

# REPRINTED

MAR 5 1996

HOUSE FILE 2449  
BY COMMITTEE ON STATE GOVERNMENT

Place On Calendar

(SUCCESSOR TO HSB 686)

Passed House, Date <sup>(P. 774)</sup> 3-14-96

Passed Senate, Date <sup>(P. 1112)</sup> 3/28/96

Vote: Ayes 62 Nays 35

Vote: Ayes 26 Nays 11

Approved \_\_\_\_\_

## A BILL FOR

1 An Act setting campaign contribution limits by persons and  
2 political committees, addressing independent expenditures on  
3 behalf of candidates, employee and member contributions,  
4 making penalties applicable, and providing an effective date.

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

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HF 2449

1 Section 1. Section 56.2, Code Supplement 1995, is amended  
2 by adding the following new subsections:

3 NEW SUBSECTION. 2A. "Calendar year" means the time period  
4 from January 1 through December 31 each year.

5 NEW SUBSECTION. 12A. "Election campaign cycle" means the  
6 time period between any general, contested primary, special,  
7 or runoff election for a particular office, commencing on the  
8 day following the previous election for that office, and  
9 continuing through election day.

10 Sec. 2. Section 56.2, subsection 16, Code Supplement 1995,  
11 is amended to read as follows:

12 16. a. "Political committee" means a committee, but not  
13 other than a candidate's committee, which accepts that, in  
14 performing any of the following activities, exceeds any of the  
15 following financial thresholds:

16 (1) Accepts contributions for political purposes in excess  
17 of five hundred dollars in the aggregate, makes in a calendar  
18 year.

19 (2) Makes expenditures for political purposes in excess of  
20 five hundred dollars in the aggregate, or incurs in a calendar  
21 year.

22 (3) Incurs indebtedness for political purposes in excess  
23 of five hundred dollars in the aggregate in any one a calendar  
24 year for the purpose of supporting or opposing a candidate for  
25 public office, or for the purpose of supporting or opposing a  
26 ballot issue.

27 b. A "political committee" also means an, provided it has  
28 exceeded at least one of the financial thresholds in paragraph  
29 "a", includes but is not limited to any of the following  
30 entities:

31 (1) A committee other than a candidate's committee that  
32 supports or opposes more than one candidate for public office.

33 (2) A committee other than a candidate's committee that  
34 supports or opposes a ballot issue.

35 (3) A formally organized association, lodge, society,

1 cooperative, union, fraternity, sorority, educational  
2 institution, civic organization, labor organization, religious  
3 organization, or professional organization, which accepts  
4 contributions in excess of five hundred dollars in the  
5 aggregate, makes expenditures in excess of five hundred  
6 dollars in the aggregate, or incurs indebtedness in excess of  
7 five hundred dollars in the aggregate in any one calendar year  
8 for the purpose of supporting or opposing a candidate for  
9 public office, or for the purpose of supporting or opposing a  
10 ballot issue. -- "Political committee" also includes a committee  
11 which accepts contributions in excess of five hundred dollars  
12 in the aggregate, makes expenditures in excess of five hundred  
13 dollars in the aggregate, or incurs indebtedness in excess of  
14 five hundred dollars in the aggregate in a calendar year to  
15 cause or other permanent organization that temporarily engages  
16 in political activity.

17 (4) A committee other than a candidate's committee that  
18 causes the publication or broadcasting of material in which  
19 the public policy positions or voting record of that a  
20 reasonable person would understand to advocate the support of  
21 or opposition to the election of an identifiable candidate is  
22 discussed and in which a reasonable person could find  
23 commentary favorable or unfavorable to those public policy  
24 positions or voting record.

25 Sec. 3. Section 56.2, subsection 17, Code Supplement 1995,  
26 is amended to read as follows:

27 17. "Political purpose" or "political purposes" means the  
28 support or opposition of a candidate or ballot issue, or the  
29 pursuit of any legislative objectives.

30 Sec. 4. Section 56.2, Code Supplement 1995, is amended by  
31 adding the following new subsection:

32 NEW SUBSECTION. 21. "Statewide office" means the office  
33 of any of the state officers that are listed in section 39.9.

34 Sec. 5. NEW SECTION. 56.5B LIMITATIONS ON CONTRIBUTIONS.

35 1. A person or political committee shall not make

1 contributions that, during any election campaign cycle, in the  
2 aggregate, exceed the following:

3 a. One thousand dollars to any candidate or candidate's  
4 committee for a statewide office.

5 b. Five hundred dollars to any other candidate or  
6 candidate's committee.

7 2. A state statutory political committee, county statutory  
8 political committee, city statutory political committee, or  
9 national political party shall not make contributions that  
10 during any election campaign cycle, in the aggregate, exceed  
11 the following:

12 a. Five thousand dollars to any candidate or candidate's  
13 committee for a statewide office.

14 b. One thousand dollars to any other candidate or  
15 candidate's committee.

16 3. A person shall not make contributions that, during any  
17 calendar year, in the aggregate, exceed the following:

18 a. Five hundred dollars to any state statutory political  
19 committee.

20 b. Five hundred dollars to any county statutory political  
21 committee.

22 c. Five hundred dollars to any city statutory political  
23 committee.

24 4. A political committee shall not make contributions  
25 that, during any calendar year, in the aggregate, exceed the  
26 following:

27 a. Two thousand five hundred dollars to any state  
28 statutory political committee.

29 b. Two thousand five hundred dollars to any county  
30 statutory political committee.

31 c. Two thousand five hundred dollars to any city statutory  
32 political committee.

33 5. A candidate for statewide office shall not make  
34 contributions aggregating more than five thousand dollars to  
35 the candidate's own committee during any election campaign

1 cycle. Any other candidate shall not make contributions  
2 aggregating more than two thousand five hundred dollars to the  
3 candidate's own committee during any election campaign cycle.

4 6. A candidate, candidate's committee, state statutory  
5 political committee, county statutory political committee, or  
6 city statutory political committee shall not knowingly accept  
7 any contribution in violation of this section.

8 7. "Political committee", as used in this section, does  
9 not include a state statutory political committee, county  
10 statutory political committee, city statutory political  
11 committee, or a national political party, unless such a  
12 committee is expressly mentioned.

13 8. For purposes of this section, "election campaign cycle"  
14 shall be construed to apply separate contribution limits for  
15 each type of election for a particular office, including  
16 primary, general, special, and runoff elections. However, if  
17 a candidate for office does not run in a contested primary,  
18 the contribution limit for the general election shall apply  
19 for the time period covering both the primary and general  
20 elections.

21 9. This section shall not apply to contributions to Iowa  
22 candidates for the United States senate or house of  
23 representatives, or to any other candidate for federal office.

24 10. This section shall not apply to transfers of campaign  
25 funds made pursuant to section 56.42.

26 Sec. 6. Section 56.13, subsection 1, Code Supplement 1995,  
27 is amended to read as follows:

28 1. Action involving a contribution or expenditure which  
29 must be reported under this chapter and which is taken by any  
30 person, candidate's committee or political committee on behalf  
31 of a candidate, if known and approved by the candidate, shall  
32 be deemed action by the candidate and reported by the  
33 candidate's committee.

34 a. It shall be presumed that a candidate approves the  
35 action if the candidate had knowledge of it and failed to file

1 a statement of disavowal with the commissioner or board and  
2 take corrective action within seventy-two hours of the action.

3 b. An expenditure made on behalf of a candidate, and which  
4 is not disavowed by the candidate, shall be deemed a  
5 contribution to the candidate or candidate's committee, and is  
6 subject to the limitations and prohibitions in section 56.5B,  
7 as well as the disclosure requirements of section 56.6.

8 c. An expenditure by a candidate's committee can not be  
9 disavowed by the candidate.

10 d. For purposes of this section, a contribution or  
11 expenditure shall be construed to have been made on behalf of  
12 a candidate according to the following:

13 (1) A contribution or expenditure that conveys a message  
14 that is reasonably construed to advocate the election of a  
15 clearly identified candidate may be an action on behalf of  
16 that candidate, if it does not otherwise qualify as an  
17 independent expenditure under this section.

18 (2) A contribution or expenditure that conveys a message  
19 that is reasonably construed to advocate the defeat of a  
20 clearly identified candidate may be an action on behalf of  
21 that candidate's opponent, if it does not otherwise qualify as  
22 an independent expenditure under this section.

23 1A. a. A person, candidate's committee or political  
24 committee taking ~~such action independently of that candidate's~~  
25 ~~committee~~ involving a contribution or expenditure that conveys  
26 a message that is reasonably construed to advocate the  
27 election or defeat of a clearly identified candidate shall  
28 notify ~~that candidate's committee~~ the following committees in  
29 writing within twenty-four hours of taking the action:

30 (1) The candidate's committee, if the contribution or  
31 expenditure may reasonably be construed to convey a message  
32 advocating the election of the candidate.

33 (2) The committee for the candidate's opponent, if the  
34 contribution or expenditure may reasonably be construed to  
35 advocate the defeat of the candidate.

1 b. The notification shall provide that candidate's  
2 committee with the cost of the promotion at fair market value.

3 c. A copy of the notification shall be sent to the board.

4 1B. Any person who makes expenditures or incurs  
5 indebtedness, other than incidental expenses incurred in  
6 performing volunteer work, in support or opposition of a  
7 candidate for public office shall notify the appropriate  
8 committee and provide necessary information for disclosure  
9 reports.

10 1C. For purposes of this section, action shall be  
11 construed to have been taken independently of a candidate's  
12 committee only if the action was not made with the cooperation  
13 of, with the prior consent of, in consultation with, or at the  
14 request or suggestion of any candidate, any candidate's  
15 committee, or other agent for the candidate.

16 a. For purposes of this section, an agent of the candidate  
17 is any person who has actual oral or written authority, either  
18 express or implied, to make or to authorize the making of  
19 expenditures on behalf of a candidate, or any person who has  
20 been placed in a position within the campaign organization  
21 where it would reasonably appear that in the ordinary course  
22 of campaign-related activities, that person may authorize  
23 activity on behalf of the candidate.

24 b. An action will be presumed to be made with the  
25 cooperation of, with the prior consent of, in consultation  
26 with, or at the request or suggestion of any candidate, any  
27 candidate's committee, or other agent for the candidate in the  
28 following situations:

29 (1) When the action is based on information about the  
30 candidate's plans, projects, or needs, which information is  
31 provided by the candidate, the candidate's committee, or other  
32 agent of the candidate.

33 (2) When the action involves any arrangement,  
34 coordination, or direction by the candidate, the candidate's  
35 committee, or other agent of the candidate prior to the

1 action.

2 (3) When the action involves any participation by the  
3 candidate or any person who is or who has been an officer of  
4 the candidate's committee, or who is or has been receiving  
5 compensation or reimbursement from the candidate, the  
6 candidate's committee, or other agent of the candidate.

7 1D. Any expenditure which is part of an action that is  
8 deemed not to have been taken independently of the candidate,  
9 candidate's committee, or other agent of the candidate shall  
10 be considered a contribution for the purpose of contribution  
11 limitations and prohibitions. All reporting requirements  
12 shall apply to such contributions.

13 1E. Any expenditure by a candidate's committee shall not  
14 be construed to be an independent expenditure under this  
15 section.

16 Sec. 7. Section 56.15, Code Supplement 1995, is amended by  
17 adding the following new subsection:

18 NEW SUBSECTION. 4A. A person who seeks financial support  
19 for any political purpose by means of a payroll deduction, a  
20 partial donation of member dues or fees, or any other  
21 automatic means of contribution must affirmatively solicit and  
22 receive authorization for such contribution prior to any  
23 transfer of funds for support of political purposes. Such a  
24 transfer of funds subjects a person in willful violation of  
25 this subsection to the penalty in section 56.16.

26 Sec. 8. EFFECTIVE DATE. This Act takes effect January 1,  
27 1997.

28 EXPLANATION

29 This bill adds individual and political committee  
30 contribution limits to the campaign finance chapter of the  
31 Iowa Code.

32 Section 5 of the bill prohibits a person or political  
33 committee from contributing more than \$1,000 to a candidate  
34 for statewide office or \$500 to any other candidate during any  
35 election campaign cycle. A candidate for statewide office is

1 limited to contributing \$5,000 to the candidate's own  
2 committee during an election campaign cycle; any other  
3 candidate is limited to a contribution of \$2,500.

4 A political party is limited to contributing \$5,000 per  
5 year for a statewide candidate, and \$1,000 per year for any  
6 other candidate. The bill also prohibits a person from  
7 contributing more than \$500, and a political committee from  
8 contributing more than \$2,500, to a city, county, or state  
9 statutory political committee during any calendar year.

10 "Calendar year", "statewide office", "election campaign  
11 cycle", and "political purpose", are defined in sections 1, 3,  
12 and 4. A contested primary is considered a separate election  
13 campaign cycle, distinct from the general election.

14 Section 5 also provides that these limits do not apply to  
15 contributions to candidates for the United States senate,  
16 house of representatives, or other federal office. The limits  
17 also do not apply to transfers of funds made to certain  
18 charitable, political, and governmental organizations or when  
19 a candidate's committee dissolves.

20 Section 2 reorganizes and restates the existing definition  
21 for political committee.

22 Section 6 adds subsections to the Code section pertaining  
23 to independent expenditures. These new subsections further  
24 define when an expenditure or contribution will be deemed  
25 independent of a candidate's committee, and therefore not  
26 subject to the contribution limitations added in section 5.  
27 These provisions are modeled after federal regulations dealing  
28 with independent expenditures.

29 Section 7 adds a requirement that any person using payroll  
30 deductions, dues contributions, or other automatic means of  
31 financing political activities must affirmatively solicit and  
32 receive authorization for the transfer from the employee or  
33 member.

34 Finally, section 8 provides for an effective date of  
35 January 1, 1997, to allow for completion of the current

1 election cycle prior to application of the new contribution  
2 limits.

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## HOUSE FILE 2449

H-5226

1 Amend House File 2449 as follows:

2 1. Page 7, by inserting after line 25 the  
3 following:

4 "Sec. 100. NEW SECTION. 56.42A DISGORGEMENT OF  
5 CAMPAIGN FUNDS.

6 On December 31 following a general election for a  
7 statewide office or for a position in the general  
8 assembly sought by a candidate, the candidate's  
9 committee shall withdraw all moneys in the candidate's  
10 campaign account that are in excess of any amount  
11 necessary to defray the campaign expenses of the  
12 candidate's committee, and shall transfer the funds  
13 according to the provisions of section 56.42.

14 Sec. 200. DISGORGEMENT OF CANDIDATE'S ACCOUNTS.

15 Within five days after enactment of this Act, each  
16 candidate's committees registered with the Iowa  
17 election and campaign disclosure board shall withdraw  
18 all moneys in the candidate's campaign account, and  
19 shall transfer the funds according to the provisions  
20 of section 56.42. Each candidate shall file an  
21 affidavit of compliance with this section with the  
22 board within five days after such funds are withdrawn  
23 and transferred."

24 2. Page 7, by inserting after line 27 the  
25 following: "However, sections 100 and 200 of this  
26 Act, being deemed of immediate importance, take effect  
27 upon enactment."

28 3. By renumbering as necessary.

By TYRRELL of Iowa

H-5226 FILED MARCH 6, 1996

*Lost*

*3.14-96*

*(P. 772)*

## HOUSE FILE 2449

H-5228

1 Amend House File 2449 as follows:

2 1. By striking page 3, line 33, through page 4,  
 A 3 line 3.

4 2. Page 5, line 8, by inserting after the word  
 5 "committee" the following: "that previously has been  
 6 approved by the candidate or a designee of the  
 7 candidate".

