

MAR 1 1925  
STATE GOVERNMENT

HOUSE FILE 236  
BY FALLON

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing for voluntary limitation of campaign  
2 expenditures and contributions for certain elective officers,  
3 providing for disclosure for candidates who do not limit  
4 campaign expenditures, banning contributions from political  
5 action committees, and providing penalties and an effective  
6 date.

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

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HF 236

1 Section 1. Sections 2 through 8 of this Act are created as  
2 a new division of chapter 56.

3 Sec. 2. NEW SECTION. 56.31 DEFINITIONS.

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

6 1. "Advocacy information" is material published or  
7 broadcast which discusses public issues, candidates, or voting  
8 records from which a reasonable person could draw a fair  
9 inference that the material recommends the defeat or election  
10 of an identifiable candidate in a restricted campaign.

11 2. "Benefited candidate" means a candidate in a restricted  
12 campaign whose election is recommended or whose opponent's  
13 defeat is recommended by advocacy information or by the fair  
14 inferences drawn from the advocacy information by a reasonable  
15 person as determined by the board.

16 3. "Eligible office" means the offices of state  
17 representative, state senator, secretary of agriculture,  
18 secretary of state, treasurer of state, auditor of state,  
19 attorney general, and governor. The office of lieutenant  
20 governor shall not be considered a separate eligible office  
21 but shall be considered with the office of governor for  
22 purposes of this division.

23 4. "Political action committee" means any political  
24 committee except a county statutory political committee, a  
25 state statutory political committee, a national political  
26 party, or a nonparty political organization under chapter 44.

27 5. "Qualifying nomination" means a nomination by a  
28 political party as defined by section 43.2, or a nomination  
29 under chapter 44 or 45.

30 6. "Restricted campaign" means a campaign for an eligible  
31 office in which there are two or more candidates with  
32 qualifying nominations and all of those candidates have  
33 registered with the board and voluntarily agreed to limit  
34 campaign expenditures and contributions pursuant to section  
35 56.34.

1     Sec. 3. NEW SECTION. 56.32 REGISTRATION FOR A RESTRICTED  
2 CAMPAIGN.

3     Each candidate for an eligible office shall register with  
4 the board and shall indicate whether the candidate voluntarily  
5 agrees to limit campaign expenditures and contributions in a  
6 restricted campaign prior to or with the filing of nomination  
7 papers pursuant to chapter 43, 44, or 45.

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

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

1 The commissioner required to publish notice of the election  
2 and the ballot pursuant to section 49.53 shall, simultaneously  
3 with such publication, publish the names of candidates who  
4 agree and do not agree to a restricted campaign using the  
5 following language where applicable: "These candidates  
6 refused to limit their campaign spending."; or "These  
7 candidates voluntarily agreed to limit their campaign  
8 spending."

9 Sec. 4. NEW SECTION. 56.33 RESTRICTED CAMPAIGNS -- LIM-  
10 ITS ON EXPENDITURES.

11 If a restricted campaign exists, the candidate's committees  
12 of those candidates with qualifying nominations to that  
13 eligible office are subject to the following limits on  
14 expenditures:

15 1. GOVERNOR. Total expenditure limit, two hundred fifty  
16 thousand dollars in a primary election if there is no primary  
17 opponent, five hundred thousand dollars in a primary election  
18 if there is a primary opponent, and seven hundred fifty  
19 thousand dollars in a general election.

20 2. ATTORNEY GENERAL, SECRETARY OF AGRICULTURE, SECRETARY  
21 OF STATE, TREASURER OF STATE, AND AUDITOR OF STATE. Total  
22 expenditure limit, twenty-five thousand dollars in a primary  
23 election if there is no primary opponent, fifty thousand  
24 dollars in a primary election if there is a primary opponent,  
25 and fifty thousand dollars in a general election.

26 3. STATE SENATOR. Total expenditure limit, five thousand  
27 dollars in a primary election if there is no primary opponent,  
28 twelve thousand five hundred dollars in a primary election if  
29 there is a primary opponent, and twelve thousand five hundred  
30 dollars in a general election.

31 4. STATE REPRESENTATIVE. Total expenditure limit, two  
32 thousand five hundred dollars in a primary election if there  
33 is no primary opponent, seven thousand five hundred dollars in  
34 a primary election if there is a primary opponent, and seven  
35 thousand five hundred dollars in a general election.

