, and
25 inserting the following:
26 "a. No contributions from political action
27 committees, political parties, lobbyists, out-of-state
28 residents, or state candidates or elected officials."
29 8. Page 7, line 31, by striking the word "five"
30 and inserting the following: "one".
31 9. Page 7, by striking lines 32 through 36.
32 10. By renumbering and relettering as necessary.
By FALLON of Polk

H-3614 FILED APRIL 1, 1993
WITHDRAWN

HOUSE FILE 576

H-3615

1 Amend the amendment, H-3605, to House File 576 as
2 follows:
3 1. Page 1, by striking line 5 and inserting the
4 following: "is amended to read as follows:
5 1. A candidate and the candidate's committee shall
6 use campaign funds only for campaign purposes,
7 educational and other expenses associated with the
8 duties of legislative office, or constituency
9 services, and shall not use campaign funds for
10 personal expenses."

By LUNDBY of Linn
BAKER of Polk
BEATTY of Warren

H-3615 FILED APRIL 1, 1993
ADOPTED

HOUSE FILE 576

H-3611

1 Amend the amendment, H-3608, to House File 576 as
2 follows:

3 1. Page 1, line 21, by striking the word and
4 figures "56.33 or 56.36" and inserting the following:
5 "56.38 or 56.39B".

6 2. Page 1, line 43, by striking the figure
7 "56.32" and inserting the following: "56.37".

By JOCHUM of Dubuque

H-3611 FILED APRIL 1, 1993

(p.995)

Adopted
4-1-93

HOUSE FILE 576
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 175)

(As Amended and Passed by the House April 1, 1993)

Passed Senate, Date 4/30/93 (p.1504) Passed House, ^(p.1942) Date 5/1/93
Vote: Ayes 50 Nays 0 Vote: Ayes 99 Nays 0
Approved May 19, 1993

A BILL FOR

1 An Act relating to the procedures of and requirements enforced by
2 the campaign finance disclosure commission; changing filing
3 and other procedural requirements placed on candidates and
4 political committees; changing the procedures for the hearing
5 of complaints before the commission; and providing for
6 administrative penalties and judicial review.

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

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House Amendments _____
Deleted Language *

1 Section 1. Section 56.2, subsection 4, unnumbered
2 paragraph 1, Code 1993, is amended to read as follows:

3 "Candidate's committee" means the committee designated by
4 the candidate to receive contributions in the aggregate,
5 expend funds in the aggregate, or incur indebtedness in the
6 aggregate as follows:

7 Sec. 2. Section 56.2, subsection 15, Code 1993, is amended
8 to read as follows:

9 15. "Political committee" means a committee, but not a
10 candidate's committee, which accepts contributions in excess
11 of two hundred fifty dollars in the aggregate, makes
12 expenditures in excess of two hundred fifty dollars in the
13 aggregate, or incurs indebtedness in excess of two hundred
14 fifty dollars in the aggregate ~~of more than two hundred fifty~~
15 ~~dollars~~ in any one calendar year for the purpose of supporting
16 or opposing a candidate for public office or ballot issue, or
17 an association, lodge, society, cooperative, union,
18 fraternity, sorority, educational institution, civic
19 organization, labor organization, religious organization, or
20 professional organization which makes contributions in the
21 aggregate of more than two hundred fifty dollars in any one
22 calendar year for the purpose of supporting or opposing a
23 candidate for public office or a ballot issue. "Political
24 committee" also includes a committee which accepts
25 contributions in excess of two hundred fifty dollars in the
26 aggregate, makes expenditures in excess of two hundred fifty
27 dollars in the aggregate, or incurs indebtedness in excess of
28 two hundred fifty dollars in the aggregate ~~of more than two~~
29 ~~hundred-fifty-dollars~~ in a calendar year to cause the
30 publication or broadcasting of material in which the public
31 policy positions or voting record of an identifiable candidate
32 is discussed and in which a reasonable person could find
33 commentary favorable or unfavorable to those public policy
34 positions or voting record.

35 Sec. 3. Section 56.2, Code 1993, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 15A. "Political purpose" or "political
3 purposes" means the support or opposition of a candidate or
4 ballot issue.

5 Sec. 4. Section 56.3, subsections 1, 2, and 4, Code 1993,
6 are amended to read as follows:

7 1. Every committee shall appoint a treasurer who shall be
8 an Iowa resident who has reached the age of majority. An
9 expenditure shall not be made by the treasurer or treasurer's
10 designee for or on behalf of a committee without the approval
11 of the chairperson of the committee, or the candidate.

12 2. An individual who receives contributions for a
13 committee without the prior authorization of the chairperson
14 of the committee or the candidate shall be responsible for
15 either rendering the contributions to the treasurer within
16 fifteen days of the date of receipt of the contributions, or
17 depositing the contributions in the account maintained by the
18 committee within seven days of the date of receipt of the
19 contributions. A person who receives contributions for a
20 committee shall, not later than fifteen days from the date of
21 receipt of the contributions or on demand of the treasurer,
22 render to the treasurer the contributions and an account of
23 the total of all contributions; including the name and address
24 of each person making a contribution in excess of ten dollars,
25 the amount of the contributions, and the date on which the
26 contributions were received. The treasurer shall deposit all
27 contributions within seven days of receipt by the treasurer in
28 an account maintained by the committee in a financial
29 institution located in Iowa. All funds of a committee shall
30 be segregated from any other funds held by officers, members,
31 or associates of the committee or the committee's candidate.
32 However, if a candidate's committee receives contributions
33 only from the candidate, or if a permanent organization
34 temporarily engages in activity which qualifies it as a
35 political committee and all expenditures of the organization

1 are made from existing general operating funds and funds are
2 not solicited or received for this purpose from sources other
3 than operating funds, then that committee is not required to
4 maintain a separate account in a financial institution. The
5 funds of a committee are not attachable for the personal debt
6 of the committee's candidate or an officer, member, or
7 associate of the committee.

8 4. The treasurer and candidate in the case of a
9 candidate's committee, and the treasurer and chairperson in
10 the case of a political committee, shall preserve all records
11 required to be kept by this section for a period of one-year
12 three years from the date of the election in which the
13 committee is involved, or the certified date of dissolution of
14 the committee, whichever is applicable.

15 Sec. 5. Section 56.5, subsection 2, paragraphs c and f,
16 and subsection 5, Code 1993, are amended to read as follows:

17 c. The name, address, office sought, and the party
18 affiliation of all candidates whom the committee is supporting
19 and, if the committee is supporting the entire ticket of any
20 party, the name of the party. If, however, the committee is
21 supporting several candidates who are not identified by name
22 or are not of the same political affiliation, the committee
23 may provide a statement of purpose in lieu of candidate names
24 or political party affiliation.

25 f. A signed statement by the treasurer of the committee
26 and the candidate, in the case of a candidate's committee, or
27 by the treasurer of the committee and the chairperson, in the
28 case of a political committee, which shall be-in-the-following
29 form:

30 "I-am verify that they are aware that-I-am-required of the
31 requirement to file disclosure reports if the committee
32 receives, the committee officers, the candidate, or both the
33 committee officers and the candidate receive contributions in
34 excess of two hundred fifty dollars in the aggregate, makes
35 make expenditures in excess of two hundred fifty dollars in

1 the aggregate, or incurs incur indebtedness in excess of two
2 hundred fifty dollars in the aggregate in a calendar year for
3 the purpose of supporting or opposing any candidate for public
4 office or ballot issue." In the case of statements relating
5 to candidates for city or school office, a five hundred dollar
6 aggregate threshold level shall apply instead of the two
7 hundred fifty dollar threshold level.

8 5. A committee or organization not domiciled in Iowa which
9 makes a contribution to a candidate's committee or political
10 committee domiciled in Iowa shall disclose each contribution
11 to the commission. A committee or organization not domiciled
12 in Iowa which is not registered and filing full disclosure
13 reports of all financial activities with the federal election
14 commission or another state's disclosure commission shall
15 register and file full disclosure reports with the commission
16 pursuant to this chapter, shall appoint an eligible Iowa
17 elector as committee or organization treasurer, and shall
18 maintain an account in a financial institution located in
19 Iowa. A committee which is currently filing a disclosure
20 report in another jurisdiction shall either file a statement
21 of organization under subsections 1 and 2 and file disclosure
22 reports, the same as those required of Iowa-domiciled
23 committees, under section 56.6, or shall file one copy of a
24 verified statement with the commission and a second copy with
25 the treasurer of the committee receiving the contribution.
26 The form shall be completed and filed at the time the
27 contribution is made. The verified statement shall be on
28 forms prescribed by the commission. The form shall include
29 the complete name, address, and telephone number of the
30 contributing committee, the state or federal jurisdiction
31 under which it is registered or operates, the identification
32 of any parent entity or other affiliates or sponsors, its
33 purpose, the name, and address, and signature of an Iowa
34 resident authorized to receive service of original notice and
35 the name and address of the receiving committee, the amount of

1 the cash or in-kind contribution, and the date the
2 contribution was made.