8 3. Page 5, line 29, by inserting after the word  
 9 "writing" the following: "by forwardable mail".

10 4. Page 6, line 3, by inserting after the word  
 11 "board" the following: "by forwardable mail within  
 12 twenty-four hours of taking the action".

13 5. Page 6, lines 14 and 15, by striking the words  
 14 "candidate, any candidate's committee, or other" and  
 15 inserting the following: "candidate or".

B 16 6. Page 6, line 23, by striking the word  
 17 "candidate" and inserting the following: "candidate,  
 18 provided that the authorization is in writing and has  
 19 been signed by the candidate or candidate's designee".

20 7. Page 6, line 32, by striking the word  
 21 "candidate" and inserting the following: "candidate,  
 22 provided that the authorization is in writing and has  
 23 been signed by the candidate or candidate's designee".

24 8. Page 6, lines 34 and 35, by striking the words  
 25 "candidate, the candidate's committee, or other" and  
 26 inserting the following: "candidate or".

27 9. Page 7, line 6, by striking the word  
 28 "candidate" and inserting the following: "candidate,  
 29 provided that the authorization is in writing and has  
 30 been signed by the candidate or candidate's designee".

By KREMER of Buchanan

H-5228 FILED MARCH 6, 1996

A. adopted }  
 B. adopted } 3-14-96  
 (P. 770)

## HOUSE FILE 2449

H-5230

1 Amend House File 2449 as follows:

2 1. Page 2, line 35, by striking the words "or  
3 political committee".

4 2. Page 3, by striking lines 24 through 32 and  
5 inserting the following:

6 "4. A political committee shall not make any  
7 contribution to a candidate, candidate's committee,  
8 state statutory political committee, county statutory  
9 political committee, or a city statutory political  
10 committee."

11 3. Page 7, by inserting after line 25 the  
12 following:

13 "Sec. \_\_\_\_ . Section 56.15A, Code 1995, is amended  
14 to read as follows:

15 56.15A PROHIBITING LOBBYIST CONTRIBUTIONS DURING  
16 THE LEGISLATIVE SESSION.

17 A lobbyist ~~or political committee, other than a~~  
18 ~~state statutory political committee, county statutory~~  
19 ~~political committee, or a national political party,~~  
20 shall not contribute to, act as an agent or  
21 intermediary for contributions to, or arrange for the  
22 making of monetary or in-kind contributions to the  
23 campaign of an elected state official, member of the  
24 general assembly, or candidate for state office on any  
25 day during the regular legislative session and, in the  
26 case of the governor or a gubernatorial candidate,  
27 during the thirty days following the adjournment of a  
28 regular legislative session allowed for the signing of  
29 bills. This section shall not apply to the receipt of  
30 contributions by an elected state official, member of  
31 the general assembly, or other state official who has  
32 taken affirmative action to seek nomination or  
33 election to a federal elective office.

34 This section shall not apply to a candidate for  
35 state office who filed nomination papers for an office  
36 for which a special election is called or held during  
37 the regular legislative session, if the candidate  
38 receives the contribution at any time during the  
39 period commencing on the date on which at least two  
40 candidates have been nominated for the office and  
41 ending on the date on which the election is held. A  
42 person who is an elected state official shall not,  
43 however, solicit contributions during a legislative  
44 session from any lobbyist ~~or political committee,~~  
45 ~~other than a state statutory political committee,~~  
46 ~~county statutory political committee, or a national~~  
47 ~~political party,~~ for another candidate for a state  
48 office for which a special election is held."

49 4. By renumbering as necessary.

By CHURCHILL of Polk

H-5230 FILED MARCH 6, 1996

WITHDRAWN

3.14.96

(P.769)

## HOUSE FILE 2449

H-5229

1 Amend House File 2449 as follows:

2 1. Page 7, by inserting after line 25 the  
3 following:

4 "Sec. \_\_\_\_\_. Section 56.40, Code 1995, is amended to  
5 read as follows:

6 56.40 CAMPAIGN FUNDS.

7 1. As used in this division, "campaign funds"  
8 means contributions to a candidate or candidate's  
9 committee which are required by this chapter to be  
10 deposited in a separate campaign account.

11 2. A candidate's committee shall not accept  
12 contributions from any other candidate's committee  
13 including candidate's committees from other states or  
14 for federal office, unless and including another  
15 candidate's committee when the candidate for whom each  
16 committee is the two committees are established is the  
17 same person. For purposes of this section,  
18 "contributions" does not mean travel costs incurred by  
19 a candidate in attending a campaign event of another  
20 candidate.

21 3. This section shall not be construed to prohibit  
22 a candidate or candidate's committee from using  
23 campaign funds or accepting contributions for tickets  
24 to meals if the candidate attends solely for the  
25 purpose of enhancing the person's candidacy or the  
26 candidacy of another person. This section shall be  
27 construed to apply to any exploratory committee or  
28 activity by a person who is determining whether or not  
29 to become a candidate for office."

30 2. By renumbering as necessary.

By RANTS of Woodbury

H-5229 FILED MARCH 6, 1996

WITHDRAWN

3-14-96

(P.772)

WITHDRAWN

## HOUSE FILE 2449

H-5258

1 Amend House File 2449 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting the following:

4 "Section 1. Section 56.2. Code Supplement 1995, is  
5 amended by adding the following new subsections:

6 NEW SUBSECTION. 12A. "Election" means the process  
7 by which individuals, whether opposed or unopposed,  
8 seek nomination for election to office, as well as  
9 confirmation to serve in office by the casting of  
10 ballots by voters.

11 NEW SUBSECTION. 12B. a. "Election campaign  
12 period" means the time period between any type of  
13 election for a particular office, commencing on the  
14 day following the previous election of any type for  
15 that office, and continuing through the day of the  
16 current type of election.

17 b. Election types subject to a campaign period  
18 definition include, but are not limited to, primary,  
19 general, special and runoff. Nominations made  
20 pursuant to chapters 44, 45, and 46 also require  
21 calculation of a separate election campaign period.

22 NEW SUBSECTION. 21. "Statewide office" shall mean  
23 the office of any of the state officers that are  
24 listed in section 39.9.

25 Sec. 2. NEW SECTION. 56.5B LIMITATIONS ON  
26 CONTRIBUTIONS.

27 1. A person shall not make contributions to a  
28 candidate or a candidate's committee that, for any  
29 election campaign period for that candidate, in the  
30 aggregate, exceed the following:

31 a. One thousand dollars for a candidate for a  
32 statewide office.

33 b. Five hundred dollars for a candidate for the  
34 general assembly.

35 2. A political committee shall not make  
36 contributions to a candidate or a candidate's  
37 committee that, for any election campaign period for  
38 that candidate, in the aggregate, exceed the  
39 following:

40 a. Five thousand dollars for a candidate for a  
41 statewide office.

42 b. One thousand dollars for a candidate for the  
43 general assembly.

44 3. A candidate or candidate's committee shall not  
45 knowingly accept any contribution in violation of this  
46 section.

47 4. This section shall not apply to candidates for  
48 the United States senate, house of representatives, or  
49 other federal office.

50 5. a. For purposes of this section, "election

H-5258

H-5258

Page 2

1 campaign period" shall be construed to apply separate  
2 contribution limits for each type of election for a  
3 particular office.

4 b. An election in which a candidate is unopposed  
5 is a separate election for purposes of the limitations  
6 on contributions, whether or not the election is  
7 actually held. If the election is not held, the date  
8 on which the election would have been held shall be  
9 considered to be the date of the election.

10 c. The director shall determine the relevant  
11 election campaign periods prior to the beginning of  
12 each calendar year. The election campaign periods for  
13 all offices shall be published in the first edition of  
14 the Iowa administrative bulletin in each calendar  
15 year.

16 Sec. 3. Section 56.13, subsection 1, Code  
17 Supplement 1995, is amended to read as follows:

18 1. Action involving a contribution or expenditure  
19 which must be reported under this chapter and which is  
20 taken by any person, candidate's committee, or  
21 political committee on behalf of a candidate, if known  
22 and approved by the candidate, shall be deemed action  
23 by the candidate and reported by the candidate's  
24 committee.

25 a. It shall be presumed that a candidate approves  
26 the action if the candidate had knowledge of it and  
27 failed to file a statement of disavowal with the  
28 commissioner or board and take corrective action  
29 within seventy-two hours of the action.

30 b. An expenditure made on behalf of the candidate,  
31 and which is not disavowed by the candidate, shall be  
32 deemed a contribution to the candidate or candidate's  
33 committee, and is subject to the limitations and  
34 prohibitions in section 56.5B, as well as the  
35 disclosure requirements of section 56.6.

36 c. No expenditure by a candidate's committee can  
37 be disavowed by the candidate.

38 d. For purposes of this section, an expenditure or  
39 contribution shall be construed to have been taken on  
40 behalf of a candidate according to the following:

41 (1) A contribution or expenditure that conveys a  
42 message that is reasonably construed to advocate the  
43 election of a clearly identified candidate may be an  
44 action on behalf of that candidate, if it does not  
45 otherwise qualify as an independent expenditure under  
46 this section.

47 (2) A contribution or expenditure that conveys a  
48 message that is reasonably construed to advocate the  
49 defeat of a clearly identified candidate may be an  
50 action on behalf of that candidate's opponent, if it

H-5258

-2-

H-5258

Page 3

1 does not otherwise qualify as an independent  
2 expenditure under this section.

3 IA. a. A person, candidate's committee, or  
4 political committee taking such action independently  
5 of that candidate's committee involving a contribution  
6 or expenditure that conveys a message that is  
7 reasonably construed to advocate the election or  
8 defeat of a clearly identified candidate shall notify  
9 that candidate's committee the following in writing  
10 within twenty-four hours of taking the action:

11 (1) The candidate's committee, if the contribution  
12 or expenditure may reasonably be construed to convey a  
13 message advocating the election of the candidate.

14 (2) The committee for the candidate's opponent, if  
15 the contribution or expenditure may reasonably be  
16 construed to advocate the defeat of the candidate.

17 b. The notification shall provide that candidate's  
18 committee with the cost of the promotion at fair  
19 market value.

20 c. A copy of the notification shall be sent to the  
21 board.

22 IB. Any person who makes expenditures or incurs  
23 indebtedness, other than incidental expenses incurred  
24 in performing volunteer work, in support or opposition  
25 of a candidate for public office shall notify the  
26 appropriate committee and provide necessary  
27 information for disclosure reports.

28 IC. For purposes of this section, action shall be  
29 construed to have been taken independently of a  
30 candidate's committee only if the action was not made  
31 with the cooperation of, with the prior consent of, in  
32 consultation with, or at the request or suggestion of  
33 any candidate, any candidate's committee, or other  
34 agent for the candidate.

35 a. For purposes of this section, an agent of the  
36 candidate is any person who has actual oral or written  
37 authority, either express or implied, to make or to  
38 authorize the making of expenditures on behalf of a  
39 candidate, or any person who has been placed in a  
40 position within the campaign organization where it  
41 would reasonably appear that in the ordinary course of  
42 campaign-related activities, that person may authorize  
43 activity on behalf of the candidate.

44 b. An action will be presumed to be made with the  
45 cooperation of, with the prior consent of, in  
46 consultation with, or at the request or suggestion of  
47 any candidate, any candidate's committee, or other  
48 agent for the candidate in the following situations:

49 (1) When the action is based on information about  
50 the candidate's plans, projects, or needs, which

H-5258

-3-

H-5258

Page 4

1 information is provided by the candidate, the  
2 candidate's committee, or other agent of the  
3 candidate.

4 (2) When the action involves any arrangement,  
5 coordination, or direction by the candidate, the  
6 candidate's committee, or other agent of the candidate  
7 prior to the action.

8 (3) When the action involves any participation by  
9 the candidate or any person who is or who has been an  
10 officer of the candidate's committee, or who is or has  
11 been receiving compensation or reimbursement from the  
12 candidate, the candidate's committee, or other agent  
13 of the candidate.

14 1D. Any expenditure which is part of action that  
15 is deemed not to have been taken independently of the  
16 candidate, candidate's committee, or other agent of  
17 the candidate shall be considered a contribution for  
18 the purpose of contribution limitations and  
19 prohibitions. All reporting requirements shall apply  
20 to such contributions.

21 1E. No expenditure by a candidate's committee  
22 shall be construed to be an independent expenditure  
23 under this section.

24 Sec. 4. This Act takes effect January 1, 1997."

25 2. Title page, line 3, by striking the words  
26 "employee and member contributions,".

By BERNAU of Story

H-5258 FILED MARCH 7, 1996

WITHDRAWN

3-14-96  
(P.758)

## HOUSE FILE 2449

H-5327

1 Amend House File 2449 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting the following:

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

6 Sec. 2. NEW SECTION. 56.31 DEFINITIONS.

7 As used in this division, unless the context  
8 requires otherwise:

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

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

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

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

34 5. "Qualifying nomination" means a nomination by a  
35 political party as defined by section 43.2, or a  
36 nomination under chapter 44 or 45.

37 6. "Restricted campaign" means a campaign for an  
38 eligible office in which there are two or more  
39 candidates with qualifying nominations and all of  
40 those candidates have registered with the board and  
41 voluntarily agreed to limit campaign expenditures and  
42 contributions pursuant to section 56.33.

43 Sec. 3. NEW SECTION. 56.32 REGISTRATION FOR A  
44 RESTRICTED CAMPAIGN.

45 Each candidate for an eligible office shall  
46 register with the board and shall indicate whether the  
47 candidate voluntarily agrees to limit campaign  
48 expenditures and contributions in a restricted  
49 campaign prior to or with the filing of nomination  
50 papers pursuant to chapter 43, 44, or 45.

H-5327

-1-

H-5327

Page 2

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

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

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

41 Sec. 4. NEW SECTION. 56.33 RESTRICTED CAMPAIGNS  
42 -- LIMITS ON EXPENDITURES.

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

47 1. Governor. Total expenditure limit, five  
48 hundred thousand dollars in a primary election if  
49 there is no primary opponent, one million dollars in a  
50 primary election if there is a primary opponent, and

H-5327

H-5327

Page 3

1 one million five hundred thousand dollars in a general  
2 election.

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

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

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

20 For purposes of this division, an expenditure  
21 occurs at the time of performance and not at the time  
22 of payment.

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

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

36 Sec. 5. NEW SECTION. 56.34 PERIODS THE  
37 EXPENDITURE LIMITS ARE IN EFFECT.

38 If a restricted campaign exists, the limitations of  
39 section 56.33 apply to expenses incurred during the  
40 following periods:

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

49 2. During a special election, from the date the  
50 candidate or the candidate's treasurer files a

H-5327

-3-

H-5327

Page 4

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

7 Sec. 6. NEW SECTION. 56.35 ADJUSTMENTS FOR  
8 BENEFITED CANDIDATES AND OPPONENTS.

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

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

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

H-5327

-4-

H-5327

Page 5

1 period.

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

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

20 Advocacy information caused by a county or state  
21 statutory political committee or a national political  
22 party which benefit the political party generally and  
23 which benefit more than one candidate are not subject  
24 to the requirements of this 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  
29 from political action committees and individuals is  
30 subject to the following limitations:

31 1. Governor.

32 a. Total political action committee contributions,  
33 thirty-five percent of the candidate's applicable  
34 expenditure limit in a primary election, and thirty-  
35 five percent of the candidate's expenditure limit in a  
36 general election.

37 b. Largest political action committee  
38 contribution, five thousand dollars.

39 c. Largest individual contribution, excluding  
40 contributions made by a candidate to the candidate's  
41 own campaign, one thousand dollars.