1 For purposes of this division, an expenditure occurs at the  
2 time of performance and not at the time of payment.

3 Actions involving an expenditure taken on behalf of a  
4 candidate in a restricted campaign shall be accepted,  
5 reported, and credited against the limits of this section, or  
6 disavowed pursuant to section 56.13. Actions taken by a  
7 county or state statutory political committee or a national  
8 political party which benefit the political party generally  
9 and which benefit more than one candidate shall not be  
10 considered as expenditures under this division.

11 The board shall, by July 1 in each odd-numbered year,  
12 adjust the limitations on expenditures to reflect any increase  
13 in the consumer price index as released by the federal  
14 government.

15 Sec. 5. NEW SECTION. 56.34 PERIODS THE EXPENDITURE  
16 LIMITS ARE IN EFFECT.

17 If a restricted campaign exists, the limitations of section  
18 56.33 apply to expenses incurred during the following periods:

19 1. During an even-numbered year, from the date the  
20 candidate or the candidate's treasurer files a statement of  
21 organization as required by section 56.5, or from the date the  
22 candidate or the candidate's designee files an affidavit of  
23 candidacy with the state commissioner of elections, whichever  
24 date is earlier, through the date of the general election for  
25 that office.

26 2. During a special election, from the date the candidate  
27 or the candidate's treasurer files a statement of organization  
28 as required by section 56.5, or from the date the candidate or  
29 the candidate's designee files an affidavit of candidacy with  
30 the state commissioner of elections, whichever date is  
31 earlier, through the date of the special election for that  
32 office.

33 Sec. 6. NEW SECTION. 56.35 ADJUSTMENTS FOR BENEFITED  
34 CANDIDATES AND OPPONENTS.

35 1. A person or political committee which causes the

1 publication, mass mailing, or broadcast of advocacy  
2 information in a restricted campaign shall give notice to the  
3 board and to the benefited candidate. The notice shall be  
4 given by certified restricted mail within twenty-four hours  
5 after the publication, mailing, or broadcast of the advocacy  
6 information and be accompanied by the text of the advocacy  
7 information and the amount of the publication, mailing, or  
8 broadcasting expenditures.

9     2. The benefited candidate shall notify the board within  
10 seventy-two hours of receipt of notice given pursuant to  
11 subsection 1 whether the candidate accepts or disavows the  
12 expenditure. If the candidate accepts the expenditure, the  
13 anticipated expenditure shall be credited against the  
14 candidate's expenditure limit. If the candidate files a  
15 statement of disavowal, the commissioner or board shall  
16 forward a copy of the statement to the candidate's opponent.

17     3. For the purposes of this section, the board shall  
18 disregard the first five hundred dollars of aggregate  
19 disavowed expenditures regarding a benefited candidate for the  
20 general assembly, the first one thousand dollars of aggregate  
21 disavowed expenditures regarding a benefited candidate for a  
22 statewide office other than governor, and the first five  
23 thousand dollars of aggregate disavowed expenditures regarding  
24 a benefited candidate for governor. If the aggregate  
25 disavowed expenditures regarding a benefited candidate exceed  
26 the amounts provided in this section, the board shall  
27 determine if a reasonable person would or would not draw a  
28 fair inference that the material assists the election of the  
29 benefited candidate or the defeat of an opposing candidate.  
30 If the board determines that a candidate is benefited, the  
31 board shall attribute the disavowed expenditure to the  
32 expenditure limits of the benefited candidate and shall do one  
33 of the following: increase the benefited candidate's  
34 opponent's expenditure limits by the amount of the disavowed  
35 expenditures attributed to the benefited candidate or

1 eliminate the expenditure limit of the benefited candidate's  
2 opponent for that election period.

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

16 The decisions under subsection 3 shall be made within two  
17 days of the board's receipt of the benefited candidate's  
18 disavowal and the benefited candidate and opponents shall be  
19 promptly notified.

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

25 Sec. 7. NEW SECTION. 56.36 RESTRICTED CAMPAIGNS --  
26 LIMITS ON ACCEPTANCE OF CONTRIBUTIONS.

27 If a restricted campaign exists, the acceptance of  
28 contributions by candidates for the following offices from  
29 political action committees and individuals is subject to the  
30 following limitations:

31 1. GOVERNOR.

32 a. No political action committee contributions.

33 b. Largest individual contribution, excluding  
34 contributions made by a candidate to the candidate's own  
35 campaign, one thousand dollars.