3 Sec. 6. Section 56.5A, Code 1993, is amended to read as
4 follows:

5 56.5A CANDIDATE'S COMMITTEE.

6 Each candidate for federal, state, or county office shall
7 organize one, and only one, candidate's committee for a
8 specific office sought when the candidate receives
9 contributions in excess of two hundred fifty dollars in the
10 aggregate, makes expenditures in excess of two hundred fifty
11 dollars in the aggregate, or incurs indebtedness in excess of
12 two hundred fifty dollars in the aggregate in a calendar year.

13 Each candidate for city or school office shall organize
14 one, and only one, candidate's committee for a specific office
15 sought when the candidate receives contributions in excess of
16 five hundred dollars in the aggregate, makes expenditures in
17 excess of five hundred dollars in the aggregate, or incurs
18 indebtedness in excess of five hundred dollars in the
19 aggregate in a calendar year.

* 20 Sec. 7. Section 56.10, subsection 1, Code 1993, is amended
21 to read as follows:

22 1. Review the contents of all disclosure reports and other
23 statements filed with the commission and promptly advise each
24 committee of errors found. The commission may verify
25 information contained in the reports with other parties to
26 assure accurate disclosure. The commission may, upon its own
27 motion, initiate action and conduct a hearing under section
28 ~~56.11, subsections 1 and 2~~ 56.30, subsection 7, and section
29 56.31. The commission may require the county commissioner to
30 file summary reports with it periodically.

* 31 Sec. 8. Section 56.12A, Code 1993, is amended to read as
32 follows:

33 56.12A USE OF PUBLIC MONEYS FOR POLITICAL PURPOSES.

34 The state and the governing body of a county, city, or
35 other political subdivision of the state shall not expend or

1 permit the expenditure of public moneys for political
2 purposes, including supporting or opposing a ballot issue.

3 This section shall not be construed to limit the freedom of
4 speech of ~~the governing body of, or the~~ officials or employees
5 of the state or of officials or employees of the a governing
6 body of, a county, city, or other political subdivision of the
7 state. This section also shall not be construed to prohibit
8 the state or a governing body of a political subdivision of
9 the state from expressing an opinion on a ballot issue through
10 the passage of a resolution or proclamation.

11 Sec. 9. Section 56.15, subsections 1 and 4, Code 1993, are
12 amended to read as follows:

13 1. Except as provided in subsection subsections 3 and 4,
14 it is unlawful for an insurance company, savings and loan
15 association, bank, credit union, or corporation organized
16 pursuant to the laws of this state or any other state,
17 territory, or foreign country, whether for profit or not, or
18 an officer, agent or representative acting for such insurance
19 company, savings and loan association, bank, credit union, or
20 corporation, to contribute any money, property, labor, or
21 thing of value, directly or indirectly, to a committee, or for
22 the purpose of influencing the vote of an elector, except that
23 such resources may be so expended in connection with a utility
24 franchise election held pursuant to section 364.2, subsection
25 4, or a ballot issue. All such expenditures are subject to
26 the disclosure requirements of this chapter.

27 4. The restrictions imposed by this section relative to
28 making, soliciting or receiving contributions shall not apply
29 to a nonprofit corporation or organization which uses those
30 contributions to encourage registration of voters and
31 participation in the political process, or to publicize public
32 issues, or both, but does not use any part of those
33 contributions to endorse or oppose any candidate for public
34 office or. A nonprofit corporation or organization may use
35 contributions solicited or received to support or oppose

1 ballot issues but the expenditures shall be disclosed by the
2 nonprofit corporation or corporation in the manner provided
3 for a permanent organization temporarily engaged in a
4 political activity under section 56.6.

5 Sec. 10. NEW SECTION. 56.30 COMPLAINTS -- PROCEDURE.

6 1. Any person may file a complaint alleging that a
7 candidate, committee, or other person has committed a
8 violation of this chapter or rules adopted by the commission.
9 The commission shall prescribe and provide forms for this
10 purpose. A complaint must include the name and address of the
11 complainant, a statement of the facts believed to be true that
12 form the basis of the complaint, including the sources of
13 information and approximate dates of the acts alleged, and a
14 certification by the complainant under penalty of perjury that
15 the facts stated to be true are true to the best of the
16 complainant's knowledge.

17 2. The commission staff shall review the complaint to
18 determine if the complaint is sufficient as to form. If the
19 complaint is deficient as to form, the complaint shall be
20 returned to the complainant with a statement of the deficiency
21 and an explanation describing how the deficiency may be cured.
22 If the complaint is sufficient as to form, the complaint shall
23 be referred for legal review.

24 3. Unless the chairperson of the commission concludes that
25 immediate notification would prejudice a preliminary
26 investigation or subject the complainant to an unreasonable
27 risk, the commission shall mail a copy of the complaint to the
28 subject of the complaint within three working days of the
29 acceptance of the complaint. If a determination is made by
30 the chairperson not to mail a copy of the complaint to the
31 subject of the complaint within the three working days time
32 period, the commission shall approve and establish the time
33 and conditions under which the subject will be informed of the
34 filing and contents of the complaint. If a complaint is filed
35 within thirty days of an election, the person who is the

1 subject of the allegations in the complaint shall be permitted
2 to request and may receive a preliminary hearing on the
3 allegations within three working days of notification of the
4 filing of the complaint.

5 4. Upon completion of legal review, the chairperson of the
6 commission shall be advised whether, in the opinion of the
7 legal advisor, the complaint states an allegation which is
8 legally sufficient. A legally sufficient allegation must
9 allege all of the following:

10 a. Facts that would establish a violation of a provision
11 of this chapter or rules adopted by the commission.

12 b. Facts that would establish that the conduct providing
13 the basis for the complaint occurred within three years of the
14 complaint.

15 c. Facts that would establish that the subject of the
16 complaint is a party subject to the jurisdiction of the
17 commission.

18 5. After receiving an evaluation of the legal sufficiency
19 of the complaint, the chairperson shall refer the complaint to
20 the commission for a formal determination by the commission of
21 the legal sufficiency of the allegations contained in the
22 complaint.

23 6. If the commission determines that none of the
24 allegations contained in the complaint are legally sufficient,
25 the complaint shall be dismissed. The complainant shall be
26 sent a notice of dismissal stating the reason or reasons for
27 the dismissal. If a copy of the complaint was sent to the
28 subject of the complaint, a copy of the notice shall be sent
29 to the subject of the complaint. If the commission determines
30 that a complaint, which has been found to be legally
31 insufficient, is frivolous and has been filed in bad faith,
32 the commission may penalize the complainant in an amount not
33 to exceed two thousand dollars. If the commission determines
34 that any allegation contained in the complaint is legally
35 sufficient, the complaint shall be referred to the commission

1 staff for investigation of any legally sufficient allegations.

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

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

22 9. If the commission determines on the basis of an
23 investigation by commission staff that there is probable cause
24 to believe that facts exist that would establish a violation
25 of this chapter, or of rules adopted by the commission, the
26 commission shall issue a statement of charges and notice of a
27 contested case proceeding to the complainant and to the person
28 who is the subject of the complaint, in the manner provided
29 for the issuance of statements of charges under chapter 17A.
30 If the commission determines on the basis of an investigation
31 by staff that there is no probable cause to believe that a
32 violation has occurred, the commission shall close the
33 investigation, dismiss any related complaint, and the subject
34 of the complaint shall be notified of the dismissal. If the
35 investigation originated from a complaint filed by a person

1 other than the commission, the person making the complaint
2 shall also be notified of the dismissal.

3 10. At any stage during the investigation or after the
4 initiation of a contested case proceeding, the commission may
5 approve a settlement regarding an alleged violation. Terms of
6 a settlement shall be reduced to writing and be available for
7 public inspection. An informal settlement may provide for any
8 administrative remedy specified in section 56.32. However,
9 the commission shall not approve a settlement unless the
10 commission determines that the terms of the settlement are in
11 the public interest and are consistent with the purposes of
12 this chapter and rules of the commission. In addition, the
13 commission may authorize commission staff to seek informal
14 voluntary compliance in routine matters brought to the
15 attention of the commission or its staff.