42 2. Attorney general, secretary of agriculture,  
43 secretary of state, treasurer of state, and auditor of  
44 state.

45 a. Total political action committee contributions,  
46 thirty-five percent of the candidate's applicable  
47 expenditure limit in a primary election, and thirty-  
48 five percent of the candidate's expenditure limit in a  
49 general election.

50 b. Largest political action committee

H-5327

-5-

H-5327

Page 6

1 contribution, five thousand dollars.

2 c. Largest individual contribution, excluding  
3 contributions made by a candidate to the candidate's  
4 own campaign, one thousand dollars.

5 3. State senator.

6 a. Total political action committee contributions,  
7 thirty-five percent of the candidate's applicable  
8 expenditure limit in a primary election, and thirty-  
9 five percent of the candidate's expenditure limit in a  
10 general election.

11 b. Largest political action committee  
12 contribution, one thousand dollars.

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

16 4. State representative.

17 a. Total political action committee contributions,  
18 thirty-five percent of the candidate's applicable  
19 expenditure limit in a primary election, and thirty-  
20 five percent of the candidate's expenditure limit in a  
21 general election.

22 b. Largest political action committee  
23 contribution, one thousand dollars.

24 c. Largest individual contribution, excluding  
25 contributions made by the candidate to the candidate's  
26 own campaign, five hundred dollars.

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

32 Sec. 8. NEW SECTION. 56.37 PENALTIES.

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

41 a. Governor. For excess campaign expenditures or  
42 contributions of under two thousand dollars, one  
43 percent; for excess campaign expenditures or  
44 contributions of two thousand to ten thousand dollars,  
45 ten percent; for excess campaign expenditures or  
46 contributions of ten thousand one to twenty thousand  
47 dollars, twenty-five percent; for excess campaign  
48 expenditures or contributions of over twenty thousand  
49 dollars, fifty percent.

50 b. Attorney general, secretary of agriculture,

H-5327

-6-

H-5327

Page 7

1 secretary of state, treasurer of state, and auditor of  
2 state. For excess campaign expenditures or  
3 contributions under one thousand dollars, one percent;  
4 for excess expenditures or contributions of one  
5 thousand to five thousand dollars, ten percent; for  
6 excess expenditures or contributions of five thousand  
7 one to ten thousand dollars, twenty-five percent; for  
8 excess expenditures or contributions of over ten  
9 thousand dollars, fifty percent.

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

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

27 Fines collected pursuant to this section shall be  
28 paid to the state political party of the violating  
29 candidate's opponent.

30 2. Mileage expenses of the candidate, at a rate  
31 determined pursuant to section 2.10, are not subject  
32 to the expenditure limits of section 56.33.

33 3. The criminal penalty of section 56.16 applies  
34 to violations of this division.

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

46 Sec. 9. Section 56.13, subsection 1, unnumbered  
47 paragraph 1, Code Supplement 1995, is amended to read  
48 as follows:

49 Action involving a contribution or expenditure  
50 which must be reported under this chapter and which is

H-5327

-7-

H-5327

Page 8

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

29 Sec. 10. Section 56.14, Code Supplement 1995, is  
30 amended by adding the following new unnumbered  
31 paragraph:

32 NEW UNNUMBERED PARAGRAPH. In addition to the  
33 identification required in this section, a candidate's  
34 committee of a candidate who is not registered for a  
35 restricted campaign pursuant to section 56.32, shall  
36 include, on all printed material, a statement, equal  
37 in size to the identification information, that the  
38 candidate is not registered for a restricted campaign.  
39 A similar disclaimer shall also be included, vocally,  
40 in all radio and television commercials purchased on  
41 behalf of the candidate. Candidates who have not  
42 registered for a restricted campaign shall state the  
43 following: "(name of candidate) refused to limit  
44 campaign spending." The information required under  
45 this paragraph may be included on materials and  
46 commercials by a candidate who is registered for a  
47 restricted campaign.

48 Sec. 11. ANTISEVERABILITY CLAUSE. Notwithstanding  
49 section 4.12, if section 56.35, subsection 3 or 4, or  
50 section 56.37, subsection 3, or the application

H-5327

-8-

H-5327

Page 9

1 thereof is invalid, this Act shall be invalid.  
 2 Sec. 12. EFFECTIVE DATE. This Act takes effect  
 3 January 1, 1997."  
 4 2. Title page, by striking lines 1 through 4 and  
 5 inserting the following: "An Act providing for  
 6 voluntary limitation of campaign expenditures and  
 7 contributions for certain elective officers, for  
 8 disclosure by candidates who do not elect to limit  
 9 campaign expenditures and contributions, for  
 10 penalties, and providing an effective date."

By JOCHUM of Dubuque

OLLIE of Clinton

WISE of Lee

HARPER of Black Hawk

BELL of Jasper

MURPHY of Dubuque

LARKIN of Lee

TAYLOR of Linn

DREES of Carroll

Connors of Polk

KOENIGS of Mitchell

HOLVECK of Polk

MUNDIE of Webster

MASCHER of Johnson

BURNETT of Story

KREIMAN of Davis

O'BRIEN of Boone

FALLON of Polk

H-5327 FILED MARCH 12, 1996

*Last 3-14-96 (p.767)*

## HOUSE FILE 2449

H-5340

1 Amend the amendment, H-5230, to House File 2449 as  
 2 follows:

3 1. Page 1, line 6, by inserting after the word  
 4 "committee" the following: "or a lobbyist registered  
 5 and reporting under chapter 68B".

6 2. Page 1, by striking lines 11 through 48.

7 3. By renumbering as necessary.

By FALLON of Polk

H-5340 FILED MARCH 12, 1996

*Out of Order*  
*3/14/96*  
*(p.769)*

## HOUSE FILE 2449

H-5379

1 Amend House File 2449 as follows:  
2 1. Page 7, by striking lines 18 through 25 and  
3 inserting the following:  
4 "NEW SUBSECTION. 4A. It shall be unlawful for any  
5 person to utilize, with regard to employees or  
6 members, a payroll deduction, partial donation of  
7 member dues or fees, or any other automatic means of  
8 contribution intended for support of political  
9 purposes. A person who seeks financial support for  
10 any political purpose must affirmatively solicit and  
11 receive individual contributions from employees or  
12 members in a method separate from any regular monetary  
13 transfer between the person and the employee or  
14 member."

By RENKEN of Grundy  
DRAKE of Pottawattamie  
DISNEY of Polk  
HALVORSON of Clayton  
CHURCHILL of Polk

HANSON of Black Hawk  
TYRRELL of Iowa  
HOUSER of Pottawattamie  
BRANSTAD of Winnebago  
BRADLEY of Clinton

H-5379 FILED MARCH 13, 1996

*Adopted 3-14-96 (P.771)*

HOUSE FILE 2449

H-5378

1 Amend House File 2449 as follows:  
2 1. Page 2, line 35, by striking the words "or  
3 political committee".  
4 2. Page 3, line 5, by striking the words "Five  
5 hundred" and inserting the following: "Two hundred  
6 fifty".  
7 3. Page 3, by inserting after line 6 the  
8 following:  
9 "1A. A political committee shall not make  
10 contributions that, during any election campaign  
11 cycle, in the aggregate, exceed the following:  
12 a. Five thousand dollars to any candidate or  
13 candidate's committee for a statewide office.  
14 b. One thousand dollars to any other candidate or  
15 candidate's committee."  
16 4. Page 3, line 12, by striking the word "Five"  
17 and inserting the following: "Twenty-five".  
18 5. Page 3, line 14, by striking the word "One"  
19 and inserting the following: "Five".  
20 6. By striking page 3, line 16, through page 4,  
21 line 3.  
22 7. By renumbering as necessary.

By BERNAU of Story

H-5378 FILED MARCH 13, 1996

*Last  
3-14-96**(P.773)*

## HOUSE FILE 2449

H-5391

1 Amend House File 2449 as follows:

2 1. Page 7, by inserting after line 25 the  
3 following:

4 "Sec. \_\_\_\_ . Section 56.18, Code 1995, is amended to  
5 read as follows:

6 56.18 CHECKOFF -- INCOME TAX.

7 A person whose state income tax liability for any  
8 taxable year is ~~one-dollar-and-fifty-cents~~ five  
9 dollars or more may direct that ~~one-dollar-and-fifty~~  
10 cents five dollars of that liability be paid over to  
11 the Iowa election campaign fund when submitting the  
12 person's state income tax return to the department of  
13 revenue and finance. In the case of a joint return of  
14 husband and wife having a state income tax liability  
15 of ~~three ten~~ ten dollars or more, each spouse may direct  
16 that ~~one-dollar-and-fifty-cents~~ five dollars be paid  
17 to the fund. The director of revenue and finance  
18 shall draft the income tax form to provide spaces on  
19 the tax return which the taxpayer may use to designate  
20 that contributions made under this section be credited  
21 to a specified political party as defined by section  
22 43.2, or to the Iowa election campaign fund as a  
23 contribution to be shared by all such political  
24 parties in the manner prescribed by section 56.19.  
25 The form shall inform the taxpayer of the consequences  
26 of the choices provided under this section, but this  
27 information may be contained in a footnote or other  
28 suitable form if the director of revenue and finance  
29 finds it is not feasible to place the information  
30 immediately above the signature line. The action  
31 taken by a person for the checkoff is irrevocable."  
32 2. By renumbering as necessary.

By WITT of Black Hawk

H-5391 FILED MARCH 13, 1996

*Adopted*

*3.14.96*

*(P.773)*

## HOUSE FILE 2449

H-5395

1 Amend House File 2449 as follows:

2 1. Page 1, by inserting after line 9 the  
3 following:

4 "Sec. \_\_\_\_ . Section 56.2, subsection 9, Code  
5 Supplement 1995, is amended to read as follows:

6 9. a. "Contribution" means any or any combination  
7 of the following:

8 ~~a. (1)~~ (1) A gift, loan, advance, deposit, rebate,  
9 refund, or other transfer of money ~~or a gift to a~~  
10 candidate's committee, political committee, state  
11 statutory political committee, county statutory  
12 political committee, or city statutory political  
13 committee.

14 (2) The in kind provision of goods or services  
15 which is intended to or actually does benefit a  
16 candidate's committee, political committee, state  
17 statutory political committee, county statutory  
18 political committee, or city statutory political  
19 committee.

20 ~~b. (3)~~ (3) ~~The payment, by any person other than a~~  
21 ~~candidate or political committee,~~ of compensation for  
22 the personal services of another person which are  
23 rendered to a candidate, ~~or political committee, state~~  
24 statutory political committee, county statutory  
25 political committee, or city statutory political  
26 committee, for any such purpose.

27 b. "Contribution" shall not be construed to  
28 include any of the following:

29 (1) Any services provided without compensation by  
30 individuals volunteering their time on behalf of a  
31 candidate's committee, or political committee, or a  
32 state or county statutory political committee, except  
33 when organized or provided on a collective basis by a  
34 business, trade association, labor union, or any other  
35 organized group or association county statutory  
36 political committee, or city statutory political  
37 committee, provided that such time is not spent  
38 performing services for which, in the previous twelve  
39 months, the individual has been compensated as part of  
40 that individual's profession or other employment.

41 (2) Any goods or services provided directly by a  
42 state statutory political committee, county statutory  
43 political committee, city statutory political  
44 committee, or national political party, or by the paid  
45 staff of any such committee or party.

46 (3) ~~"Contribution" shall not include refreshments~~  
47 Refreshments served at a campaign function so long as  
48 such refreshments do not exceed fifty dollars in value  
49 or transportation provided to a candidate so long as  
50 its value computed at a rate of twenty cents per mile

H-5395

H-5395

Page 2

1 does not exceed one hundred dollars in value in any  
2 one reporting period.

3 (4) ~~"Contribution"~~-shall-not-include-something An  
4 item or items provided to a candidate for the  
5 candidate's personal consumption or use and not  
6 intended for or on behalf of the candidate's  
7 committee."

8 2. Page 4, by inserting after line 20 the  
9 following:

10 "8A. For purposes of this section, all  
11 contributions of goods or services provided in kind  
12 shall be reported at the usual and customary rate of  
13 the contributor. If the goods or services are  
14 provided for an amount less than the usual and  
15 customary rate of the contributor, the contribution  
16 amount shall be the difference between the amount  
17 actually paid and the usual and customary rate of the  
18 contributor."

19 3. By renumbering as necessary.

By WITT of Black Hawk

H-5395 FILED MARCH 13, 1996

*Adapted*  
*3-14-96*  
*(p. 768)*

## HOUSE FILE 2449

H-5392

- 1 Amend House File 2449 as follows:  
2 1. Page 3, line 3, by striking the words "One  
3 thousand" and inserting the following: "Five  
4 hundred".  
5 2. Page 3, line 5, by striking the words "Five  
6 hundred" and inserting the following: "Two hundred  
7 fifty".  
8 3. Page 3, line 12, by striking the words "Five  
9 thousand" and inserting the following: "Two thousand  
10 five hundred".  
11 4. Page 3, line 14, by striking the words "One  
12 thousand" and inserting the following: "Five  
13 hundred".  
14 5. Page 3, line 18, by striking the words "Five  
15 hundred" and inserting the following: "Two hundred  
16 fifty".  
17 6. Page 3, line 20, by striking the words "Five  
18 hundred" and inserting the following: "Two hundred  
19 fifty".  
20 7. Page 3, line 22, by striking the words "Five  
21 hundred" and inserting the following: "Two hundred  
22 fifty".  
23 8. Page 3, line 27, by striking the words "Two  
24 thousand five hundred" and inserting the following:  
25 "One thousand seven hundred fifty".  
26 9. Page 3, line 29, by striking the words "Two  
27 thousand five hundred" and inserting the following:  
28 "One thousand seven hundred fifty".  
29 10. Page 3, line 31, by striking the words "Two  
30 thousand five hundred" and inserting the following:  
31 "One thousand seven hundred fifty".  
32 11. Page 3, line 34, by striking the words "Five  
33 thousand" and inserting the following: "Two thousand  
34 five hundred".  
35 12. Page 4, line 2, by striking the words "Two  
36 thousand five hundred" and inserting the following:  
37 "One thousand seven hundred fifty".

By FALLON of Polk

H-5392 FILED MARCH 13, 1996

*Lost 3-14-96**(P. 769)*

HOUSE FILE 2449

H-5408

- 1 Amend the amendment, H-5379, to House File 2449 as
  - 2 follows:
  - 3 1. Page 1, by inserting after line 1 the
  - 4 following:
  - 5 "\_\_\_\_". Page 2, by striking lines 25 through 29."
  - 6 2. Page 1, line 9, by striking the word
  - 7 "purposes." and inserting the following: "purposes or
  - 8 for the pursuit of any legislative objectives."
  - 9 3. Page 1, line 10, by inserting after the word
  - 10 "purpose" the following: "or for the pursuit of any
  - 11 legislative objective".
  - 12 4. By renumbering as necessary.
- By GIPP of Winneshiek

H-5408 FILED MARCH 14, 1996

*Adopted*  
*3-14-96 (P.771)*

HOUSE FILE 2449

H-5409

- 1 Amend House File 2449 as follows:
  - 2 1. Page 2, by striking lines 25 through 29.
  - 3 2. Page 7, line 19, by inserting after the word
  - 4 "purpose" the following: "or for the pursuit of any
  - 5 legislative objective".
  - 6 3. Page 7, line 23, by striking the word
  - 7 "purposes." and inserting the following: "purposes or
  - 8 for the pursuit of any legislative objectives."
  - 9 4. By renumbering as necessary.
- By GIPP of Winneshiek

H-5409 FILED MARCH 14, 1996

*Out of Order*  
*3-14-96*

*(P.773)*

76  
5-3/21/96 Amma/Dotson  
W/S 5489

HOUSE FILE 2449  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 686)

(As Amended and Passed by the House, March 14, 1996)

Passed House, Date \_\_\_\_\_ Passed Senate, Date <sup>(P.112)</sup> 3-28-96  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes 36 Nays 11  
Approved \_\_\_\_\_

A BILL FOR

1 An Act setting campaign contribution limits by persons and  
2 political committees, addressing independent expenditures on  
3 behalf of candidates, employee and member contributions,  
4 making penalties applicable, and providing an effective date.