1 2. ATTORNEY GENERAL, SECRETARY OF AGRICULTURE, SECRETARY  
2 OF STATE, TREASURER OF STATE, AND AUDITOR OF STATE.

3 a. No political action committee contributions.

4 b. Largest individual contribution, excluding  
5 contributions made by a candidate to the candidate's own  
6 campaign, one thousand dollars.

7 3. STATE SENATOR.

8 a. No political action committee contributions.

9 b. Largest individual contribution, excluding  
10 contributions made by a candidate to the candidate's own  
11 campaign, five hundred dollars.

12 4. STATE REPRESENTATIVE.

13 a. No political action committee contributions.

14 b. Largest individual contribution, excluding  
15 contributions made by the candidate to the candidate's own  
16 campaign, five hundred dollars.

17 5. Individual contributions to the candidate or  
18 candidate's committee made by one individual of a cumulative  
19 value of one hundred dollars or more shall be reported,  
20 including the name, address, occupation, and place of business  
21 of the contributor.

22 Sec. 8. NEW SECTION. 56.37 PENALTIES.

23 1. A candidate who voluntarily agrees to a restricted  
24 campaign, and who exceeds the expenditure or contribution  
25 limitations in this division, shall be subject to a fine which  
26 is based on the percentage by which the candidate exceeds  
27 permitted expenditures or contributions, so that the candidate  
28 shall pay a percentage of the excess campaign expenditures or  
29 contributions as follows:

30 a. GOVERNOR. For excess campaign expenditures under two  
31 thousand dollars, one percent; for excess campaign  
32 expenditures of two thousand to ten thousand dollars, ten  
33 percent; for excess campaign expenditures of ten thousand one  
34 to twenty thousand dollars, twenty-five percent; for excess  
35 campaign expenditures of over twenty thousand dollars, fifty



1 percent.

2     b. ATTORNEY GENERAL, SECRETARY OF AGRICULTURE, SECRETARY  
3 OF STATE, TREASURER OF STATE, AND AUDITOR OF STATE. For  
4 excess campaign expenditures under one thousand dollars, one  
5 percent; for excess campaign expenditures of one thousand to  
6 five thousand dollars, ten percent; for excess campaign  
7 expenditures of five thousand one to ten thousand dollars,  
8 twenty-five percent; for excess campaign expenditures of over  
9 ten thousand dollars, fifty percent.

10     c. STATE SENATOR. For excess campaign expenditures under  
11 five hundred dollars, one percent; for excess campaign  
12 expenditures of five hundred to one thousand dollars, ten  
13 percent; for excess campaign expenditures of one thousand one  
14 to five thousand dollars, twenty-five percent; for excess  
15 campaign expenditures of over five thousand dollars, fifty  
16 percent.

17     d. STATE REPRESENTATIVE. For excess campaign expenditures  
18 under two hundred fifty dollars, one percent; for excess  
19 campaign expenditures of two hundred fifty to five hundred  
20 dollars, ten percent; for excess campaign expenditures of five  
21 hundred one to two thousand five hundred dollars, twenty-five  
22 percent; for excess campaign expenditures of over two thousand  
23 five hundred dollars, fifty percent.

24     Fines collected pursuant to this section shall be paid to  
25 the state political party of the violating candidate's  
26 opponent.

27     2. Mileage expenses of the candidate, at a rate determined  
28 pursuant to section 2.10, are not subject to the expenditure  
29 limits of section 56.33.

30     3. The criminal penalty of section 56.16 applies to  
31 violations of this division.

32     4. A candidate who knowingly and intentionally violates  
33 the expenditure or contribution limits of section 56.33 or  
34 section 56.36 is, upon conviction, guilty of a class "D"  
35 felony, but is only subject to a fine and is not subject to

1 imprisonment, notwithstanding the provisions of section 902.9.  
2 A candidate shall not take the oath of office pending  
3 conviction or acquittal, following trial, on charges brought  
4 under this subsection, and a candidate is disqualified from  
5 holding office upon conviction obtained pursuant to this  
6 subsection.