16 11. A complaint shall be a public record, but some or all
17 of the contents may be treated as confidential under section
18 22.7, subsection 18, to the extent necessary under subsection
19 3. Information informally reported to the commission and
20 commission staff which results in a commission-initiated
21 investigation shall be a public record but may be treated as
22 confidential information consistent with the provisions of
23 section 22.7, subsection 18. However, if the commission
24 decides to initiate an investigation on its own motion, the
25 informal information, in an unaltered form, shall be provided
26 upon request to the subject of the investigation. If the
27 complainant, the person who provides information to the
28 commission, or the person who is the subject of an
29 investigation publicly discloses the existence of an
30 investigation, the commission may publicly confirm the
31 existence of the disclosed formal complaint or investigation
32 and, in the commission's discretion, make the complaint or the
33 informal referral public, as well as any other documents that
34 were issued by the commission to any party to the
35 investigation. However, investigative materials may be

1 furnished to the appropriate law enforcement authorities by
2 the commission at any time. Upon the commencement of a
3 contested case proceeding by the commission, all investigative
4 material relating to that proceeding shall be made available
5 to the subject of the proceeding. The entire record of any
6 contested case proceeding initiated under this section shall
7 be a public record.

8 12. Commission records used to achieve voluntary
9 compliance to resolve discrepancies and deficiencies shall not
10 be confidential unless otherwise required by law.

11 Sec. 11. NEW SECTION. 56.31 CONTESTED CASE PROCEEDINGS.

12 1. Contested case proceedings initiated as a result of the
13 issuance of a statement of charges pursuant to section 56.30,
14 subsection 9, shall be conducted in accordance with the
15 requirements of chapter 17A. A preponderance of the evidence
16 shall be required to support a finding that a person has
17 violated this chapter or any rules adopted by the commission.
18 The case in support of the statement of charges shall be
19 presented at the hearing by one of the commission's attorneys
20 or staff unless, upon the request of the commission, the
21 charges are prosecuted by another legal counsel designated by
22 the attorney general. A person making a complaint under
23 section 56.30, subsection 1, is not a party to contested case
24 proceedings conducted relating to allegations contained in the
25 complaint.

26 2. Hearings held pursuant to this chapter shall be heard
27 by a quorum of the commission, unless the commission
28 designates a commissioner or an administrative law judge to
29 preside at the hearing. If a quorum of the commission does
30 not preside at the hearing, the commissioner or administrative
31 law judge shall make a proposed decision. The commission or
32 presiding commissioner may be assisted by an administrative
33 law judge in the conduct of the hearing and the preparation of
34 a decision.

35 3. Upon a finding by the commission that the party charged

1 has violated this chapter or rules adopted by the commission,
2 the commission may impose any penalty provided for by section
3 56.32. Upon a final decision of the commission finding that
4 the party charged has not violated this chapter or the rules
5 of the commission, the complaint shall be dismissed and the
6 party charged and the original complainant, if any, shall be
7 notified.

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

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

14 Sec. 12. NEW SECTION. 56.32 ADMINISTRATIVE REMEDIES.

15 1. Upon a finding that a violation of this chapter or
16 rules of the commission has occurred, the commission may issue
17 an order providing for one or more of the following:

18 a. That the violator is required to cease and desist from
19 the violation found.

20 b. That the violator is required to take any remedial
21 action deemed appropriate by the commission.

22 c. That the violator is required to file any report,
23 statement, or other information required by this chapter or
24 rules of the commission.

25 d. That the violator is required to pay a civil penalty of
26 not more than two thousand dollars for each violation of this
27 chapter or rules of the commission.

28 e. Publicly reprimanding the violator for violations of
29 this chapter or rules of the commission.

30 f. That the complaint and supporting information is
31 referred to the attorney general or appropriate county
32 attorney with a recommendation for criminal prosecution.

33 2. At any stage during an investigation or during the
34 commission's review of routine compliance matters, the
35 commission may resolve the matter by admonishment to the

1 alleged violator or by any other means not specified in
2 subsection 1 as a posthearing remedy.

3 Sec. 13. NEW SECTION. 56.33 JUDICIAL REVIEW --
4 ENFORCEMENT.

5 Judicial review of any action of the commission may be
6 sought in accordance with chapter 17A. If a person fails to
7 comply with an order of the commission issued pursuant to
8 section 56.31, the commission may petition the district court
9 for enforcement of the order of the commission. Judicial
10 enforcement of an order of the commission may be sought within
11 one year of the date of the order in any court in which a
12 petition for judicial review of the order of the commission
13 could have been filed by the party to whom the order pertains.
14 A proceeding for judicial enforcement shall be conducted, as
15 far as possible, in a manner consistent with judicial review
16 of contested cases pursuant to chapter 17A.

17 Sec. 14. NEW SECTION. 56.34 CRIMINAL PROSECUTIONS.

18 Upon receipt of an order and recommendations from the
19 commission, the county attorney or attorney general shall
20 review the order and recommendation. Within five days of
21 receiving the order, the county attorney or attorney general
22 shall institute the recommended actions and any other action
23 for relief, including a permanent or temporary injunction,
24 restraining order or other appropriate remedy in the district
25 court in and for the county in which the accused resides or
26 shall advise the commission that in the county attorney's or
27 attorney general's judgment the case does not merit
28 prosecution. If the county attorney or attorney general does
29 not initiate the recommended action within five days of
30 receipt or if the county attorney or attorney general advises
31 against prosecution of the report, the commission may take the
32 report before any judge of the district court, who shall
33 determine if sufficient cause exists to warrant action. If
34 the judge of the district court finds that the report warrants
35 prosecution, the county attorney or attorney general shall

1 immediately commence the action unless disqualified. In the
2 event of disqualification, the commission may retain an
3 attorney to represent it and commence the action. The county
4 attorney or attorney general may also institute criminal
5 action independently from any action by the commission.

6 Sec. 15. NEW SECTION. 56.35 HEARING COSTS.

7 If a person is found to have violated this chapter or rules
8 of the commission, the commission may recover from the person
9 all or a portion of the costs associated with the following
10 procedures and personnel:

- 11 1. Transcripts.
- 12 2. Witness fees and expenses.
- 13 3. Commissioner per diem and expenses.
- 14 4. Depositions.
- 15 5. Service of process.
- 16 6. Court reporter fees.

17 Fees and costs recovered under this section are repayment
18 receipts as defined in section 8.2.

19 Sec. 16. Section 56.40, Code 1993, is amended to read as
20 follows:

21 56.40 CAMPAIGN FUNDS.

22 As used in this division, "campaign funds" means
23 contributions to a candidate or candidate's committee which
24 are required by this chapter to be deposited in a separate
25 campaign account. A candidate's committee shall not accept
26 contributions from any other candidate's committee including
27 candidate's committees from other states or for federal
28 office, unless the candidate for whom each committee is
29 established is the same person. For purposes of this section,
30 "contributions" does not mean travel costs incurred by a
31 candidate in attending a campaign event of another candidate.
32 This section shall not be construed to prohibit a candidate or
33 candidate's committee from using campaign funds or accepting
34 contributions for tickets to meals if the candidate attends
35 solely for the purpose of enhancing the person's candidacy or

1 the candidacy of another person.

2 Sec. 17. Section 56.41, subsection 1, Code 1993, is
3 amended to read as follows:

4 1. A candidate and the candidate's committee shall use
5 campaign funds only for campaign purposes, educational and
6 other expenses associated with the duties of legislative
7 office, or constituency services, and shall not use campaign
8 funds for personal expenses.

9 Sec. 18. Section 331.756, subsection 15, Code 1993, is
10 amended to read as follows:

11 15. Review the report-and-recommendations order and
12 supporting information of the campaign finance disclosure
13 commission and proceed to institute the recommended actions or
14 advise the commission that prosecution is not merited as
15 provided in section ~~56.117-subsection-4~~ 56.34.

16 Sec. 19. Section 56.11, Code 1993, is repealed.

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HOUSE FILE 576

S-3608

1 Amend House File 576, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by striking lines 1 through 6 and
4 inserting the following:

5 "Section 1. Section 56.2, subsection 4, Code 1993,
6 is amended to read as follows:

7 4. "Candidate's committee" means the committee
8 designated by the candidate for a state, county, city,
9 or school office to receive contributions in excess of
10 five hundred dollars in the aggregate, expend funds in
11 excess of five hundred dollars in the aggregate, or
12 incur indebtedness on behalf of the candidate in
13 excess of five hundred dollars in the aggregate as
14 follows:

15 ~~---a.---For-federal,-state,-or-county-office,-in-excess~~
16 ~~of-two-hundred-fifty-dollars in any calendar year on~~
17 ~~behalf-of-the-candidate.~~

18 ~~b.---For-city-or-school-office,-in-excess-of-five~~
19 ~~hundred-dollars-in-any-calendar-year-on-behalf-of-the~~
20 ~~candidate."~~

21 2. Page 3, line 34, by striking the words "two
22 hundred fifty" and inserting the following: "five
23 hundred".

24 3. Page 3, line 35, by striking the words "two
25 hundred fifty" and inserting the following: "five
26 hundred".