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

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House Amendments \_\_\_\_\_

Deleted Language \*

House Conf. Comm.  
4-12-96 (P.1606)

Senate Conf. Comm.

Lipp  
Benken  
Jacobs  
Jochum  
Moulton

Gronstal, Ch.  
Neuhauser  
Fink  
Norake  
Rittner

1 Section 1. Section 56.2, Code Supplement 1995, is amended  
2 by adding the following new subsections:

3 NEW SUBSECTION. 2A. "Calendar year" means the time period  
4 from January 1 through December 31 each year.

5 NEW SUBSECTION. 12A. "Election campaign cycle" means the  
6 time period between any general, contested primary, special,  
7 or runoff election for a particular office, commencing on the  
8 day following the previous election for that office, and  
9 continuing through election day.

10 Sec. 2. Section 56.2, subsection 9, Code Supplement 1995,  
11 is amended to read as follows:

12 9. a. "Contribution" means any or any combination of the  
13 following:

14 a- (1) A gift, loan, advance, deposit, rebate, refund, or  
15 other transfer of money or-a-gift to a candidate's committee,  
16 political committee, state statutory political committee,  
17 county statutory political committee, or city statutory  
18 political committee.

19 (2) The in kind provision of goods or services which is  
20 intended to or actually does benefit a candidate's committee,  
21 political committee, state statutory political committee,  
22 county statutory political committee, or city statutory  
23 political committee.

24 b- (3) The payment,by-any-person-other-than-a-candidate  
25 or-political-committee, of compensation for the personal  
26 services of another person which are rendered to a candidate,  
27 or political committee, state statutory political committee,  
28 county statutory political committee, or city statutory  
29 political committee, for any such purpose.

30 b. "Contribution" shall not be construed to include any of  
31 the following:

32 (1) Any services provided without compensation by  
33 individuals volunteering their time on behalf of a candidate's  
34 committee, or political committee, or-a state or-county  
35 statutory political committee, except-when-organized-or

1 provided-on-a-collective-basis-by-a-business,-trade  
2 association,-labor-union,-or-any-other-organized-group-or  
3 association county statutory political committee, or city  
4 statutory political committee, provided that such time is not  
5 spent performing services for which, in the previous twelve  
6 months, the individual has been compensated as part of that  
7 individual's profession or other employment.

8 (2) Any goods or services provided directly by a state  
9 statutory political committee, county statutory political  
10 committee, city statutory political committee, or national  
11 political party, or by the paid staff of any such committee or  
12 party.

13 (3) "Contribution"-shall-not-include-refreshments  
14 Refreshments served at a campaign function so long as such  
15 refreshments do not exceed fifty dollars in value or  
16 transportation provided to a candidate so long as its value  
17 computed at a rate of twenty cents per mile does not exceed  
18 one hundred dollars in value in any one reporting period.

19 (4) "Contribution"-shall-not-include-something An item or  
20 items provided to a candidate for the candidate's personal  
21 consumption or use and not intended for or on behalf of the  
22 candidate's committee.

23 Sec. 3. Section 56.2, subsection 16, Code Supplement 1995,  
24 is amended to read as follows:

25 16. a. "Political committee" means a committee, but not  
26 other than a candidate's committee, which accepts that, in  
27 performing any of the following activities, exceeds any of the  
28 following financial thresholds:

29 (1) Accepts contributions for political purposes in excess  
30 of five hundred dollars in the aggregate,-makes in a calendar  
31 year.

32 (2) Makes expenditures for political purposes in excess of  
33 five hundred dollars in the aggregate,-or-incurs in a calendar  
34 year.

35 (3) Incurs indebtedness for political purposes in excess

1 of five hundred dollars in the aggregate in any-one a calendar  
2 year for-the-purpose-of-supporting-or-opposing-a-candidate-for  
3 public-office,-or-for-the-purpose-of-supporting-or-opposing-a  
4 ballot-issue.

5 b. A "political committee" also means an, provided it has  
6 exceeded at least one of the financial thresholds in paragraph  
7 "a", includes but is not limited to any of the following  
8 entities:

9 (1) A committee other than a candidate's committee that  
10 supports or opposes more than one candidate for public office.

11 (2) A committee other than a candidate's committee that  
12 supports or opposes a ballot issue.

13 (3) A formally organized association, lodge, society,  
14 cooperative, union, fraternity, sorority, educational  
15 institution, civic organization, labor organization, religious  
16 organization, or professional organization, which-accepts  
17 contributions-in-excess-of-five-hundred-dollars-in-the  
18 aggregate,-makes-expenditures-in-excess-of-five-hundred  
19 dollars-in-the-aggregate,-or-incurs-indebtedness-in-excess-of  
20 five-hundred-dollars-in-the-aggregate-in-any-one-calendar-year  
21 for-the-purpose-of-supporting-or-opposing-a-candidate-for  
22 public-office,-or-for-the-purpose-of-supporting-or-opposing-a  
23 ballot-issue.--"Political-committee"-also-includes-a-committee  
24 which-accepts-contributions-in-excess-of-five-hundred-dollars  
25 in-the-aggregate,-makes-expenditures-in-excess-of-five-hundred  
26 dollars-in-the-aggregate,-or-incurs-indebtedness-in-excess-of  
27 five-hundred-dollars-in-the-aggregate-in-a-calendar-year-to  
28 cause or other permanent organization that temporarily engages  
29 in political activity.

30 (4) A committee other than a candidate's committee that  
31 causes the publication or broadcasting of material in-which  
32 the-public-policy-positions-or-voting-record-of that a  
33 reasonable person would understand to advocate the support of  
34 or opposition to the election of an identifiable candidate is  
35 discussed-and-in-which-a-reasonable-person-could-find

1 ~~commentary-favorable-or-unfavorable-to-these-public-policy~~  
2 ~~positions-or-voting-record.~~

3 Sec. 4. Section 56.2, Code Supplement 1995, is amended by  
4 adding the following new subsection:

5 NEW SUBSECTION. 21. "Statewide office" means the office  
6 of any of the state officers that are listed in section 39.9.

7 Sec. 5. NEW SECTION. 56.5B LIMITATIONS ON CONTRIBUTIONS.

8 1. A person or political committee shall not make  
9 contributions that, during any election campaign cycle, in the  
10 aggregate, exceed the following:

11 a. One thousand dollars to any candidate or candidate's  
12 committee for a statewide office.

13 b. Five hundred dollars to any other candidate or  
14 candidate's committee.

15 2. A state statutory political committee, county statutory  
16 political committee, city statutory political committee, or  
17 national political party shall not make contributions that  
18 during any election campaign cycle, in the aggregate, exceed  
19 the following:

20 a. Five thousand dollars to any candidate or candidate's  
21 committee for a statewide office.

22 b. One thousand dollars to any other candidate or  
23 candidate's committee.

24 3. A person shall not make contributions that, during any  
25 calendar year, in the aggregate, exceed the following:

26 a. Five hundred dollars to any state statutory political  
27 committee.

28 b. Five hundred dollars to any county statutory political  
29 committee.

30 c. Five hundred dollars to any city statutory political  
31 committee.

32 4. A political committee shall not make contributions  
33 that, during any calendar year, in the aggregate, exceed the  
34 following:

35 a. Two thousand five hundred dollars to any state

1 statutory political committee.

2 b. Two thousand five hundred dollars to any county  
3 statutory political committee.

4 c. Two thousand five hundred dollars to any city statutory  
5 political committee.

6 5. A candidate, candidate's committee, state statutory  
7 political committee, county statutory political committee, or  
8 city statutory political committee shall not knowingly accept  
9 any contribution in violation of this section.

10 6. "Political committee", as used in this section, does  
11 not include a state statutory political committee, county  
12 statutory political committee, city statutory political  
13 committee, or a national political party, unless such a  
14 committee is expressly mentioned.

15 7. For purposes of this section, "election campaign cycle"  
16 shall be construed to apply separate contribution limits for  
17 each type of election for a particular office, including  
18 primary, general, special, and runoff elections. However, if  
19 a candidate for office does not run in a contested primary,  
20 the contribution limit for the general election shall apply  
21 for the time period covering both the primary and general  
22 elections.

23 8. For purposes of this section, all contributions of  
24 goods or services provided in kind shall be reported at the  
25 usual and customary rate of the contributor. If the goods or  
26 services are provided for an amount less than the usual and  
27 customary rate of the contributor, the contribution amount  
28 shall be the difference between the amount actually paid and  
29 the usual and customary rate of the contributor.

30 9. This section shall not apply to contributions to Iowa  
31 candidates for the United States senate or house of  
32 representatives, or to any other candidate for federal office.

33 10. This section shall not apply to transfers of campaign  
34 funds made pursuant to section 56.42.

35 Sec. 6. Section 56.13, subsection 1, Code Supplement 1995,

1 is amended to read as follows:

2 1. Action involving a contribution or expenditure which  
3 must be reported under this chapter and which is taken by any  
4 person, candidate's committee or political committee on behalf  
5 of a candidate, if known and approved by the candidate, shall  
6 be deemed action by the candidate and reported by the  
7 candidate's committee.

8 a. It shall be presumed that a candidate approves the  
9 action if the candidate had knowledge of it and failed to file  
10 a statement of disavowal with the commissioner or board and  
11 take corrective action within seventy-two hours of the action.

12 b. An expenditure made on behalf of a candidate, and which  
13 is not disavowed by the candidate, shall be deemed a  
14 contribution to the candidate or candidate's committee, and is  
15 subject to the limitations and prohibitions in section 56.5B,  
16 as well as the disclosure requirements of section 56.6.

17 c. An expenditure by a candidate's committee that  
18 previously has been approved by the candidate or a designee of  
19 the candidate can not be disavowed by the candidate.

20 d. For purposes of this section, a contribution or  
21 expenditure shall be construed to have been made on behalf of  
22 a candidate according to the following:

23 (1) A contribution or expenditure that conveys a message  
24 that is reasonably construed to advocate the election of a  
25 clearly identified candidate may be an action on behalf of  
26 that candidate, if it does not otherwise qualify as an  
27 independent expenditure under this section.

28 (2) A contribution or expenditure that conveys a message  
29 that is reasonably construed to advocate the defeat of a  
30 clearly identified candidate may be an action on behalf of  
31 that candidate's opponent, if it does not otherwise qualify as  
32 an independent expenditure under this section.

33 1A. a. A person, candidate's committee or political  
34 committee taking ~~such action independently of that candidate's~~  
35 committee involving a contribution or expenditure that conveys

1 a message that is reasonably construed to advocate the  
2 election or defeat of a clearly identified candidate shall  
3 notify ~~that-candidate's-committee~~ the following committees in  
4 writing by forwardable mail within twenty-four hours of taking  
5 the action:

6 (1) The candidate's committee, if the contribution or  
7 expenditure may reasonably be construed to convey a message  
8 advocating the election of the candidate.

9 (2) The committee for the candidate's opponent, if the  
10 contribution or expenditure may reasonably be construed to  
11 advocate the defeat of the candidate.

12 b. The notification shall provide that candidate's  
13 committee with the cost of the promotion at fair market value.

14 c. A copy of the notification shall be sent to the board  
15 by forwardable mail within twenty-four hours of taking the  
16 action.

17 1B. Any person who makes expenditures or incurs  
18 indebtedness, other than incidental expenses incurred in  
19 performing volunteer work, in support or opposition of a  
20 candidate for public office shall notify the appropriate  
21 committee and provide necessary information for disclosure  
22 reports.

23 1C. For purposes of this section, action shall be  
24 construed to have been taken independently of a candidate's  
25 committee only if the action was not made with the cooperation  
26 of, with the prior consent of, in consultation with, or at the  
27 request or suggestion of any candidate or agent for the  
28 candidate.

29 a. For purposes of this section, an agent of the candidate  
30 is any person who has actual oral or written authority, either  
31 express or implied, to make or to authorize the making of  
32 expenditures on behalf of a candidate, or any person who has  
33 been placed in a position within the campaign organization  
34 where it would reasonably appear that in the ordinary course  
35 of campaign-related activities, that person may authorize

1 activity on behalf of the candidate, provided that the  
2 authorization is in writing and has been signed by the  
3 candidate or candidate's designee.

4 b. An action will be presumed to be made with the  
5 cooperation of, with the prior consent of, in consultation  
6 with, or at the request or suggestion of any candidate, any  
7 candidate's committee, or other agent for the candidate in the  
8 following situations:

9 (1) When the action is based on information about the  
10 candidate's plans, projects, or needs, which information is  
11 provided by the candidate, the candidate's committee, or other  
12 agent of the candidate, provided that the authorization is in  
13 writing and has been signed by the candidate or candidate's  
14 designee.

15 (2) When the action involves any arrangement,  
16 coordination, or direction by the candidate or agent of the  
17 candidate prior to the action.

18 (3) When the action involves any participation by the  
19 candidate or any person who is or who has been an officer of  
20 the candidate's committee, or who is or has been receiving  
21 compensation or reimbursement from the candidate, the  
22 candidate's committee, or other agent of the candidate,  
23 provided that the authorization is in writing and has been  
24 signed by the candidate or candidate's designee.

25 1D. Any expenditure which is part of an action that is  
26 deemed not to have been taken independently of the candidate,  
27 candidate's committee, or other agent of the candidate shall  
28 be considered a contribution for the purpose of contribution  
29 limitations and prohibitions. All reporting requirements  
30 shall apply to such contributions.

31 1E. Any expenditure by a candidate's committee shall not  
32 be construed to be an independent expenditure under this  
33 section.

34 Sec. 7. Section 56.15, Code Supplement 1995, is amended by  
35 adding the following new subsection:

1 NEW SUBSECTION. 4A. It shall be unlawful for any person  
2 to utilize, with regard to employees or members, a payroll  
3 deduction, partial donation of member dues or fees, or any  
4 other automatic means of contribution intended for support of  
5 political purposes or for the pursuit of any legislative  
6 objectives. A person who seeks financial support for any  
7 political purpose or for the pursuit of any legislative  
8 objective must affirmatively solicit and receive individual  
9 contributions from employees or members in a method separate  
10 from any regular monetary transfer between the person and the  
11 employee or member.

12 Sec. 8. Section 56.18, Code 1995, is amended to read as  
13 follows:

14 56.18 CHECKOFF -- INCOME TAX.

15 A person whose state income tax liability for any taxable  
16 year is ~~one-dollar-and-fifty-cents~~ five dollars or more may  
17 direct that ~~one-dollar-and-fifty-cents~~ five dollars of that  
18 liability be paid over to the Iowa election campaign fund when  
19 submitting the person's state income tax return to the  
20 department of revenue and finance. In the case of a joint  
21 return of husband and wife having a state income tax liability  
22 of ~~three ten~~ dollars or more, each spouse may direct that ~~one~~  
23 ~~dollar-and-fifty-cents~~ five dollars be paid to the fund. The  
24 director of revenue and finance shall draft the income tax  
25 form to provide spaces on the tax return which the taxpayer  
26 may use to designate that contributions made under this  
27 section be credited to a specified political party as defined  
28 by section 43.2, or to the Iowa election campaign fund as a  
29 contribution to be shared by all such political parties in the  
30 manner prescribed by section 56.19. The form shall inform the  
31 taxpayer of the consequences of the choices provided under  
32 this section, but this information may be contained in a  
33 footnote or other suitable form if the director of revenue and  
34 finance finds it is not feasible to place the information  
35 immediately above the signature line. The action taken by a

1 person for the checkoff is irrevocable.