7 Sec. 9. Section 56.13, subsection 1, unnumbered paragraph  
8 1, Code 1995, is amended to read as follows:

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

35 Sec. 10. Section 56.14, Code 1995, is amended by adding

1 the following new unnumbered paragraph:

2 NEW UNNUMBERED PARAGRAPH. In addition to the  
3 identification required in this section, a candidate's  
4 committee of a candidate who is not registered for a  
5 restricted campaign pursuant to section 56.32, shall include,  
6 on all printed material, a statement, equal in size to the  
7 identification information, that the candidate is not  
8 registered for a restricted campaign. A similar disclaimer  
9 shall also be included, vocally, in all radio and television  
10 commercials purchased on behalf of the candidate. Candidates  
11 who have not registered for a restricted campaign shall state  
12 the following: "(name of candidate) refused to limit campaign  
13 spending." The information required under this paragraph may  
14 be included on materials and commercials by a candidate who is  
15 registered for a restricted campaign.

16 Sec. 11. ANTISEVERABILITY CLAUSE. Notwithstanding section  
17 4.12, if section 56.35, subsection 3 or 4, or section 56.37,  
18 subsection 3, or the application thereof is invalid, this Act  
19 as a whole shall be invalid.

20 Sec. 12. EFFECTIVE DATE. This Act is effective January 1,  
21 1996.

22 EXPLANATION

23 Section 1 of this bill creates a new division in chapter  
24 56.

25 Section 2 establishes definitions for the terms "advocacy  
26 information", "benefited candidate", "eligible office",  
27 "political action committee", "qualifying nomination", and  
28 "restricted campaign" which are used in the division, and  
29 effectively limits application of the division to candidates  
30 for governor, lieutenant governor, statewide elected office,  
31 the senate, or the house of representatives who have  
32 registered with the ethics and campaign disclosure board for a  
33 restricted campaign.

34 Section 3 establishes the registration procedure for  
35 restricted campaigns. Candidates who wish to voluntarily

1 limit their campaign expenditures must indicate that  
2 preference, before or at the time of filing nomination papers,  
3 with the ethics and campaign disclosure board. Candidates who  
4 do not wish to restrict their expenditures must have notarized  
5 signatures from voters in an amount that at least equals 20  
6 percent of the number of votes cast during the last general  
7 election for that office and are subject to monthly disclosure  
8 requirements until June 30 of the year of the election and  
9 biweekly reporting from July 1 until the date of the general  
10 election. After the election candidates that do not agree to  
11 participate in a restricted campaign must again file monthly  
12 disclosure reports until they file new nomination papers for  
13 office or close their campaign account. Ballots that are to  
14 be printed for that office will indicate whether a candidate  
15 has registered to participate in a restricted campaign.

16 Section 4 establishes the expenditure limits that are  
17 imposed on the various offices for which a candidate can elect  
18 to restrict expenditures.

19 Section 5 establishes the periods of time during which  
20 expenditure limits are applicable if a candidate elects to  
21 participate in a restricted campaign. The period ranges from  
22 the time that either the candidate's treasurer files a  
23 statement of organization or the candidate's affidavit of  
24 candidacy is filed until the date of the election.

25 Section 6 relates to various expenditures by persons or  
26 committees that may be attributable to a candidate for  
27 purposes of calculating how much a candidate has expended. A  
28 procedure for notifying the candidate of an expenditure and  
29 for a candidate to disavow and avoid having the expenditure  
30 attributed to the candidate's overall expenditure limit. The  
31 section provides for review of disavowed expenditures, once  
32 they exceed certain amounts.

33 Section 7 prohibits political action committee  
34 contributions and places limits on the acceptance of various  
35 kinds of contributions by candidates who agree to participate

1 in restricted campaigns.

2 Section 8 establishes fines for candidates, who exceed the  
3 limits to which they have agreed as part of a restricted  
4 campaign, based upon the percentage difference between the  
5 amount of excess and the campaign expenditure limit. Knowing  
6 and intentional violations of expenditures limits in  
7 restricted campaigns are class "D" felonies. Charges of  
8 violation of the expenditure limits prevent a candidate from  
9 being able to be sworn into office and, if convicted, will  
10 prevent the candidate from holding office.

11 Section 9 provides that action by another person on behalf  
12 of a candidate that is approved by a candidate, if the  
13 candidate is participating in a restricted campaign, is to be  
14 reported and attributed to the candidate's expenditure limits.

15 Section 10 provides that the candidate is to include on  
16 printed materials and radio and television commercials  
17 information regarding participation in a restricted campaign  
18 by the candidate.

19 Section 11 provides that if the provisions relating to  
20 attribution of expenditures by other persons to a candidate or  
21 certain penalties contained in the bill are invalid, the  
22 entire bill is invalid.

23 The bill takes effect January 1, 1996.

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