27 4. Page 4, lines 1 and 2, by striking the words
28 "two hundred fifty" and inserting the following: "two
29 hundred-fifty five hundred".

30 5. Page 4, line 4, by striking the words "or
31 ballot issue" and inserting the following: "or-ballot
32 issue".

33 6. Page 4, by striking line 5 and inserting the
34 following: "to ballot issues, a two hundred fifty
35 dollar".

36 7. Page 4, lines 6 and 7, by striking the words
37 "two hundred fifty" and inserting the following:
38 "five hundred".

39 8. Page 5, line 6, by striking the words "or
40 county" and inserting the following: "or county,
41 city, or school".

42 9. Page 5, line 9, by striking the words "two
43 hundred fifty" and inserting the following: "five
44 hundred".

45 10. Page 5, line 10, by striking the words "two
46 hundred fifty" and inserting the following: "five
47 hundred".

48 11. Page 5, by striking lines 13 through 19 and
49 inserting the following:

50 "Each-candidate-for-city-or-school-office-shall

S-3608

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Div
B

S-3608

Page 2

~~1 organize-one, and only one, candidate's committee for
2 a specific office sought when the candidate receives
3 contributions, makes expenditures, or incurs
4 indebtedness in excess of five hundred dollars in a
5 calendar year."~~

6 12. Page 7, line 2, by striking the words "or
7 corporation" and inserting the following: "or
8 organization".

9 13. Page 13, by striking lines 1 and 2 and
10 inserting the following: "alleged violator or by any
11 other means agreed to in writing by the parties."

12 14. Page 15, line 6, by striking the word
13 "legislative".

14 15. Page 15, line 8, by inserting after the word
15 "expenses" the following: "or personal benefit".

By MICHAEL E. GRONSTAL

Div. B

Div. A

Div. B

S-3608 FILED APRIL 23, 1993

S-3608A -

WITHDRAWN 4/30

S-3608B -

ADOPTED 4/30

HOUSE FILE 576

S-3644

2 reprinted by the House, as follows:

3 1. Page 15, line 7, by inserting after the word
4 "services" the following: "for individuals who reside
5 in the district for which the candidate is seeking
6 election, as defined by rules adopted by the
7 commission".

By JIM LIND

S-3644 FILED APRIL 27, 1993

Last 4/30 (p. 1504)

HOUSE FILE 576

S-3645

1 Amend House File 576, as amended, passed, and
2 reprinted by the House, as follows:

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

5 "Sec. ____ . Section 56.15A, Code 1993, is amended
6 by adding the following new unnumbered paragraph:
7 NEW UNNUMBERED PARAGRAPH. A candidate for state
8 office shall not solicit campaign contributions from a
9 registered lobbyist at any time."

10 2. By numbering and renumbering as necessary.

By JIM LIND

S-3645 FILED APRIL 27, 1993

Last 4/30

HOUSE FILE 576

S-3660

- 1 Amend House File 576, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. By striking page 7, line 5, through page 14,
- 4 line 18.
- 5 2. Title page, line 2, by striking the word
- 6 "commission;" and inserting the following:
- 7 "commission and".
- 8 3. Title page, by striking lines 4 and 5, and
- 9 inserting the following: "political committees."
- 10 4. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-3660 FILED APRIL 27, 1993

Adopted 4/30 (p. 1504)

HOUSE FILE 576

S-3697

- 1 Amend House File 576, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 7, by inserting after line 4 the
- 4 following:
- 5 "Sec. ____ . Section 56.15A, Code 1993, is amended
- 6 to read as follows:
- 7 56.15A PROHIBITING CERTAIN CONTRIBUTIONS DURING
- 8 THE-LEGISLATIVE-SESSION.
- 9 A lobbyist ~~or political committee, other than a~~
- 10 ~~state statutory political committee, county statutory~~
- 11 ~~political committee, or a national political party,~~
- 12 shall not contribute to, act as an agent or
- 13 intermediary for contributions to, or arrange for the
- 14 making of contributions to the campaign funds of an
- 15 elected state official, member of the general
- 16 assembly, or candidate for public office on the state
- 17 level on any day during the regular legislative
- 18 session and, in the case of the governor or a
- 19 gubernatorial candidate, during the thirty days
- 20 following the adjournment of a regular legislative
- 21 session allowed for the signing of bills. A political
- 22 committee, other than a state statutory political
- 23 committee, county statutory political committee, or a
- 24 national political party, shall not contribute to, act
- 25 as an agent or intermediary for contributions to, or
- 26 arrange for the making of contributions to a candidate
- 27 for state office or to the candidate's committee of a
- 28 candidate for state office.
- 29 PARAGRAPH DIVIDED. This section shall not apply to
- 30 the solicitation or receipt of contributions by an
- 31 elected state official, member of the general
- 32 assembly, or other state official who has taken
- 33 affirmative action to seek nomination or election to a
- 34 federal elective office."
- 35 2. By numbering and renumbering as necessary.

By JIM KERSTEN

S-3697 FILED APRIL 29, 1993

Lost 4/30 (p. 1504)

SENATE AMENDMENT TO HOUSE FILE 576

H-4365

1 Amend House File 576, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by striking lines 1 through 6 and
4 inserting the following:

5 "Section 1. Section 56.2, subsection 4, Code 1993,
6 is amended to read as follows:

7 4. "Candidate's committee" means the committee
8 designated by the candidate for a state, county, city,
9 or school office to receive contributions in excess of
10 five hundred dollars in the aggregate, expend funds in
11 excess of five hundred dollars in the aggregate, or
12 incur indebtedness on behalf of the candidate in
13 excess of five hundred dollars in the aggregate as
14 follows:

15 ~~---a.---For-federal,-state,-or-county-office,-in-excess~~
16 ~~of-two-hundred-fifty-dollars~~ in any calendar year on
17 behalf of the candidate.

18 ~~b.---For-city-or-school-office,-in-excess-of-five~~
19 ~~hundred-dollars-in-any-calendar-year-on-behalf-of-the~~
20 ~~candidate."~~

21 2. Page 3, line 34, by striking the words "two
22 hundred fifty" and inserting the following: "five
23 hundred".

24 3. Page 3, line 35, by striking the words "two
25 hundred fifty" and inserting the following: "five
26 hundred".

27 4. Page 4, lines 1 and 2, by striking the words
28 "two hundred fifty" and inserting the following: "two
29 hundred-fifty five hundred".

30 5. Page 4, line 4, by striking the words "or
31 ballot issue" and inserting the following: "~~or-ballot~~
32 ~~issue~~".

33 6. Page 4, by striking line 5 and inserting the
34 following: "to ballot issues, a two hundred fifty
35 dollar".

36 7. Page 4, lines 6 and 7, by striking the words
37 "two hundred fifty" and inserting the following:
38 "five hundred".

39 8. Page 5, line 6, by striking the words "or
40 county" and inserting the following: "or county,
41 city, or school".

42 9. Page 5, line 9, by striking the words "two
43 hundred fifty" and inserting the following: "five
44 hundred".

45 10. Page 5, line 10, by striking the words "two
46 hundred fifty" and inserting the following: "five
47 hundred".

48 11. Page 5, by striking lines 13 through 19 and
49 inserting the following:

50 "~~Each-candidate-for-city-or-school-office-shall~~

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Page 2

1 ~~organize-one,-and-only-one,-candidate's-committee-for~~
2 ~~a-specific-office-sought-when-the-candidate-receives~~
3 ~~contributions,-makes-expenditures,-or-incurs~~
4 ~~indebtedness-in-excess-of-five-hundred-dollars-in-a~~
5 ~~calendar-year."~~

6 12. Page 7, line 2, by striking the words "or
7 corporation" and inserting the following: "or
8 organization".

9 13. By striking page 7, line 5, through page 14,
10 line 18.

11 14. Page 15, line 6, by striking the word
12 "legislative".

13 15. Page 15, line 8, by inserting after the word
14 "expenses" the following: "or personal benefit".

15 16. Title page, line 2, by striking the word
16 "commission;" and inserting the following:
17 "commission and".

18 17. Title page, by striking lines 4 through 6,
19 and inserting the following: "political committees."

20 18. By renumbering, relettering, or redesignating
21 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-4365 FILED MAY 1, 1993
CONCURRED

Carpenter, Chair

HSR 175

STATE GOVERNMENT

Beatty

Hanson

Halverson

Spencer

SENATE/HOUSE FILE 576

BY (PROPOSED CAMPAIGN FINANCE
DISCLOSURE COMMISSION BILL)

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

A BILL FOR

1 An Act relating to the procedures of and requirements enforced by
2 the campaign finance disclosure commission; changing filing
3 and other procedural requirements placed on candidates and
4 political committees; changing the procedures for the hearing
5 of complaints before the commission; providing for
6 administrative penalties and judicial review; and providing an
7 effective date.