2     Sec. 9. EFFECTIVE DATE. This Act takes effect January 1,  
3 1997.

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HOUSE FILE 2449  
FISCAL NOTE

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A fiscal note for House File 2449 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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House File 2449 adds individual and political committee contribution limits to the Campaign Finance chapter of the Code of Iowa.

The Bill prohibits a person or political committee from contributing more than \$1,000 to a candidate for statewide office or \$500 to any other candidate during any election campaign cycle. A candidate for statewide office is limited to contributing \$5,000 to the candidate's own committee during an election campaign cycle; any other candidate is limited to a contribution of \$2,500.

A political party is limited to contributing \$5,000 per year for a statewide candidate, and \$1,000 per year for any other candidate. The Bill also prohibits a person from contributing more than \$500, and a political committee from contributing more than \$2,500, to a city, county, or State statutory political committee during any calendar year.

**ASSUMPTIONS**

1. The Ethics and Campaign Disclosure Board's existing statewide and legislative candidate computer database and political committee database would need to be expanded to include the ability to flag excess contributions.
2. The Ethics and Campaign Disclosure Board would be required to create and implement an additional database for county, local, and municipal candidates.
3. Salaries and support for additional personnel would be required by the Ethics and Campaign Disclosure Board for timely review and audit of reports and data entry.
4. The Bill is effective January 1, 1997, the full fiscal impact would not occur until FY 1999, the first State level election year after the effective date. The fiscal impact in FY 1997 would only be for half of the fiscal year.

-2-

FISCAL IMPACT

The fiscal impact of House File 2449 is to increase costs to the State General Fund. The impact is provided below:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Salaries and Support	\$ 40,000	\$ 95,000	\$105,000
Computer Database	<u>75,000</u>	<u>0</u>	<u>0</u>
Total	<u>\$115,000</u>	<u>\$ 95,000</u>	<u>\$105,000</u>

SOURCE

Ethics and Campaign Disclosure Board

(LSB 4213HV, LDC)

FILED MARCH 18, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

## HOUSE FILE 2449

S-5489

1 Amend House File 2449, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting  
4 clause and inserting the following:

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

7 Sec. 2. NEW SECTION. 56.31 DEFINITIONS.

8 As used in this division, unless the context  
9 requires otherwise:

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

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

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

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

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

38 6. "Restricted campaign" means a campaign for an  
39 eligible office in which there are two or more  
40 candidates with qualifying nominations and all of  
41 those candidates have registered with the board and  
42 voluntarily agreed to limit campaign expenditures and  
43 contributions pursuant to section 56.33.

44 Sec. 3. NEW SECTION. 56.32 REGISTRATION FOR A  
45 RESTRICTED CAMPAIGN.

46 Each candidate for an eligible office shall  
47 register with the board and shall indicate whether the  
48 candidate voluntarily agrees to limit campaign  
49 expenditures and contributions in a restricted  
50 campaign prior to or with the filing of nomination

S-5489

S-5489

Page 2

1 papers pursuant to chapter 43, 44, or 45.

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

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

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

42 Sec. 4. NEW SECTION. 56.33 RESTRICTED CAMPAIGNS  
43 -- LIMITS ON EXPENDITURES.

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

48 1. Governor. Total expenditure limit, five  
49 hundred thousand dollars in a primary election if  
50 there is no primary opponent, one million dollars in a

S-5489

-2-

S-5489

Page 3

1 primary election if there is a primary opponent, and  
2 one million five hundred thousand dollars in a general  
3 election.

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

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

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

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

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

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

37 Sec. 5. NEW SECTION. 56.34 PERIODS THE  
38 EXPENDITURE LIMITS ARE IN EFFECT.

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

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

50 2. During a special election, from the date the

S-5489

-3-

S-5489

Page 4

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

8 Sec. 6. NEW SECTION. 56.35 ADJUSTMENTS FOR  
9 BENEFITED CANDIDATES AND OPPONENTS.

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

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

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

S-5489

-4-

S-5489

Page 5

1 benefited candidate's opponent for that election  
2 period.

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

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

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

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

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

32 1. Governor.

33 a. Total political action committee contributions,  
34 fifty percent of the candidate's applicable  
35 expenditure limit in a primary election, and fifty  
36 percent of the candidate's expenditure limit in a  
37 general election.

38 b. Largest political action committee  
39 contribution, five thousand dollars.

40 c. Largest individual contribution, excluding  
41 contributions made by a candidate to the candidate's  
42 own campaign, one thousand dollars.

43 2. Attorney general, secretary of agriculture,  
44 secretary of state, treasurer of state, and auditor of  
45 state.

46 a. Total political action committee contributions,  
47 fifty percent of the candidate's applicable  
48 expenditure limit in a primary election, and fifty  
49 percent of the candidate's expenditure limit in a  
50 general election.

S-5489

S-5489

Page 6

1 b. Largest political action committee  
2 contribution, five thousand dollars.  
3 c. Largest individual contribution, excluding  
4 contributions made by a candidate to the candidate's  
5 own campaign, one thousand dollars.  
6 3. State senator.  
7 a. Total political action committee contributions,  
8 fifty percent of the candidate's applicable  
9 expenditure limit in a primary election, and fifty  
10 percent of the candidate's expenditure limit in a  
11 general election.  
12 b. Largest political action committee  
13 contribution, one thousand dollars.  
14 c. Largest individual contribution, excluding  
15 contributions made by a candidate to the candidate's  
16 own campaign, five hundred dollars.  
17 4. State representative.  
18 a. Total political action committee contributions,  
19 fifty percent of the candidate's applicable  
20 expenditure limit in a primary election, and fifty  
21 percent of the candidate's expenditure limit in a  
22 general election.  
23 b. Largest political action committee  
24 contribution, one thousand dollars.  
25 c. Largest individual contribution, excluding  
26 contributions made by the candidate to the candidate's  
27 own campaign, five hundred dollars.  
28 5. Individual contributions to the candidate or  
29 candidate's committee made by one individual of a  
30 cumulative value of one hundred dollars or more shall  
31 be reported, including the name, address, occupation,  
32 and place of business of the contributor.  
33 Sec. 8. NEW SECTION. 56.37 PENALTIES.  
34 1. A candidate who voluntarily agrees to a  
35 restricted campaign, and who exceeds the expenditure  
36 or contribution limitations in this division, shall be  
37 subject to a fine which is based on the percentage by  
38 which the candidate exceeds permitted expenditures or  
39 contributions, so that the candidate shall pay a  
40 percentage of the excess campaign expenditures or  
41 contributions as follows:  
42 a. Governor. Under two thousand dollars, one  
43 percent; two thousand to ten thousand dollars, ten  
44 percent; ten thousand one to twenty thousand dollars,  
45 twenty-five percent; over twenty thousand dollars,  
46 fifty percent.  
47 b. Attorney general, secretary of agriculture,  
48 secretary of state, treasurer of state, and auditor of  
49 state. Under one thousand dollars, one percent; one  
50 thousand to five thousand dollars, ten percent; five

S-5489

-6-

S-5489

Page 7

1 thousand one to ten thousand dollars, twenty-five  
2 percent; over ten thousand dollars, fifty percent.

3 c. State senator. Under five hundred dollars, one  
4 percent; five hundred to one thousand dollars, ten  
5 percent; one thousand one to five thousand dollars,  
6 twenty-five percent; over five thousand dollars, fifty  
7 percent.

8 d. State representative. Under two hundred fifty  
9 dollars, one percent; two hundred fifty to five  
10 hundred dollars, ten percent; five hundred one to two  
11 thousand five hundred dollars, twenty-five percent;  
12 over two thousand five hundred dollars, fifty percent.

13 Fines collected pursuant to this section shall be  
14 paid to the state political party of the violating  
15 candidate's opponent.

16 2. Mileage expenses of the candidate, at a rate  
17 determined pursuant to section 2.10, are not subject  
18 to the expenditure limits of section 56.33.

19 3. The criminal penalty of section 56.16 applies  
20 to violations of this division.

21 4. A candidate who knowingly and intentionally  
22 violates the expenditure or contribution limits of  
23 section 56.33 or section 56.36 is, upon conviction,  
24 guilty of a class "D" felony, but is only subject to a  
25 fine and is not subject to imprisonment,  
26 notwithstanding the provisions of section 902.9. A  
27 candidate shall not take the oath of office pending  
28 conviction or acquittal, following trial, on charges  
29 brought under this subsection, and a candidate is  
30 disqualified from holding office upon conviction  
31 obtained pursuant to this subsection.

32 Sec. 9. Section 56.13, subsection 1, unnumbered  
33 paragraph 1, Code Supplement 1995, is amended to read  
34 as follows:

35 Action involving a contribution or expenditure  
36 which must be reported under this chapter and which is  
37 taken by any person, candidate's committee or  
38 political committee on behalf of a candidate, if known  
39 and approved by the candidate, shall be deemed action  
40 by the candidate and reported by the candidate's  
41 committee. If a restricted campaign exists, the  
42 action involving an expenditure or contribution which  
43 must be reported under this chapter which is taken by  
44 any person, candidate's committee, or political  
45 committee on behalf of a candidate, if known and  
46 approved by the candidate, shall be deemed action by  
47 the candidate, shall be reported by the candidate's  
48 committee, and shall be credited against the  
49 candidate's expenditure or contribution limits  
50 pursuant to section 56.33 or 56.36. It shall be

S-5489

-7-

S-5489

Page 8

1 presumed that a candidate approves the action if the  
2 candidate had knowledge of it and failed to file a  
3 statement of disavowal with the commissioner or board  
4 and take corrective action within seventy-two hours of  
5 the action. A person, candidate's committee or  
6 political committee taking such action independently  
7 of that candidate's committee shall notify that  
8 candidate's committee in writing within twenty-four  
9 hours of taking the action. The notification shall  
10 provide that candidate's committee with the cost of  
11 the promotion at fair market value. A copy of the  
12 notification shall be sent to the board. If a  
13 candidate files a statement of disavowal, the board  
14 shall forward a copy of the statement to the  
15 candidate's opponent.

16 Sec. 10. Section 56.14, Code Supplement 1995, is  
17 amended by adding the following new unnumbered  
18 paragraph:

19 NEW UNNUMBERED PARAGRAPH. In addition to the  
20 identification required in this section, a candidate's  
21 committee of a candidate who is not registered for a  
22 restricted campaign pursuant to section 56.32 shall  
23 include, on all printed material, a statement, equal  
24 in size to the identification information, that the  
25 candidate is not registered for a restricted campaign.  
26 A similar disclaimer shall also be included, vocally,  
27 in all radio and television commercials purchased on  
28 behalf of the candidate. Candidates who have not  
29 registered for a restricted campaign shall state the  
30 following: "(name of candidate) refused to limit  
31 campaign spending." The information required under  
32 this paragraph may be included on materials and  
33 commercials by a candidate who is registered for a  
34 restricted campaign.

35 Sec. 11. ANTISEVERABILITY CLAUSE. Notwithstanding  
36 section 4.12, if section 56.35, subsection 3 or 4, or  
37 section 56.37, subsection 3, or the application  
38 thereof is invalid, this Act as a whole shall be  
39 invalid.

40 Sec. 12. EFFECTIVE DATE. This Act takes effect  
41 January 1, 1997."

42 2. Title page, line 1, by inserting after the  
43 word "contribution" the following: "and expenditure".

44 3. Title page, lines 1 through 3, by striking the  
45 words "by persons and political committees, addressing  
46 independent expenditures on behalf of candidates,  
47 employee and member contributions,".

48 4. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT  
MICHAEL E. GRONSTAL, Chairperson

S-5489 FILED MARCH 21, 1996

*Adopted*  
*3/28/96*  
*(p. 1111)*

## HOUSE FILE 2449

S-5543

1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 7, by inserting after line 31 the  
5 following:

6 "Sec. 100. Sections 200 through 600 of this Act  
7 are created as a new division of chapter 56.

8 Sec. 200. NEW SECTION. 56.50 DEFINITIONS.

9 For purposes of applying provisions in this  
10 division, unless the context otherwise requires:

11 1. "Board" means the truth in campaign practices  
12 board.

13 2. "Candidate" means a person who has taken  
14 affirmative action to seek nomination or election to a  
15 state legislative office or to the office of governor,  
16 lieutenant governor, secretary of state, auditor of  
17 state, treasurer of state, attorney general, or  
18 secretary of agriculture.

19 3. "Candidate's committee" means a candidate's  
20 committee as defined in section 56.2.

21 4. "Negative statement" means a statement which  
22 attacks the record, reputation, or integrity of a  
23 candidate or which attacks the reputation or integrity  
24 of a member of a candidate's immediate family. For  
25 purposes of this chapter, a candidate's spouse,  
26 children, parents, and siblings are members of a  
27 candidate's immediate family.

28 5. "Political organization" means an organization  
29 which is not a political party but which meets the  
30 criteria established under section 44.1 for nomination  
31 of candidates.

32 6. "Political party" means a political party under  
33 section 43.2.

34 7. "Statement" means a public written, electronic,  
35 or oral communication which is made or transmitted by  
36 any means. For purposes of this section, a  
37 communication is public if it is made or transmitted  
38 in a manner that can be reasonably expected to result  
39 in the statement being heard, read, or viewed by  
40 members of the general public.

41 Sec. 300. NEW SECTION. 56.51 STATEMENTS BY OR  
42 ABOUT CANDIDATES.

43 1. A candidate shall not make or cause to be made  
44 untruthful or deliberately misleading statements  
45 regarding a candidate. For purposes of this section,  
46 a statement shall be deemed to have been caused by a  
47 candidate if it is made by a candidate's designated  
48 spokesperson, if it is contained in materials produced  
49 or paid for by the candidate's committee, or if it is  
50 contained in materials imputed to a candidate under

S-5543

S-5543

Page 2

1 section 56.13.

2 2. A person who is not a candidate shall not  
3 knowingly make untruthful or deliberately misleading  
4 statements about a candidate.

5 3. If a candidate or candidate's committee pays  
6 for or sponsors an oral negative statement about a  
7 candidate, the statement shall be stated by the  
8 candidate. For purposes of this section, a statement  
9 which is imputed to a candidate under section 56.13 is  
10 not sponsored by a candidate or candidate's committee.

11 Sec. 400. NEW SECTION. 56.52 TRUTH IN CAMPAIGN  
12 PRACTICES BOARD.

13 1. A three-member truth in campaign practices  
14 board is established as an independent agency to  
15 investigate, review, and determine the truthfulness or  
16 deliberately misleading nature of statements made by  
17 candidates, and other persons in support or opposition  
18 of a candidate as well as to investigate negative  
19 statements made about candidates. Members of the  
20 board shall be appointed by the chief justice of the  
21 supreme court. Two members of the board shall be  
22 affiliated with one of the two political parties whose  
23 candidates for president of the United States or for  
24 governor, as the case may be, received the largest and  
25 next largest number of votes at the last general  
26 election but neither shall be affiliated with the same  
27 political party. The other member shall not be  
28 affiliated with a political party, but may be  
29 affiliated with a political organization.