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

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1 Section 1. Section 56.3, subsections 1, 2, and 4, Code
2 1993, are amended to read as follows:

3 1. Every committee shall appoint a treasurer who shall be
4 an Iowa resident who has reached the age of majority. An
5 expenditure shall not be made by the treasurer or treasurer's
6 designee for or on behalf of a committee without the approval
7 of the chairperson of the committee, or the candidate.

8 2. A person shall not receive contributions for a
9 committee without the prior authorization of the chairperson
10 of the committee or the candidate. A person who receives
11 contributions for a committee shall, not later than fifteen
12 days from the date of receipt of the contributions or on
13 demand of the treasurer, render to the treasurer the
14 contributions and an account of the total of all
15 contributions; including the name and address of each person
16 making a contribution in excess of ten dollars, the amount of
17 the contributions, and the date on which the contributions
18 were received. The treasurer shall deposit all contributions
19 within seven days of receipt by the treasurer in an account
20 maintained by the committee in a financial institution located
21 in Iowa. All funds of a committee shall be segregated from
22 any other funds held by officers, members, or associates of
23 the committee or the committee's candidate. However, if a
24 candidate's committee receives contributions only from the
25 candidate, or if a permanent organization temporarily engages
26 in activity which qualifies it as a political committee and
27 all expenditures of the organization are made from existing
28 general operating funds and funds are not solicited or
29 received for this purpose from sources other than operating
30 funds, then that committee is not required to maintain a
31 separate account in a financial institution. The funds of a
32 committee are not attachable for the personal debt of the
33 committee's candidate or an officer, member, or associate of
34 the committee.

35 4. The treasurer shall preserve all records required to be

1 kept by this section for a period of ~~one-year~~ three years from
2 the date of the election in which the committee is involved.

3 Sec. 2. Section 56.5, subsection 2, paragraphs c and f,
4 and subsection 5, Code 1993, are amended to read as follows:

5 c. The name, address, office sought, and the party
6 affiliation of all candidates whom the committee is supporting
7 and if the committee is supporting the entire ticket of any
8 party, the name of the party. If, however, the committee is
9 supporting several candidates who are not identified by name
10 or are not of the same political affiliation, the committee
11 may provide a statement of purpose in lieu of candidate names
12 or political party affiliation.

13 f. A signed statement by the treasurer of the committee
14 and the candidate, in the case of a candidate's committee, or
15 by the treasurer of the committee and the chairperson, in the
16 case of a political committee, which shall be-in-the-following
17 form:

18 "I-am verify that they are aware that-I-am-required of the
19 requirement to file disclosure reports if the committee
20 receives, the committee officers, the candidate, or both the
21 committee officers and the candidate receive contributions,
22 makes make expenditures, or incurs incur indebtedness in
23 excess of two hundred fifty dollars in the aggregate in a
24 calendar year for the purpose of supporting or opposing any
25 candidate for public office or ballot issue." In the case of
26 statements relating to candidates for city or school office, a
27 five hundred dollar aggregate threshold level shall apply
28 instead of the two hundred fifty dollar threshold level.

29 5. A committee or organization not domiciled in Iowa which
30 makes a contribution to a candidate's committee or political
31 committee domiciled in Iowa shall disclose each contribution
32 to the commission. A committee or organization not domiciled
33 in Iowa which is not registered and filing full disclosure
34 reports of all financial activities with the federal election
35 commission or another state's disclosure commission shall

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

24 Sec. 3. Section 56.10, subsection 1, Code 1993, is amended
25 to read as follows:

26 1. Review the contents of all disclosure reports and other
27 statements filed with the commission and promptly advise each
28 committee of errors found. The commission may verify
29 information contained in the reports with other parties to
30 assure accurate disclosure. The commission may, upon its own
31 motion, initiate action and conduct a hearing under section
32 ~~56-117-subsections-1-and-2~~ 56.30, subsection 7. The
33 commission may require the county commissioner to file summary
34 reports with it periodically.

35 Sec. 4. Section 56.12A, Code 1993, is amended to read as

1 follows:

2 56.12A USE OF PUBLIC MONEYS FOR POLITICAL PURPOSES.

3 The state and the governing body of a county, city, or
4 other political subdivision of the state shall not expend or
5 permit the expenditure of public moneys for political
6 purposes, including supporting or opposing a ballot issue.

7 This section shall not be construed to limit the freedom of
8 speech of ~~the governing body of~~ officials or employees
9 of the state or of officials or employees of a governing
10 body of, a county, city, or other political subdivision of the
11 state.

12 Sec. 5. Section 56.15, subsections 1 and 4, Code 1993, are
13 amended to read as follows:

14 1. Except as provided in ~~subsection~~ subsections 3 and 4,
15 it is unlawful for an insurance company, savings and loan
16 association, bank, credit union, or corporation organized
17 pursuant to the laws of this state or any other state,
18 territory, or foreign country, whether for profit or not, or
19 an officer, agent or representative acting for such insurance
20 company, savings and loan association, bank, credit union, or
21 corporation, to contribute any money, property, labor, or
22 thing of value, directly or indirectly, to a committee, or for
23 the purpose of influencing the vote of an elector, except that
24 such resources may be so expended in connection with a utility
25 franchise election held pursuant to section 364.2, subsection
26 4, or a ballot issue. All such expenditures are subject to
27 the disclosure requirements of this chapter.

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

1 contributions solicited or received to support or oppose
2 ballot issues but the expenditures shall be disclosed by the
3 nonprofit corporation or corporation in the manner provided
4 for a permanent organization temporarily engaged in a
5 political activity under section 56.6.

6 Sec. 6. Section 56.15, Code 1993, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 2A. Notwithstanding the provisions of
9 subsection 1 or 2, the posting of a yard sign supporting or
10 opposing a candidate for public office on property owned,
11 rented, leased, or otherwise under the control of a
12 corporation or other entity regulated under subsection 1 shall
13 not be construed to be an unlawful contribution to a
14 committee. However, the corporation or other entity shall
15 make the same property equally available for the posting of
16 yard signs to other candidates for the same office.

17 Sec. 7. NEW SECTION. 56.30 COMPLAINTS -- PROCEDURE.

18 1. Any person may file a complaint alleging that a
19 candidate, committee, or other person has committed a
20 violation of this chapter or rules adopted by the commission.
21 The commission shall prescribe and provide forms for this
22 purpose. A complaint must include the name and address of the
23 complainant, a statement of the facts believed to be true that
24 form the basis of the complaint, including the sources of
25 information and approximate dates of the acts alleged, and a
26 certification by the complainant under penalty of perjury that
27 the facts stated to be true are true to the best of the
28 complainant's knowledge.

29 2. The commission staff shall review the complaint to
30 determine if the complaint is sufficient as to form. If the
31 complaint is deficient as to form, the complaint shall be
32 returned to the complainant with a statement of the deficiency
33 and an explanation describing how the deficiency may be cured.
34 If the complaint is sufficient as to form, the complaint shall
35 be referred for legal review.

1 3. Unless the chairperson of the commission concludes that
2 immediate notification would prejudice a preliminary
3 investigation or subject the complainant to an unreasonable
4 risk, the commission shall mail a copy of the complaint to the
5 subject of the complaint within three working days of the
6 acceptance of the complaint. If a determination is made by
7 the chairperson not to mail a copy of the complaint to the
8 subject of the complaint within the three working days time
9 period, the commission shall approve and establish the time
10 and conditions under which the subject will be informed of the
11 filing and contents of the complaint.

12 4. Upon completion of legal review, the chairperson of the
13 commission shall be advised whether, in the opinion of the
14 legal advisor, the complaint states an allegation which is
15 legally sufficient. A legally sufficient allegation must
16 allege all of the following:

17 a. Facts that would establish a violation of a provision
18 of this chapter or rules adopted by the commission.

19 b. Facts that would establish that the conduct providing
20 the basis for the complaint occurred within three years of the
21 complaint.

22 c. Facts that would establish that the subject of the
23 complaint is a party subject to the jurisdiction of the
24 commission.

25 5. After receiving an evaluation of the legal sufficiency
26 of the complaint, the chairperson shall refer the complaint to
27 the commission for a formal determination by the commission of
28 the legal sufficiency of the allegations contained in the
29 complaint.