30 2. Members shall serve staggered four-year terms,  
31 which shall begin at 12:01 a.m. on May 1 in the year  
32 of appointment and end at 12:00 midnight on April 30  
33 in the year of expiration. Any vacancy on the board  
34 shall be filled by appointment for the unexpired  
35 portion of the term, within ninety days of the vacancy  
36 and in accordance with the procedures for regular  
37 appointments. A member of the board may be  
38 reappointed to serve additional terms on the board.  
39 Members may be removed in the same manner as provided  
40 in section 69.15 except that once a vacancy or  
41 resignation occurs, the governor shall notify the  
42 chief justice of the supreme court, who shall make  
43 another appointment.

44 3. The board shall annually elect one member to  
45 serve as the chairperson of the board and one member  
46 to serve as vice chairperson. The vice chairperson  
47 shall act as the chairperson in the absence or  
48 disability of the chairperson, or in the event of a  
49 vacancy in that office.

50 4. Members of the board shall receive a per diem

S-5543

-2-

S-5543

Page 3

1 as specified in section 7E.6 while conducting business  
2 of the board, and payment of actual and necessary  
3 expenses incurred in the performance of their duties.  
4 Members of the board shall file statements of  
5 financial interest under section 68B.35.

6 5. The board shall employ a full-time executive  
7 director who shall be the board's chief administrative  
8 officer. The board shall employ or contract for the  
9 employment of legal counsel notwithstanding section  
10 13.7, and may employ any other personnel as may be  
11 necessary to carry out the duties of the board. The  
12 board's legal counsel shall be the chief legal officer  
13 of the board, and shall advise the board on all legal  
14 matters relating to the administration of this  
15 chapter. The state may be represented by the board's  
16 legal counsel in any civil action regarding the  
17 enforcement of this chapter or, at the board's  
18 request, the state may be represented by the office of  
19 the attorney general. Notwithstanding section 19A.3,  
20 all of the board's employees, except for the executive  
21 director and legal counsel, shall be employed subject  
22 to the merit system provisions of chapter 19A.

23 Sec. 500. NEW SECTION. 56.53 DUTIES OF THE  
24 BOARD.

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

27 1. Adopt rules pursuant to chapter 17A and conduct  
28 investigations and hearings pursuant to section 56.54  
29 and chapter 17A, as necessary to carry out the  
30 purposes of this chapter.

31 2. Adopt rules pursuant to chapter 17A  
32 establishing standards for truthfulness and avoidance  
33 of making deliberately misleading statements in  
34 campaign advertising by candidates under this chapter  
35 and requiring candidates to personally utter negative  
36 statements about candidates if the statement is paid  
37 for by the candidate or candidate's committee.

38 3. Develop, prescribe, and furnish any forms  
39 necessary for the implementation of the procedures  
40 contained in this chapter for the filing and hearing  
41 of complaints or the issuance of advisory opinions.

42 4. Establish and impose penalties and any other  
43 recommendations for punishment of persons who are  
44 subject to penalties of or punishment by the board for  
45 failure to comply with the requirements of this  
46 chapter.

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

49 6. Preserve copies of complaints, requests, and  
50 other information filed with the board for a period of

S-5543

S-5543

Page 4

1 at least five years from the date of receipt.  
2 7. Establish a procedure for requesting and  
3 issuing formal and informal board opinions to  
4 candidates and representatives of political parties  
5 and political organizations. Following advice  
6 contained in a formal board opinion shall constitute a  
7 defense to a complaint based upon the same facts and  
8 circumstances which is filed with the board and which  
9 alleges a violation of this chapter or rules of the  
10 board.

11 8. Establish a procedure for informing candidates  
12 and other persons of the requirements of this chapter  
13 and rules adopted by the board.

14 9. Establish fees, where necessary, to cover the  
15 costs associated with preparing, printing, and  
16 distributing materials to persons subject to the  
17 authority of the board.

18 Sec. 600. NEW SECTION. 56.54 COMPLAINTS --  
19 INVESTIGATIONS -- HEARINGS.

20 1. A candidate, a representative of a candidate's  
21 committee, or a representative of a political party or  
22 political organization may file a complaint with the  
23 board regarding the truthfulness or deliberately  
24 misleading nature of any statement made or caused to  
25 be made by a candidate or alleging that a candidate or  
26 candidate's committee has paid for an oral negative  
27 statement which was made by someone other than the  
28 candidate. For purposes of this section, a statement  
29 is caused to be made by a candidate if it is made by a  
30 candidate's designated spokesperson, is contained in  
31 materials produced or paid for by the candidate's  
32 committee, as defined under chapter 56, or if it is  
33 action or is a part of action which has been imputed  
34 to the candidate under section 56.13.

35 2. A complaint shall include all of the following:

36 a. The name and address of the complainant.

37 b. If the allegation is that an untruthful or  
38 deliberately misleading statement was made, a  
39 recitation of the statement alleged to be untruthful  
40 or deliberately misleading.

41 c. If the allegation is that a negative statement  
42 was paid for or sponsored by a candidate or  
43 candidate's committee and was made by a person other  
44 than the candidate, a recitation of the negative  
45 statement.

46 d. To the extent known, the time and place or  
47 manner in which the statement was made.

48 e. If the statement complained of was made in  
49 writing, a copy of the statement.

50 f. If the allegation is that an untruthful or

S-5543

-4-

S-5543

Page 5

1 deliberately misleading statement was made, any  
2 circumstances, other than the express language of the  
3 statement, which cause the statement to be untruthful  
4 or deliberately misleading.

5 g. The name and address, if known, of the  
6 candidate or other person who made the statement.

7 h. If the allegation is that an untruthful or  
8 deliberately misleading statement was made, a  
9 statement of why or how the statement complained of is  
10 untruthful or deliberately misleading.

11 i. A certification by the complainant under  
12 penalty of perjury that the facts stated to be true  
13 are true to the best of the complainant's knowledge.

14 j. Any other relevant information or sources of  
15 information.

16 3. The board staff and legal counsel shall review  
17 the complaint to determine if the complaint is  
18 sufficient as to form and legal substance. Deficiency  
19 as to form shall not preclude consideration of a  
20 complaint. If the complaint is legally deficient, the  
21 complaint shall be returned to the complainant with a  
22 statement of the deficiency and shall not be  
23 considered by the board until the deficiency is cured.  
24 A legally sufficient complaint must meet all of the  
25 following requirements:

26 a. Facts must be alleged that would establish  
27 either that a candidate made or caused to be made an  
28 untruthful or deliberately misleading statement about  
29 another opposing candidate or that a candidate caused  
30 an oral negative statement to be made by someone other  
31 than the candidate.

32 b. The person making the complaint must be a  
33 candidate or a representative of a political party or  
34 political organization.

35 c. If the allegation is that an untruthful or  
36 deliberately misleading statement was made, the  
37 complaint must indicate why or demonstrate how the  
38 statement is untruthful or deliberately misleading.

39 d. The complaint must be filed within sixty days  
40 from the date on which the statement that is  
41 complained of was made.

42 4. Upon receiving a legally sufficient complaint,  
43 the board shall investigate or cause the investigation  
44 of the facts alleged in the complaint. Once the  
45 investigation is completed, the board shall meet and  
46 make a determination as to whether the statement  
47 violates the requirements of this chapter or rules  
48 adopted by the board. The meeting shall be conducted  
49 in the manner provided for contested cases under  
50 chapter 17A. However, a preponderance of evidence

S-5543

S-5543

Page 6

1 shall be required to support a finding that a  
2 statement is untruthful or deliberately misleading.  
3 In addition to holding meetings at which two or more  
4 members are physically present, meetings may be held  
5 electronically as provided under section 21.8.  
6 Notwithstanding section 21.4, subsection 2, public  
7 notice of the meetings of the board shall be made at a  
8 reasonable time before the meeting, but no later than  
9 eight hours before the time set for the meeting to  
10 begin.

11 5. The board shall render its decision within  
12 forty-eight hours of receiving a legally valid  
13 complaint. If the forty-eight-hour period concludes  
14 on a weekend or holiday, the decision shall be made by  
15 the close of business hours on the next succeeding  
16 business day. If the board finds that the statement  
17 complained of was untruthful or deliberately  
18 misleading or that an oral negative statement was made  
19 by someone other than a candidate and was paid for by  
20 the candidate or candidate's committee, the board's  
21 decision shall include an order for any remedy, under  
22 section 56A.6, that the board deems appropriate.

23 6. At any stage during the investigation or after  
24 the filing of a complaint, the board may approve a  
25 settlement regarding an allegedly untruthful or  
26 deliberately misleading statement or negative  
27 statement made by someone other than a candidate.  
28 Terms of a settlement shall be reduced to writing and  
29 be available for public inspection. In addition, the  
30 board may authorize board staff to seek information in  
31 voluntary compliance in routine matters brought to the  
32 attention of the board or its staff.

33 7. A complaint shall be a public record. The  
34 entire record of the board's action, including any  
35 investigation, shall also be a public record.

36 Sec. 700. NEW SECTION. 56.55 REMEDIES.

37 1. If the board finds that a candidate or other  
38 person has made or caused to be made an untruthful or  
39 deliberately misleading statement, the board shall  
40 require a retraction of the statement by any person  
41 found to be responsible for making the statement or  
42 causing the statement to be made, within a period of  
43 time to be specified by the board, in the same manner  
44 and at the same cost as the original statement. Any  
45 retraction shall be approved by the board before it is  
46 made public. The board shall inform the complainant  
47 of any proposed retraction and permit the complainant  
48 to submit comments prior to the board's decision on  
49 approval or disapproval of the proposed language.

50 2. For any violations of this chapter or rules

S-5543

-6-

S-5543

Page 7

- 1 adopted by the board, the board may impose one or more  
2 of the following penalties:  
3 a. Issue an order requiring the person to cease  
4 and desist from the violation.  
5 b. Issue an order requiring the violator to take  
6 any remedial action deemed appropriate by the board.  
7 c. Publicly reprimand the violator for violations  
8 of this chapter or rules adopted by the board.  
9 d. Issue an order requiring the violator to pay a  
10 civil penalty of not more than fifty thousand dollars  
11 for each violation of this chapter or rules adopted by  
12 the board.  
13 3. If a person fails to comply with an order of  
14 the board under this section, the board may petition  
15 the district court for an order for enforcement of the  
16 order of the board. Judicial enforcement of orders of  
17 the board shall be sought in accordance with chapter  
18 17A.  
19 4. At any stage in a proceeding, the board may  
20 refer the complaint and supporting information to the  
21 attorney general or appropriate county attorney with a  
22 recommendation for prosecution or enforcement of  
23 criminal penalties."  
24 2. By renumbering as necessary.

By MARY LUNDBY  
ANDY MCKEAN

*Adopted 3/28/96 (P.1109)*

S-5543 FILED MARCH 26, 1996

## HOUSE FILE 2449

S-5545

- 1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 7, by inserting after line 31 the  
5 following:  
6 "Sec. \_\_\_\_ . NEW SECTION. 56.38 EXCLUDED  
7 ACTIVITIES.  
8 The contribution and expenditure limits in this  
9 division shall not apply to the cost of any reception  
10 given for all members of the Iowa general assembly."  
11 2. By renumbering as necessary.

By TONY BISIGNANO

S-5545 FILED MARCH 26, 1996

WITHDRAWN  
3-28-96  
(P.1109)

## HOUSE FILE 2449

S-5546

1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 5, line 34, by striking the word "fifty"  
5 and inserting the following: "thirty-five".  
6 2. Page 5, line 35, by striking the word "fifty"  
7 and inserting the following: "thirty-five".  
8 3. Page 5, line 47, by striking the word "fifty"  
9 and inserting the following: "thirty-five".  
10 4. Page 5, line 48, by striking the word "fifty"  
11 and inserting the following: "thirty-five".  
12 5. Page 6, line 8, by striking the word "fifty"  
13 and inserting the following: "thirty-five".  
14 6. Page 6, line 9, by striking the word "fifty"  
15 and inserting the following: "thirty-five".  
16 7. Page 6, line 19, by striking the word "fifty"  
17 and inserting the following: "thirty-five".  
18 8. Page 6, line 20, by striking the word "fifty"  
19 and inserting the following: "thirty-five".

By ANDY McKEAN  
ROD HALVORSON

S-5546 FILED MARCH 26, 1996

*Adopted 3/27/96 (p.1098)*

## HOUSE FILE 2449

S-5547

1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 7, by striking lines 14 and 15 and  
5 inserting the following: "deposited in a state child  
6 care assistance account, which is created in the  
7 general fund of the state. The proceeds of the  
8 account shall be used by the department of human  
9 services for state child care assistance pursuant to  
10 appropriation by the general assembly.

By JACK RIFE

S-5547 FILED MARCH 26, 1996

*/order 3/27/96 (p.1099)*

## HOUSE FILE 2449

S-5540

1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 5, line 34, by striking the word "fifty"  
5 and inserting the following: "twenty-five".  
6 2. Page 5, line 35, by striking the word "fifty"  
7 and inserting the following: "twenty-five".  
8 3. Page 5, line 47, by striking the word "fifty"  
9 and inserting the following: "twenty-five".  
10 4. Page 5, line 48, by striking the word "fifty"  
11 and inserting the following: "twenty-five".  
12 5. Page 6, line 8, by striking the word "fifty"  
13 and inserting the following: "twenty-five".  
14 6. Page 6, line 9, by striking the word "fifty"  
15 and inserting the following: "twenty-five".  
16 7. Page 6, line 19, by striking the word "fifty"  
17 and inserting the following: "twenty-five".  
18 8. Page 6, line 20, by striking the word "fifty"  
19 and inserting the following: "twenty-five".

By ANDY MCKEAN

S-5540 FILED MARCH 26, 1996

*w/d 3/27/96 (p. 1098)*

## HOUSE FILE 2449

S-5541

1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 7, by inserting after line 31 the  
5 following:  
6 "Sec. \_\_\_\_ . NEW SECTION. 56.38 EXCLUDED  
7 ACTIVITIES.  
8 The contribution and expenditure limits in this  
9 division shall not apply to the cost of any reception  
10 given for a member of the Iowa general assembly."  
11 2. By renumbering as necessary.

By TONY BISIGNANO

S-5541 FILED MARCH 26, 1996

*w/d 3/27/96 (p. 1099)*

HOUSE FILE 2449

S-5569

1 Amend the amendment, S-5489, to House File 2449, as  
 2 amended, passed, and reprinted by the House, as  
 3 follows:  
 4 1. Page 7, by inserting after line 31 the  
 5 following:  
 6 "Sec.         . NEW SECTION. 56.38 ATTRIBUTION OF  
 7 SPECIFIC CONTRIBUTIONS.  
 8 When all general assembly members are invited to an  
 9 event registered with the board, the costs associated  
 10 with such an event shall be considered a contribution  
 11 under chapter 56, and not a gift under chapter 68B.  
 12 Event sponsors shall disclose the costs of the event  
 13 to the board, and the board shall attribute the  
 14 proportionate cost to each member of the general  
 15 assembly, who shall not be required to disclose  
 16 individually such contributions on the disclosure  
 17 forms filed with the board."  
 18 2. By renumbering as necessary.

By TONY BISIGNANO

*Adopted 3/28/96 (P. 1110)*

S-5569 FILED MARCH 27, 1996

HOUSE FILE 2449

S-5576

1 Amend the amendment, S-5489, to House File 2449, as  
 2 amended, passed, and reprinted by the House, as  
 3 follows:  
 4 1. Page 8, line 40, by inserting after the word  
 5 "Act" the following: ", except sections 200 through  
 6 600,".  
 7 2. Page 8, line 41, by inserting after the figure  
 8 "1997." the following: "Sections 200 through 600,  
 9 being deemed of immediate importance, take effect upon  
 10 enactment."