30 6. If the commission determines that none of the
31 allegations contained in the complaint are legally sufficient,
32 the complaint shall be dismissed. The complainant shall be
33 sent a notice of dismissal stating the reason or reasons for
34 the dismissal. If a copy of the complaint was sent to the
35 subject of the complaint, a copy of the notice shall be sent

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

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

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

25 9. If the commission determines on the basis of an
26 investigation by commission staff that there is probable cause
27 to believe the existence of facts that would establish a
28 violation of this chapter, or of rules adopted by the
29 commission, the commission shall issue a statement of charges
30 and notice of a contested case proceeding to the complainant
31 and to the person who is the subject of the complaint, in the
32 manner provided for the issuance of statements of charges
33 under chapter 17A. If the commission determines on the basis
34 of an investigation by staff that there is no probable cause
35 to believe that a violation has occurred, the commission shall

1 close the investigation, dismiss any related complaint, and
2 the subject of the complaint shall be notified of the
3 dismissal. If the investigation originated from a complaint
4 filed by a person other than the commission, the person making
5 the complaint shall also be notified of the dismissal.

6 10. At any stage during the investigation or after the
7 initiation of a contested case proceeding, the commission may
8 approve a settlement regarding an alleged violation. Terms of
9 a settlement shall be reduced to writing and be available for
10 public inspection. An informal settlement may provide for any
11 administrative remedy specified in section 56.32. However,
12 the commission shall not approve a settlement unless the
13 commission determines that the terms of the settlement are in
14 the public interest and are consistent with the purposes of
15 this chapter and rules of the commission. In addition, the
16 commission may authorize commission staff to seek informal
17 voluntary compliance in routine matters brought to the
18 attention of the commission or its staff.

19 11. A complaint shall be a public record, but some or all
20 of the contents may be treated as confidential under section
21 22.7, subsection 18, to the extent necessary under subsection
22 3. Information informally reported to the commission and
23 commission staff which results in a commission-initiated
24 investigation shall be a public record but may be treated as
25 confidential information consistent with the provisions of
26 section 22.7, subsection 18. If the complainant, the person
27 who provides information to the commission, or the person who
28 is the subject of an investigation publicly discloses the
29 existence of an investigation, the commission may publicly
30 confirm the existence of the disclosed formal complaint or
31 investigation and, in the commission's discretion, make the
32 complaint or the informal referral public, as well as any
33 other documents that were issued by the commission to any
34 party to the investigation. However, investigative materials
35 may be furnished to the appropriate law enforcement

1 authorities by the commission at any time. Upon the
2 commencement of a contested case proceeding by the commission,
3 all investigative material relating to that proceeding shall
4 be made available to the subject of the proceeding. The *
5 entire record of any contested case proceeding initiated under
6 this section shall be a public record.

7 12. Commission records used to achieve voluntary
8 compliance to resolve discrepancies and deficiencies shall not
9 be confidential unless otherwise required by law.

10 Sec. 8. NEW SECTION. 56.31 CONTESTED CASE PROCEEDINGS.

11 1. Contested case proceedings initiated as a result of the
12 issuance of a statement of charges pursuant to section 56.30,
13 subsection 9, shall be conducted in accordance with the
14 requirements of chapter 17A. A preponderance of the evidence
15 shall be required to support a finding that a person has
16 violated this chapter or any rules adopted by the commission.
17 The case in support of the statement of charges shall be
18 presented at the hearing by one of the commission's attorneys
19 or staff unless, upon the request of the commission, the
20 charges are prosecuted by another legal counsel designated by
21 the attorney general. A person making a complaint under
22 section 56.30, subsection 1, is not a party to contested case
23 proceedings conducted relating to allegations contained in the
24 complaint.

25 2. Hearings held pursuant to this chapter shall be heard
26 by a quorum of the commission, unless the commission
27 designates a commissioner or an administrative law judge to
28 preside at the hearing. If a quorum of the commission does
29 not preside at the hearing, the commissioner or administrative
30 law judge shall make a proposed decision. The commission or
31 presiding commissioner may be assisted by an administrative
32 law judge in the conduct of the hearing and the preparation of
33 a decision.

34 3. Upon a finding by the commission that the party charged
35 has violated this chapter or rules adopted by the commission,

1 the commission may impose any penalty provided for by section
2 56.32. Upon a final decision of the commission finding that
3 the party charged has not violated this chapter or the rules
4 of the commission, the complaint shall be dismissed and the
5 party charged and the original complainant, if any, shall be
6 notified.

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

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

13 Sec. 9. NEW SECTION. 56.32 ADMINISTRATIVE REMEDIES.

14 1. Upon a finding that a violation of this chapter or
15 rules of the commission has occurred, the commission may issue
16 an order providing for one or more of the following:

17 a. That the violator is required to cease and desist from
18 the violation found.

19 b. That the violator is required to take any remedial
20 action deemed appropriate by the commission.

21 c. That the violator is required to file any report,
22 statement, or other information required by this chapter or
23 rules of the commission.

24 d. That the violator is required to pay a civil penalty of
25 not more than two thousand dollars for each violation of this
26 chapter or rules of the commission.

27 e. Publicly reprimanding the violator for violations of
28 this chapter or rules of the commission.

29 f. That the complaint and supporting information is
30 referred to the attorney general or appropriate county
31 attorney with a recommendation for criminal prosecution.

32 2. At any stage during an investigation or during the
33 commission's review of routine compliance matters, the
34 commission may resolve the matter by admonishment to the
35 alleged violator or by any other means not specified in

1 subsection 1 as a posthearing remedy.

2 Sec. 10. NEW SECTION. 56.33 JUDICIAL REVIEW --
3 ENFORCEMENT.

4 Judicial review of any action of the commission may be
5 sought in accordance with chapter 17A. If a person fails to
6 comply with an order of the commission issued pursuant to
7 section 56.31, the commission may petition the district court
8 for enforcement of the order of the commission. Judicial
9 enforcement of an order of the commission may be sought within
10 one year of the date of the order in any court in which a
11 petition for judicial review of the order of the commission
12 could have been filed by the party to whom the order pertains.
13 A proceeding for judicial enforcement shall be conducted, as
14 far as possible, in a manner consistent with judicial review
15 of contested cases pursuant to chapter 17A.

16 Sec. 11. NEW SECTION. 56.34 CRIMINAL PROSECUTIONS.

17 Upon receipt of an order and recommendations from the
18 commission, the county attorney or attorney general shall
19 review the order and recommendation. Within five days of
20 receiving the order, the county attorney or attorney general
21 shall institute the recommended actions and any other action
22 for relief, including a permanent or temporary injunction,
23 restraining order or other appropriate remedy in the district
24 court in and for the county in which the accused resides or
25 shall advise the commission that in the county attorney's or
26 attorney general's judgment the case does not merit
27 prosecution. If the county attorney or attorney general does
28 not initiate the recommended action within five days of
29 receipt or if the county attorney or attorney general advises
30 against prosecution of the report, the commission may take the
31 report before any judge of the district court, who shall
32 determine if sufficient cause exists to warrant action. If
33 the judge of the district court finds that the report warrants
34 prosecution, the county attorney or attorney general shall
35 immediately commence the action unless disqualified. In the

1 event of disqualification, the commission may retain an
2 attorney to represent it and commence the action. The county
3 attorney or attorney general may also institute criminal
4 action independently from any action by the commission.

5 Sec. 12. NEW SECTION. 56.35 HEARING COSTS.

6 If a person is found to have violated this chapter or rules
7 of the commission, the commission may recover from the person
8 all or a portion of the costs associated with the following
9 procedures and personnel:

- 10 1. Transcripts.
- 11 2. Witness fees and expenses.
- 12 3. Commissioner per diem and expenses.
- 13 4. Depositions.
- 14 5. Service of process.
- 15 6. Court reporter fees.

16 Fees and costs recovered under this section are repayment
17 receipts as defined in section 8.2.

18 Sec. 13. Section 56.40, Code 1993, is amended to read as
19 follows:

20 56.40 CAMPAIGN FUNDS.

21 As used in this division, "campaign funds" means
22 contributions to a candidate or candidate's committee which
23 are required by this chapter to be deposited in a separate
24 campaign account. A candidate's committee shall not accept
25 contributions from any other candidate's committee including
26 candidate's committee from other states or for federal office.

27 Sec. 14. Section 331.756, subsection 15, Code 1993, is
28 amended to read as follows:

29 15. Review the report-and-recommendations order and
30 supporting information of the campaign finance disclosure
31 commission and proceed to institute the recommended actions or
32 advise the commission that prosecution is not merited as
33 provided in section ~~56.117-subsection-4~~ 56.32, subsection 6.

34 Sec. 15. Section 56.11, Code 1993, is repealed.

35

EXPLANATION

1 Section 1 of this bill requires that every committee
2 regulated by the campaign finance disclosure commission
3 appoint a treasurer who is also an eligible elector in Iowa, a
4 requirement that the consent of the chairperson or the
5 candidate be obtained in order for any person to receive
6 contributions for a committee. Under the bill treasurers of
7 committees are required to keep the records of the committee
8 for three years beyond the date of the election in which the
9 committee is involved.

10 Section 2 permits committee statements of organization,
11 which are for either multiple unnamed candidates or for
12 candidates of diverse parties, to contain a statement of
13 purpose in lieu of requiring a list of candidate names or
14 candidate political party affiliation. The provision for a
15 signed statement that acknowledges the thresholds at which
16 committees become subject to disclosure requirements under
17 chapter 56 is changed to require the signature of both the
18 treasurer and the candidate, in the case of a candidate's
19 committee, or the treasurer of the committee and the
20 chairperson of the committee, in the case of a political
21 committee. The statement language will vary according to the
22 differing threshold requirements for state and county offices
23 and city and school offices. Out-of-state committees or
24 organizations will now have to appoint an eligible Iowa
25 elector as committee or organization treasurer and maintain an
26 account in an Iowa financial institution. The Iowa resident
27 designated to receive service of process for the out-of-state
28 entities will also have to be informed that they have been
29 designated as the person to receive service of process.

30 Section 3 makes a technical change needed due to the repeal
31 of section 56.11 and the creation of new complaint procedures.

32 Section 4 adds the state to the group of governmental
33 entities that is forbidden to expend public funds for
34 political purposes.

35 Section 5 provides that a nonprofit corporation may expend

1 funds to support or oppose a ballot issue, but that the
2 expenditure will be subject to disclosure under section 56.6.

3 Section 6 provides that the posting of a yard sign
4 supporting or opposing a candidate for public office on
5 corporate property is not an illegal contribution if the
6 corporation or entity makes the property available for the
7 posting of yard signs that support or oppose other candidates
8 for the same office.

9 Sections 7 through 12 create a new procedure for the
10 hearing of complaints by the campaign finance disclosure
11 commission and establish penalties for violation of chapter
12 56. Anyone may file a complaint with the commission under the
13 procedures. Upon the filing of a complaint, the complaint is
14 to be reviewed for formal and legal sufficiency. If the
15 complaint is formally deficient, it will be returned to the
16 complainant. If the complaint is legally deficient, as
17 determined by the commission, it will be dismissed and
18 returned to the complainant. If the complaint is formally and
19 legally sufficient, the matters will be referred to commission
20 staff for investigation. The commission may also initiate
21 investigations into matters subject to the commission's
22 jurisdiction, without the filing of a formal citizen's
23 complaint. If, after an investigation, probable cause to
24 believe that a violation of chapter 56 has occurred is not
25 found to exist, the matter will be dismissed. If, however,
26 probable cause is established, then the matter will proceed to
27 hearing, which will be conducted in the manner that contested
28 cases under chapter 17A are conducted, and, if a violation is
29 found, the violator may be subject to a range of possible
30 punishments. Decisions of the commission are subject to
31 judicial review and the commission may seek and obtain
32 recovery of moneys spent in investigating and hearing a
33 complaint. Matters under investigation may be referred for
34 prosecution or prosecuted independently by appropriate law
35 enforcement authorities.

1 Section 13 prohibits a candidate's committee from receiving
2 contributions from other candidate's committees from out-of-
3 state or for federal office.

4 Section 14 makes a technical change needed due to the
5 repeal of section 56.11 in section 15 and the enactment of new
6 procedures for the processing of complaints in sections 7
7 through 10.

8 BACKGROUND STATEMENT
9 SUBMITTED BY THE AGENCY

10 The proposed campaign finance disclosure bill is a
11 compilation of a number of issues which the commission
12 believes should be addressed in statute. Of primary
13 importance is a revised complaint procedure. The current
14 procedures for filing and pursuing formal complaints are
15 inadequate, and at times at odds with chapter 17A and unfair
16 to candidates when complaints are filed very close to an
17 election day. The mechanics of the proposed complaint
18 procedures are discussed later in this background statement in
19 greater detail.

20 The bill begins by requiring that a committee treasurer be
21 an Iowa resident of majority age. The commission has
22 encountered problems extending the arm of the law to persons
23 in other states. In the case of a minor serving as a
24 committee treasurer, the person cannot be subjected to the
25 same penalties under the law as a person who has reached the
26 age of majority. Similarly, the commission finds that banking
27 accounts of Iowa-based committees should be held in financial
28 institutions located in the state of Iowa so that requests and
29 subpoenas may be honored.

30 The bill clarifies procedures by allowing a statement of
31 purpose for committees supporting more than one candidate who
32 may or may not be of the same political affiliation -- current
33 requirements are unduly cumbersome. It also cleans up
34 language with regard to affirmations by committee candidates
35 and officers and corrects reporting thresholds for local

1 candidates which were missed in earlier law revisions.

2 With respect to contributor groups not domiciled in Iowa,
3 the bill adds "organizations", not simply committees, to those
4 persons who are required to file as Iowa-based committees,
5 thereby closing a loophole which the commission has
6 encountered in trying to achieve compliance from out-of-state
7 entities. The requirement for an Iowa treasurer and banking
8 account are included in two different sections.

9 The use of public moneys for political purposes is
10 currently prohibited for counties, cities, and other political
11 subdivisions of the state. However, the prohibition does not
12 exist for the state itself. The commission believes that this
13 was an oversight in the enactment of section 56.12A, has
14 advised those who have inquired that the use of state money
15 for political purposes is probably also illegal, and
16 recommends that the statute be amended to clearly make it
17 illegal.

18 The changes made in section 56.15, subsection 4, are the
19 result of public input to the effect that subsections 3 and 4,
20 as currently written, conflict with each other. The new
21 subsection proposes that posting signs on corporate property
22 is not unlawful so long as equal access is offered by the
23 corporate entity. This is a philosophic change proposed by
24 the commission that is due to the complexity of the
25 determination that must be made by both the agency and the
26 public as to whether the site on which a sign is located is
27 owned, leased, rented, or controlled by a corporate entity.

28 Section 13 of the bill is added to clarify the extent of
29 the prohibition against candidate-to-candidate transfers of
30 funds which was enacted last year. Since the language which
31 previously permitted those transfers was stricken, the
32 commission has received questions regarding the applicability
33 of the prohibition to committees for federal candidates and
34 candidates for office in other states.

35 The remainder of the bill, sections 7 through 12 and

1 sections 14 and 15, repeals the current Code section 56.11
2 that provides for commission hearings, and replaces the
3 section with the following new sections: a section regarding
4 the investigative process, a section regarding the hearing
5 proceeding, a section providing sanctions, a section regarding
6 judicial review or enforcement of commission orders, and a
7 section regarding hearing costs.

8 The substantive language in current section 56.11 was
9 adopted in 1973, during the same session in which the
10 administrative procedures Act was adopted. To some degree,
11 section 56.11 is inconsistent with chapter 17A. For example,
12 section 56.11 does not appear on its face to provide for an
13 investigation prior to the issuance of a charging document,
14 such as is provided in section 17A.13. Section 56.11
15 currently requires personal service of the charging document
16 upon the party charged, while section 17A.12 provides the
17 option of service by certified mail. Also, under section
18 56.11, the commission may not pursue informal settlement in
19 cases in which the commission did not initiate the formal
20 action, contrary to the policy encouraged under sections
21 17A.10 and 17A.12. Further, section 56.11 provides for
22 confidentiality of hearings upon the request of the
23 respondent, which is contrary to section 17A.12 and the public
24 interest in full disclosure of campaign related matters.

25 The proposed language would retain the public's ability to
26 file complaints with the commission. However, rather than
27 automatically triggering a potentially costly, inadequately
28 founded, or inadequately prepared hearing, a complaint would
29 instead trigger a commission review and investigation of
30 potential violations. A statement of charges, initiating a
31 formal contested case proceeding, would only be issued by the
32 commission if, after investigation, the commission finds
33 probable cause exists to believe a violation may have
34 occurred. If the matter is not resolved by the commission
35 short of hearing, prosecution of the case is provided by a

1 commission representative, rather than requiring the citizen
2 complainant to provide prosecution. This will assist in
3 developing a full hearing record and aid in the consistency of
4 decisions. Also, explicit provision is made for the
5 commission to seek assistance from an administrative law
6 judge.

7 Section 56.11 is not specific as to what remedies are
8 available upon a finding of a violation, other than referral
9 for criminal prosecution, which is not appropriate in most
10 situations. The proposed language clarifies that other
11 sanctions may be imposed for violations. Further, while
12 section 56.11 generally refers to assessing hearing costs, the
13 section does not define what those costs are, something that
14 is accomplished in the new language.

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HOUSE FILE 576

AN ACT

RELATING TO THE PROCEDURES OF AND REQUIREMENTS ENFORCED BY
THE CAMPAIGN FINANCE DISCLOSURE COMMISSION AND CHANGING FILING
AND OTHER PROCEDURAL REQUIREMENTS PLACED ON CANDIDATES AND
POLITICAL COMMITTEES.