By BERL E. PRIEBE

S-5576 FILED MARCH 27, 1996

*V. ... IN  
3-28-96*

*P 1110*

## HOUSE FILE 2449

S-5565

1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 7, by inserting after line 31 the  
5 following:

6 "Sec. \_\_\_\_ . Section 56.6, subsection 1, paragraphs  
7 c and d, Code Supplement 1995, are amended to read as  
8 follows:

9 c. A candidate's committee for a candidate for the  
10 general assembly at a special election for which the  
11 governor is required to give not less than forty days'  
12 notice under section 69.14 shall file a report by the  
13 fourteenth day prior to the special election which is  
14 current through the nineteenth day prior to the  
15 special election. A candidate's committee for a  
16 candidate for the general assembly at a special  
17 election for which the governor is required to give  
18 not less than eighteen days' notice under section  
19 69.14 shall file a report five days prior to the  
20 election, that shall be current as of five days prior  
21 to the filing deadline. Any report filed pursuant to  
22 this paragraph shall be timely filed, or mailed  
23 bearing a United States postal service postmark dated  
24 on or before the due date.

25 d. Committees The following committees shall file  
26 their first reports five days prior to any election in  
27 which the ballot contains the name of the candidate or  
28 the local ballot issue which the committee supports or  
29 opposes:

30 (1) A candidate's committee for municipal and  
31 school elective offices and.

32 (2) A candidate's committee for a county elective  
33 office at a special election.

34 (3) Political committees for local ballot issues  
35 ~~shall file their first reports five days prior to any~~  
36 ~~election in which the name of the candidate or the~~  
37 ~~local ballot issue which they support or oppose~~  
38 ~~appears on the printed ballot and.~~

39 These committees shall file their next report on  
40 the first day of the month following the final  
41 election in a calendar year in which the candidate's  
42 name or the ballot issue appears on the ballot. A  
43 ~~committee supporting or opposing a candidate for a~~  
44 ~~municipal or school elective office or a local ballot~~  
45 ~~issue~~ These committees shall also otherwise file  
46 disclosure reports on the nineteenth day of January  
47 and October of each year in which the candidate or  
48 ballot issue does not appear on the ballot and on the  
49 nineteenth day of January, May, and July of each year  
50 in which the candidate or ballot issue appears on the

S-5565

-1-

S-5565

Page 2

1 ballot, until the committee dissolves. ~~These reports~~  
 2 However, a candidate's committee for a county elective  
 3 office at a special election shall file its regular  
 4 disclosure reports as provided in paragraph "a".  
 5 Any report filed pursuant to this lettered  
 6 paragraph shall be current to five days prior to the  
 7 filing deadline and ~~are considered~~ shall be timely  
 8 filed, if or mailed bearing a United States postal  
 9 service postmark on or before the due date."

10 2. Page 8, by inserting after line 34 the  
 11 following:

12 "Sec. \_\_\_\_ . Section 68B.32A, Code Supplement 1995,  
 13 is amended by adding the following new subsections:  
 14 NEW SUBSECTION. 15. Establish fees to cover the  
 15 costs associated with creating, maintaining, and  
 16 providing access to an electronic database of campaign  
 17 finance disclosure information. Payments received for  
 18 these costs shall be considered repayment receipts as  
 19 defined in section 8.2."

20 3. By renumbering as necessary.

By MICHAEL E. GRONSTAL

*adopted 3/28/96 (p.1109)*

S-5565 FILED MARCH 27, 1996

#### HOUSE FILE 2449

S-5567

1 Amend the amendment, S-5489, to House File 2449, as  
 2 amended, passed, and reprinted by the House, as  
 3 follows:

4 1. Page 3, by inserting after line 23 the  
 5 following:

6 "Notwithstanding the expenditure limitations in  
 7 this section, if an officeholder who has served two or  
 8 more terms of office is conducting a restricted  
 9 campaign for reelection to that office, any opponent  
 10 of that officeholder in the restricted campaign is not  
 11 subject to the expenditure limitations contained in  
 12 this section, but instead is subject to the  
 13 limitation, increasing by ten percent above the amount  
 14 set forth in this section for that office."

By SHELDON RITTMER

S-5567 FILED MARCH 27, 1996

LOST (p.1098)

#### HOUSE FILE 2449

S-5568

1 Amend the amendment, S-5489, to House File 2449, as  
 2 amended, passed, and reprinted by the House, as  
 3 follows:

4 1. Page 8, line 36, by inserting after the word  
 5 "if" the following: "section 56.32, or".

By SHELDON RITTMER

S-5568 FILED MARCH 27, 1996

*adopted 3/28/96 (p.1110)*

## HOUSE FILE 2449

S-5582

1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 7, by inserting after line 31 the  
5 following:

6 "Sec. \_\_\_\_ . Section 56.2, Code Supplement 1995, is  
7 amended by adding the following new subsection:

8 NEW SUBSECTION. 3A. "Campaign season" means the  
9 time period between the filing of documents with the  
10 appropriate election authority evidencing an intent to  
11 run for a particular office, through the day of  
12 election for that office.

13 Sec. \_\_\_\_ . NEW SECTION. 56.5B INVITATIONS TO  
14 EVENTS.

15 If an officeholder who is running for reelection is  
16 invited to any event in the capacity as officeholder  
17 during the campaign season, any opponent for that  
18 office shall also be invited to the event."

19 2. Page 8, by inserting after line 34 the  
20 following:

21 "Sec. \_\_\_\_ . NEW SECTION. 56.42A DISGORGEMENT OF  
22 CAMPAIGN FUNDS.

23 On December 31 following a general election for the  
24 office sought by the candidate, the candidate's  
25 committee shall withdraw all moneys in the candidate's  
26 campaign account that are in excess of any amount  
27 necessary to defray the campaign expenses of the  
28 candidate's committee, and shall transfer the funds  
29 according to the provisions of section 56.42."

30 3. By renumbering as necessary.

By MARY LUNDBY

S-5582 FILED MARCH 28, 1996  
WITHDRAWN

(P. 1110)

## HOUSE FILE 2449

S-5583

- 1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 8, by inserting after line 39 the  
5 following:  
6 "Sec. \_\_\_\_ . SEVERABILITY CLAUSE. Notwithstanding  
7 other sections of this Act, if any of sections 100  
8 through 700 of this Act, or the application of any of  
9 those sections, is declared unconstitutional, the  
10 invalidity shall not affect the provisions or  
11 application of this Act which can be given effect  
12 without the invalid provisions or application, and to  
13 this end, sections 100 through 700 are severable from  
14 this Act."  
15 2. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-5583 FILED MARCH 28, 1996

ADOPTED

*(p. 1110)*

## HOUSE FILE 2449

S-5584

- 1 Amend the amendment, S-5489, to House File 2449, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 8, line 40, by inserting after the word  
5 "Act" the following: ", except sections 100 through  
6 700,".  
7 2. Page 8, line 41, by inserting after the figure  
8 "1997." the following: "Sections 100 through 700 of  
9 this Act, being deemed of immediate importance, take  
10 effect upon enactment."

By BERL E. PRIEBE

S-5584 FILED MARCH 28, 1996

ADOPTED

*(p. 1110)*

## HOUSE FILE 2449

H-5806

- 1 Amend the Senate amendment, H-5721, to House File  
2 2449, as amended, passed, and reprinted by the House,  
3 as follows:  
4 1. Page 8, by striking lines 36 through 47.  
5 2. By renumbering as necessary.

By FALLON of Polk

H-5806 FILED APRIL 2, 1996

*Adopted 4/8/96 (p. 1443)*

## SENATE AMENDMENT TO HOUSE FILE 2449

H-5721

1 Amend House File 2449, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. By striking everything after the enacting  
4 clause and inserting the following:  
5 "Section 1. Sections 2 through 8 of this Act are  
6 created as a new division of chapter 56.  
7 Sec. 2. NEW SECTION. 56.31 DEFINITIONS.  
8 As used in this division, unless the context  
9 requires otherwise:  
10 1. "Advocacy information" is material published or  
11 broadcast which discusses public issues, candidates,  
12 or voting records from which a reasonable person could  
13 draw a fair inference that the material recommends the  
14 defeat or election of an identifiable candidate in a  
15 restricted campaign.  
16 2. "Benefited candidate" means a candidate in a  
17 restricted campaign whose election is recommended or  
18 whose opponent's defeat is recommended by advocacy  
19 information or by the fair inferences drawn from the  
20 advocacy information by a reasonable person as  
21 determined by the board.  
22 3. "Eligible office" means the offices of state  
23 representative, state senator, secretary of  
24 agriculture, secretary of state, treasurer of state,  
25 auditor of state, attorney general, and governor. The  
26 office of lieutenant governor shall not be considered  
27 a separate eligible office but shall be considered  
28 with the office of governor for purposes of this  
29 division.  
30 4. "Political action committee" means any  
31 political committee except a county statutory  
32 political committee, a state statutory political  
33 committee, a national political party, or a nonparty  
34 political organization under chapter 44.  
35 5. "Qualifying nomination" means a nomination by a  
36 political party as defined by section 43.2, or a  
37 nomination under chapter 44 or 45.  
38 6. "Restricted campaign" means a campaign for an  
39 eligible office in which there are two or more  
40 candidates with qualifying nominations and all of  
41 those candidates have registered with the board and  
42 voluntarily agreed to limit campaign expenditures and  
43 contributions pursuant to section 56.33.  
44 Sec. 3. NEW SECTION. 56.32 REGISTRATION FOR A  
45 RESTRICTED CAMPAIGN.  
46 Each candidate for an eligible office shall  
47 register with the board and shall indicate whether the  
48 candidate voluntarily agrees to limit campaign  
49 expenditures and contributions in a restricted  
50 campaign prior to or with the filing of nomination

H-5721

-1-

H-5721

Page 2

1 papers pursuant to chapter 43, 44, or 45.

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

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

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

42 Sec. 4. NEW SECTION. 56.33 RESTRICTED CAMPAIGNS  
43 -- LIMITS ON EXPENDITURES.

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

48 1. Governor. Total expenditure limit, five  
49 hundred thousand dollars in a primary election if  
50 there is no primary opponent, one million dollars in a

H-5721

-2-

H-5721

Page 3

1 primary election if there is a primary opponent, and  
2 one million five hundred thousand dollars in a general  
3 election.

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

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

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

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

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

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

37 Sec. 5. NEW SECTION. 56.34 PERIODS THE  
38 EXPENDITURE LIMITS ARE IN EFFECT.

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

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

50 2. During a special election, from the date the

H-5721

H-5721

Page 4

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

8 Sec. 6. NEW SECTION. 56.35 ADJUSTMENTS FOR  
9 BENEFITED CANDIDATES AND OPPONENTS.

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

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

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

H-5721

-4-

H-5721

Page 5

1 benefited candidate's opponent for that election  
2 period.

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

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

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

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

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

32 1. Governor.

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

38 b. Largest political action committee  
39 contribution, five thousand dollars.

40 c. Largest individual contribution, excluding  
41 contributions made by a candidate to the candidate's  
42 own campaign, one thousand dollars.

43 2. Attorney general, secretary of agriculture,  
44 secretary of state, treasurer of state, and auditor of  
45 state.

46 a. Total political action committee contributions,  
47 thirty-five percent of the candidate's applicable  
48 expenditure limit in a primary election, and thirty-  
49 five percent of the candidate's expenditure limit in a  
50 general election.

H-5721

H-5721

Page 6

- 1 b. Largest political action committee  
2 contribution, five thousand dollars.
- 3 c. Largest individual contribution, excluding  
4 contributions made by a candidate to the candidate's  
5 own campaign, one thousand dollars.
- 6 3. State senator.
- 7 a. Total political action committee contributions,  
8 thirty-five percent of the candidate's applicable  
9 expenditure limit in a primary election, and thirty-  
10 five percent of the candidate's expenditure limit in a  
11 general election.
- 12 b. Largest political action committee  
13 contribution, one thousand dollars.
- 14 c. Largest individual contribution, excluding  
15 contributions made by a candidate to the candidate's  
16 own campaign, five hundred dollars.
- 17 4. State representative.
- 18 a. Total political action committee contributions,  
19 thirty-five percent of the candidate's applicable  
20 expenditure limit in a primary election, and thirty-  
21 five percent of the candidate's expenditure limit in a  
22 general election.
- 23 b. Largest political action committee  
24 contribution, one thousand dollars.
- 25 c. Largest individual contribution, excluding  
26 contributions made by the candidate to the candidate's  
27 own campaign, five hundred dollars.
- 28 5. Individual contributions to the candidate or  
29 candidate's committee made by one individual of a  
30 cumulative value of one hundred dollars or more shall  
31 be reported, including the name, address, occupation,  
32 and place of business of the contributor.
- 33 Sec. 8. NEW SECTION. 56.37 PENALTIES.
- 34 1. A candidate who voluntarily agrees to a  
35 restricted campaign, and who exceeds the expenditure  
36 or contribution limitations in this division, shall be  
37 subject to a fine which is based on the percentage by  
38 which the candidate exceeds permitted expenditures or  
39 contributions, so that the candidate shall pay a  
40 percentage of the excess campaign expenditures or  
41 contributions as follows:
- 42 a. Governor. Under two thousand dollars, one  
43 percent; two thousand to ten thousand dollars, ten  
44 percent; ten thousand one to twenty thousand dollars,  
45 twenty-five percent; over twenty thousand dollars,  
46 fifty percent.
- 47 b. Attorney general, secretary of agriculture,  
48 secretary of state, treasurer of state, and auditor of  
49 state. Under one thousand dollars, one percent; one  
50 thousand to five thousand dollars, ten percent; five

H-5721

-6-

H-5721

Page 7

1 thousand one to ten thousand dollars, twenty-five  
2 percent; over ten thousand dollars, fifty percent.

3 c. State senator. Under five hundred dollars, one  
4 percent; five hundred to one thousand dollars, ten  
5 percent; one thousand one to five thousand dollars,  
6 twenty-five percent; over five thousand dollars, fifty  
7 percent.

8 d. State representative. Under two hundred fifty  
9 dollars, one percent; two hundred fifty to five  
10 hundred dollars, ten percent; five hundred one to two  
11 thousand five hundred dollars, twenty-five percent;  
12 over two thousand five hundred dollars, fifty percent.

13 Fines collected pursuant to this section shall be  
14 paid to the state political party of the violating  
15 candidate's opponent.

16 2. Mileage expenses of the candidate, at a rate  
17 determined pursuant to section 2.10, are not subject  
18 to the expenditure limits of section 56.33.

19 3. The criminal penalty of section 56.16 applies  
20 to violations of this division.

21 4. A candidate who knowingly and intentionally  
22 violates the expenditure or contribution limits of  
23 section 56.33 or section 56.36 is, upon conviction,  
24 guilty of a class "D" felony, but is only subject to a  
25 fine and is not subject to imprisonment,  
26 notwithstanding the provisions of section 902.9. A  
27 candidate shall not take the oath of office pending  
28 conviction or acquittal, following trial, on charges  
29 brought under this subsection, and a candidate is  
30 disqualified from holding office upon conviction  
31 obtained pursuant to this subsection.

32 Sec. 9. Section 56.6, subsection 1, paragraphs c  
33 and d, Code Supplement 1995, are amended to read as  
34 follows:

35 c. A candidate's committee for a candidate for the  
36 general assembly at a special election for which the  
37 governor is required to give not less than forty days'  
38 notice under section 69.14 shall file a report by the  
39 fourteenth day prior to the special election which is  
40 current through the nineteenth day prior to the  
41 special election. A candidate's committee for a  
42 candidate for the general assembly at a special  
43 election for which the governor is required to give  
44 not less than eighteen days' notice under section  
45 69.14 shall file a report five days prior to the  
46 election, that shall be current as of five days prior  
47 to the filing deadline. Any report filed pursuant to  
48 this paragraph shall be timely filed, or mailed  
49 bearing a United States postal service postmark dated  
50 on or before the due date.