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

Section 1. 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. 2. Section 56.2, subsection 15, Code 1993, is amended to read as follows:

15. "Political committee" means a committee, but not a candidate's committee, which accepts contributions in excess of two hundred fifty dollars in the aggregate, makes expenditures in excess of two hundred fifty dollars in the aggregate, or incurs indebtedness in excess of two hundred fifty dollars in any one calendar year for the purpose of supporting or opposing a candidate for public office or ballot issue, or an association, lodge, society, cooperative, union, fraternity, sorority, educational institution, civic

organization, labor organization, religious organization, or professional organization which makes contributions in the aggregate of more than two hundred fifty dollars in any one calendar year for the purpose of supporting or opposing a candidate for public office or a ballot issue. "Political committee" also includes a committee which accepts contributions in excess of two hundred fifty dollars in the aggregate, makes expenditures in excess of two hundred fifty dollars in the aggregate, or incurs indebtedness in excess of two hundred fifty dollars in the aggregate of more than two hundred fifty dollars in a calendar year to cause the publication or broadcasting of material in which the public policy positions or voting record of an identifiable candidate is discussed and in which a reasonable person could find commentary favorable or unfavorable to those public policy positions or voting record.

Sec. 3. Section 56.2, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 15A. "Political purpose" or "political purposes" means the support or opposition of a candidate or ballot issue.

Sec. 4. Section 56.3, subsections 1, 2, and 4, Code 1993, are amended to read as follows:

1. Every committee shall appoint a treasurer who shall be an Iowa resident who has reached the age of majority. An expenditure shall not be made by the treasurer or treasurer's designee for or on behalf of a committee without the approval of the chairperson of the committee, or the candidate.

2. An individual who receives contributions for a committee without the prior authorization of the chairperson of the committee or the candidate shall be responsible for either rendering the contributions to the treasurer within fifteen days of the date of receipt of the contributions, or depositing the contributions in the account maintained by the committee within seven days of the date of receipt of the contributions. A person who receives contributions for a

committee shall, not later than fifteen days from the date of receipt of the contributions or on demand of the treasurer, render to the treasurer the contributions and an account of the total of all contributions; including the name and address of each person making a contribution in excess of ten dollars, the amount of the contributions, and the date on which the contributions were received. The treasurer shall deposit all contributions within seven days of receipt by the treasurer in an account maintained by the committee in a financial institution located in Iowa. All funds of a committee shall be segregated from any other funds held by officers, members, or associates of the committee or the committee's candidate. However, if a candidate's committee receives contributions only from the candidate, or if a permanent organization temporarily engages in activity which qualifies it as a political committee and all expenditures of the organization are made from existing general operating funds and funds are not solicited or received for this purpose from sources other than operating funds, then that committee is not required to maintain a separate account in a financial institution. The funds of a committee are not attachable for the personal debt of the committee's candidate or an officer, member, or associate of the committee.

4. The treasurer and candidate in the case of a candidate's committee, and the treasurer and chairperson in the case of a political committee, shall preserve all records required to be kept by this section for a period of one-year three years from the date of the election in which the committee is involved, or the certified date of dissolution of the committee, whichever is applicable.

Sec. 5. Section 56.5, subsection 2, paragraphs c and f, and subsection 5, Code 1993, are amended to read as follows:

c. The name, address, office sought, and the party affiliation of all candidates whom the committee is supporting and, if the committee is supporting the entire ticket of any party, the name of the party. If, however, the committee is

supporting several candidates who are not identified by name or are not of the same political affiliation, the committee may provide a statement of purpose in lieu of candidate names or political party affiliation.

f. A signed statement by the treasurer of the committee and the candidate, in the case of a candidate's committee, or by the treasurer of the committee and the chairperson, in the case of a political committee, which shall be in the following form:

"I am verify that they are aware that I am required of the requirement to file disclosure reports if the committee receives, the committee officers, the candidate, or both the committee officers and the candidate receive contributions in excess of five hundred dollars in the aggregate, makes make expenditures in excess of five hundred dollars in the aggregate, or incurs incur indebtedness in excess of two hundred-fifty five hundred dollars in the aggregate in a calendar year for the purpose of supporting or opposing any candidate for public office or ballot issue." In the case of statements relating to ballot issues, a two hundred fifty dollar aggregate threshold level shall apply instead of the five hundred dollar threshold level.

5. A committee or organization 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. A committee or organization 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 pursuant to this chapter, shall appoint an eligible Iowa elector as committee or organization treasurer, and shall maintain an account in a financial institution located in Iowa. 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 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. 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, and signature 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. 6. Section 56.5A, Code 1993, is amended to read as follows:

56.5A CANDIDATE'S COMMITTEE.

Each candidate for federal, state, or county, city, or school office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions in excess of five hundred dollars in the aggregate, makes expenditures in excess of five hundred dollars in the aggregate, or incurs indebtedness in excess of two hundred fifty dollars in the aggregate in a calendar year.

~~Each candidate for city or school office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions; makes expenditures, or incurs indebtedness in excess of five hundred dollars in a calendar year.~~

Sec. 7. Section 56.10, subsection 1, Code 1993, is amended to read as follows:

1. Review the contents of all disclosure reports and other statements filed with the commission and promptly advise each committee of errors found. The commission may verify

information contained in the reports with other parties to assure accurate disclosure. The commission may, upon its own motion, initiate action and conduct a hearing under section ~~56.11, subsections 1 and 2~~ 56.30, subsection 7, and section 56.31. The commission may require the county commissioner to file summary reports with it periodically.

Sec. 8. Section 56.12A, Code 1993, is amended to read as follows:

56.12A USE OF PUBLIC MONEYS FOR POLITICAL PURPOSES.

The state and the governing body of a county, city, or other political subdivision of the state shall not expend or permit the expenditure of public moneys for political purposes, including supporting or opposing a ballot issue.

This section shall not be construed to limit the freedom of speech of ~~the governing body of, or the officials or employees of the state or of officials or employees of the a governing body of,~~ a county, city, or other political subdivision of the state. This section also shall not be construed to prohibit the state or a governing body of a political subdivision of the state from expressing an opinion on a ballot issue through the passage of a resolution or proclamation.

Sec. 9. Section 56.15, subsections 1 and 4, Code 1993, are amended to read as follows:

1. Except as provided in ~~subsection~~ subsections 3 and 4, it is unlawful for an insurance company, savings and loan association, bank, credit union, or corporation organized pursuant to the laws of this state or any other state, territory, or foreign country, whether for profit or not, or an officer, agent or representative acting for such insurance company, savings and loan association, bank, credit union, or corporation, to contribute any money, property, labor, or thing of value, directly or indirectly, to a committee, or for the purpose of influencing the vote of an elector, except that such resources may be so expended in connection with a utility franchise election held pursuant to section 364.2, subsection 4, or a ballot issue. All such expenditures are subject to the disclosure requirements of this chapter.

4. The restrictions imposed by this section relative to making, soliciting or receiving contributions shall not apply to a nonprofit corporation or organization which uses those contributions to encourage registration of voters and participation in the political process, or to publicize public issues, or both, but does not use any part of those contributions to endorse or oppose any candidate for public office or. A nonprofit corporation or organization may use contributions solicited or received to support or oppose ballot issues but the expenditures shall be disclosed by the nonprofit corporation or organization in the manner provided for a permanent organization temporarily engaged in a political activity under section 56.6.

Sec. 10. Section 56.40, Code 1993, is amended to read as follows:

56.40 CAMPAIGN FUNDS.

As used in this division, "campaign funds" means contributions to a candidate or candidate's committee which are required by this chapter to be deposited in a separate campaign account. A candidate's committee shall not accept contributions from any other candidate's committee including candidate's committees from other states or for federal office, unless the candidate for whom each committee is established is the same person. For purposes of this section, "contributions" does not mean travel costs incurred by a candidate in attending a campaign event of another candidate. This section shall not be construed to prohibit a candidate or candidate's committee from using campaign funds or accepting contributions for tickets to meals if the candidate attends solely for the purpose of enhancing the person's candidacy or the candidacy of another person.

Sec. 11. Section 56.41, subsection 1, Code 1993, is amended to read as follows:

1. A candidate and the candidate's committee shall use campaign funds only for campaign purposes, educational and other expenses associated with the duties of office, or

constituency services, and shall not use campaign funds for personal expenses or personal benefit.

Sec. 12. Section 331.756, subsection 15, Code 1993, is amended to read as follows:

15. Review the report and recommendations order and supporting information of the campaign finance disclosure commission and proceed to institute the recommended actions or advise the commission that prosecution is not merited as provided in section ~~56.11~~-subsection 4 56.34.

Sec. 13. Section 56.11, Code 1993, is repealed.

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 576, Seventy-fifth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved May 19, 1993

TERRY E. BRANSTAD
Governor