H-5721

-7-

H-5721

Page 8

1 d. Committees The following committees shall file  
2 their first reports five days prior to any election in  
3 which the ballot contains the name of the candidate or  
4 the local ballot issue which the committee supports or  
5 opposes:

6 (1) A candidate's committee for municipal and  
7 school elective offices and.

8 (2) A candidate's committee for a county elective  
9 office at a special election.

10 (3) Political committees for local ballot issues  
11 ~~shall file their first reports five days prior to any~~  
12 ~~election in which the name of the candidate or the~~  
13 ~~local ballot issue which they support or oppose~~  
14 ~~appears on the printed ballot and.~~

15 These committees shall file their next report on  
16 the first day of the month following the final  
17 election in a calendar year in which the candidate's  
18 name or the ballot issue appears on the ballot. A  
19 ~~committee supporting or opposing a candidate for a~~  
20 ~~municipal or school elective office or a local ballot~~  
21 ~~issue~~ These committees shall also otherwise file  
22 disclosure reports on the nineteenth day of January  
23 and October of each year in which the candidate or  
24 ballot issue does not appear on the ballot and on the  
25 nineteenth day of January, May, and July of each year  
26 in which the candidate or ballot issue appears on the  
27 ballot, until the committee dissolves. ~~These reports~~  
28 However, a candidate's committee for a county elective  
29 office at a special election shall file its regular  
30 disclosure reports as provided in paragraph "a".

31 Any report filed pursuant to this lettered  
32 paragraph shall be current to five days prior to the  
33 filing deadline and are considered shall be timely  
34 filed, if or mailed bearing a United States postal  
35 service postmark on or before the due date.

36 Sec. 10. NEW SECTION. 56.38 ATTRIBUTION OF  
37 SPECIFIC CONTRIBUTIONS.

38 When all general assembly members are invited to an  
39 event registered with the board, the costs associated  
40 with such an event shall be considered a contribution  
41 under chapter 56, and not a gift under chapter 68B.  
42 Event sponsors shall disclose the costs of the event  
43 to the board, and the board shall attribute the  
44 proportionate cost to each member of the general  
45 assembly, who shall not be required to disclose  
46 individually such contributions on the disclosure  
47 forms filed with the board.

48 Sec. 11. Sections 12 through 16 of this Act are  
49 created as a new division of chapter 56.

50 Sec. 12. NEW SECTION. 56.50 DEFINITIONS.

H-5721

-8-

H-5721

Page 9

1 For purposes of applying provisions in this  
2 division, unless the context otherwise requires:  
3 1. "Board" means the truth in campaign practices  
4 board.  
5 2. "Candidate" means a person who has taken  
6 affirmative action to seek nomination or election to a  
7 state legislative office or to the office of governor,  
8 lieutenant governor, secretary of state, auditor of  
9 state, treasurer of state, attorney general, or  
10 secretary of agriculture.  
11 3. "Candidate's committee" means a candidate's  
12 committee as defined in section 56.2.  
13 4. "Negative statement" means a statement which  
14 attacks the record, reputation, or integrity of a  
15 candidate or which attacks the reputation or integrity  
16 of a member of a candidate's immediate family. For  
17 purposes of this chapter, a candidate's spouse,  
18 children, parents, and siblings are members of a  
19 candidate's immediate family.  
20 5. "Political organization" means an organization  
21 which is not a political party but which meets the  
22 criteria established under section 44.1 for nomination  
23 of candidates.  
24 6. "Political party" means a political party under  
25 section 43.2.  
26 7. "Statement" means a public written, electronic,  
27 or oral communication which is made or transmitted by  
28 any means. For purposes of this section, a  
29 communication is public if it is made or transmitted  
30 in a manner that can be reasonably expected to result  
31 in the statement being heard, read, or viewed by  
32 members of the general public.

33 Sec. 13. NEW SECTION. 56.51 STATEMENTS BY OR  
34 ABOUT CANDIDATES.

35 1. A candidate shall not make or cause to be made  
36 untruthful or deliberately misleading statements  
37 regarding a candidate. For purposes of this section,  
38 a statement shall be deemed to have been caused by a  
39 candidate if it is made by a candidate's designated  
40 spokesperson, if it is contained in materials produced  
41 or paid for by the candidate's committee, or if it is  
42 contained in materials imputed to a candidate under  
43 section 56.13.

44 2. A person who is not a candidate shall not  
45 knowingly make untruthful or deliberately misleading  
46 statements about a candidate.

47 3. If a candidate or candidate's committee pays  
48 for or sponsors an oral negative statement about a  
49 candidate, the statement shall be stated by the  
50 candidate. For purposes of this section, a statement

H-5721

-9-

H-5721

Page 10

1 which is imputed to a candidate under section 56.13 is  
2 not sponsored by a candidate or candidate's committee.

3 Sec. 14. NEW SECTION. 56.52 TRUTH IN CAMPAIGN  
4 PRACTICES BOARD.

5 1. A three-member truth in campaign practices  
6 board is established as an independent agency to  
7 investigate, review, and determine the truthfulness or  
8 deliberately misleading nature of statements made by  
9 candidates, and other persons in support or opposition  
10 of a candidate as well as to investigate negative  
11 statements made about candidates. Members of the  
12 board shall be appointed by the chief justice of the  
13 supreme court. Two members of the board shall be  
14 affiliated with one of the two political parties whose  
15 candidates for president of the United States or for  
16 governor, as the case may be, received the largest and  
17 next largest number of votes at the last general  
18 election but neither shall be affiliated with the same  
19 political party. The other member shall not be  
20 affiliated with a political party, but may be  
21 affiliated with a political organization.

22 2. Members shall serve staggered four-year terms,  
23 which shall begin at 12:01 a.m. on May 1 in the year  
24 of appointment and end at 12:00 midnight on April 30  
25 in the year of expiration. Any vacancy on the board  
26 shall be filled by appointment for the unexpired  
27 portion of the term, within ninety days of the vacancy  
28 and in accordance with the procedures for regular  
29 appointments. A member of the board may be  
30 reappointed to serve additional terms on the board.  
31 Members may be removed in the same manner as provided  
32 in section 69.15 except that once a vacancy or  
33 resignation occurs, the governor shall notify the  
34 chief justice of the supreme court, who shall make  
35 another appointment.

36 3. The board shall annually elect one member to  
37 serve as the chairperson of the board and one member  
38 to serve as vice chairperson. The vice chairperson  
39 shall act as the chairperson in the absence or  
40 disability of the chairperson, or in the event of a  
41 vacancy in that office.

42 4. Members of the board shall receive a per diem  
43 as specified in section 7E.6 while conducting business  
44 of the board, and payment of actual and necessary  
45 expenses incurred in the performance of their duties.  
46 Members of the board shall file statements of  
47 financial interest under section 68B.35.

48 5. The board shall employ a full-time executive  
49 director who shall be the board's chief administrative  
50 officer. The board shall employ or contract for the

H-5721

-10-

H-5721

Page 11

1 employment of legal counsel notwithstanding section  
2 13.7, and may employ any other personnel as may be  
3 necessary to carry out the duties of the board. The  
4 board's legal counsel shall be the chief legal officer  
5 of the board, and shall advise the board on all legal  
6 matters relating to the administration of this  
7 chapter. The state may be represented by the board's  
8 legal counsel in any civil action regarding the  
9 enforcement of this chapter or, at the board's  
10 request, the state may be represented by the office of  
11 the attorney general. Notwithstanding section 19A.3,  
12 all of the board's employees, except for the executive  
13 director and legal counsel, shall be employed subject  
14 to the merit system provisions of chapter 19A.

15 Sec. 15. NEW SECTION. 56.53 DUTIES OF THE BOARD.

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

18 1. Adopt rules pursuant to chapter 17A and conduct  
19 investigations and hearings pursuant to section 56.54  
20 and chapter 17A, as necessary to carry out the  
21 purposes of this chapter.

22 2. Adopt rules pursuant to chapter 17A  
23 establishing standards for truthfulness and avoidance  
24 of making deliberately misleading statements in  
25 campaign advertising by candidates under this chapter  
26 and requiring candidates to personally utter negative  
27 statements about candidates if the statement is paid  
28 for by the candidate or candidate's committee.

29 3. Develop, prescribe, and furnish any forms  
30 necessary for the implementation of the procedures  
31 contained in this chapter for the filing and hearing  
32 of complaints or the issuance of advisory opinions.

33 4. Establish and impose penalties and any other  
34 recommendations for punishment of persons who are  
35 subject to penalties of or punishment by the board for  
36 failure to comply with the requirements of this  
37 chapter.

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

40 6. Preserve copies of complaints, requests, and  
41 other information filed with the board for a period of  
42 at least five years from the date of receipt.

43 7. Establish a procedure for requesting and  
44 issuing formal and informal board opinions to  
45 candidates and representatives of political parties  
46 and political organizations. Following advice  
47 contained in a formal board opinion shall constitute a  
48 defense to a complaint based upon the same facts and  
49 circumstances which is filed with the board and which  
50 alleges a violation of this chapter or rules of the

H-5721

-11-

H-5721

Page 12

1 board.

2 8. Establish a procedure for informing candidates  
3 and other persons of the requirements of this chapter  
4 and rules adopted by the board.

5 9. Establish fees, where necessary, to cover the  
6 costs associated with preparing, printing, and  
7 distributing materials to persons subject to the  
8 authority of the board.

9 Sec. 16. NEW SECTION. 56.54 COMPLAINTS --  
10 INVESTIGATIONS -- HEARINGS.

11 1. A candidate, a representative of a candidate's  
12 committee, or a representative of a political party or  
13 political organization may file a complaint with the  
14 board regarding the truthfulness or deliberately  
15 misleading nature of any statement made or caused to  
16 be made by a candidate or alleging that a candidate or  
17 candidate's committee has paid for an oral negative  
18 statement which was made by someone other than the  
19 candidate. For purposes of this section, a statement  
20 is caused to be made by a candidate if it is made by a  
21 candidate's designated spokesperson, is contained in  
22 materials produced or paid for by the candidate's  
23 committee, as defined under chapter 56, or if it is  
24 action or is a part of action which has been imputed  
25 to the candidate under section 56.13.

26 2. A complaint shall include all of the following:

27 a. The name and address of the complainant.

28 b. If the allegation is that an untruthful or  
29 deliberately misleading statement was made, a  
30 recitation of the statement alleged to be untruthful  
31 or deliberately misleading.

32 c. If the allegation is that a negative statement  
33 was paid for or sponsored by a candidate or  
34 candidate's committee and was made by a person other  
35 than the candidate, a recitation of the negative  
36 statement.

37 d. To the extent known, the time and place or  
38 manner in which the statement was made.

39 e. If the statement complained of was made in  
40 writing, a copy of the statement.

41 f. If the allegation is that an untruthful or  
42 deliberately misleading statement was made, any  
43 circumstances, other than the express language of the  
44 statement, which cause the statement to be untruthful  
45 or deliberately misleading.

46 g. The name and address, if known, of the  
47 candidate or other person who made the statement.

48 h. If the allegation is that an untruthful or  
49 deliberately misleading statement was made, a  
50 statement of why or how the statement complained of is

H-5721

-12-

H-5721

Page 13

1 untruthful or deliberately misleading.

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

5 j. Any other relevant information or sources of  
6 information.

7 3. The board staff and legal counsel shall review  
8 the complaint to determine if the complaint is  
9 sufficient as to form and legal substance. Deficiency  
10 as to form shall not preclude consideration of a  
11 complaint. If the complaint is legally deficient, the  
12 complaint shall be returned to the complainant with a  
13 statement of the deficiency and shall not be  
14 considered by the board until the deficiency is cured.  
15 A legally sufficient complaint must meet all of the  
16 following requirements:

17 a. Facts must be alleged that would establish  
18 either that a candidate made or caused to be made an  
19 untruthful or deliberately misleading statement about  
20 another opposing candidate or that a candidate caused  
21 an oral negative statement to be made by someone other  
22 than the candidate.

23 b. The person making the complaint must be a  
24 candidate or a representative of a political party or  
25 political organization.

26 c. If the allegation is that an untruthful or  
27 deliberately misleading statement was made, the  
28 complaint must indicate why or demonstrate how the  
29 statement is untruthful or deliberately misleading.

30 d. The complaint must be filed within sixty days  
31 from the date on which the statement that is  
32 complained of was made.

33 4. Upon receiving a legally sufficient complaint,  
34 the board shall investigate or cause the investigation  
35 of the facts alleged in the complaint. Once the  
36 investigation is completed, the board shall meet and  
37 make a determination as to whether the statement  
38 violates the requirements of this chapter or rules  
39 adopted by the board. The meeting shall be conducted  
40 in the manner provided for contested cases under  
41 chapter 17A. However, a preponderance of evidence  
42 shall be required to support a finding that a  
43 statement is untruthful or deliberately misleading.  
44 In addition to holding meetings at which two or more  
45 members are physically present, meetings may be held  
46 electronically as provided under section 21.8.  
47 Notwithstanding section 21.4, subsection 2, public  
48 notice of the meetings of the board shall be made at a  
49 reasonable time before the meeting, but no later than  
50 eight hours before the time set for the meeting to

H-5721

-13-

H-5721

Page 14

1 begin.

2 5. The board shall render its decision within  
3 forty-eight hours of receiving a legally valid  
4 complaint. If the forty-eight-hour period concludes  
5 on a weekend or holiday, the decision shall be made by  
6 the close of business hours on the next succeeding  
7 business day. If the board finds that the statement  
8 complained of was untruthful or deliberately  
9 misleading or that an oral negative statement was made  
10 by someone other than a candidate and was paid for by  
11 the candidate or candidate's committee, the board's  
12 decision shall include an order for any remedy, under  
13 section 56A.6, that the board deems appropriate.

14 6. At any stage during the investigation or after  
15 the filing of a complaint, the board may approve a  
16 settlement regarding an allegedly untruthful or  
17 deliberately misleading statement or negative  
18 statement made by someone other than a candidate.  
19 Terms of a settlement shall be reduced to writing and  
20 be available for public inspection. In addition, the  
21 board may authorize board staff to seek information in  
22 voluntary compliance in routine matters brought to the  
23 attention of the board or its staff.

24 7. A complaint shall be a public record. The  
25 entire record of the board's action, including any  
26 investigation, shall also be a public record.

27 Sec. 17. NEW SECTION. 56.55 REMEDIES.

28 1. If the board finds that a candidate or other  
29 person has made or caused to be made an untruthful or  
30 deliberately misleading statement, the board shall  
31 require a retraction of the statement by any person  
32 found to be responsible for making the statement or  
33 causing the statement to be made, within a period of  
34 time to be specified by the board, in the same manner  
35 and at the same cost as the original statement. Any  
36 retraction shall be approved by the board before it is  
37 made public. The board shall inform the complainant  
38 of any proposed retraction and permit the complainant  
39 to submit comments prior to the board's decision on  
40 approval or disapproval of the proposed language.

41 2. For any violations of this chapter or rules  
42 adopted by the board, the board may impose one or more  
43 of the following penalties:

44 a. Issue an order requiring the person to cease  
45 and desist from the violation.

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

48 c. Publicly reprimand the violator for violations  
49 of this chapter or rules adopted by the board.

50 d. Issue an order requiring the violator to pay a

H-5721

H-5721

Page 15

1 civil penalty of not more than fifty thousand dollars  
2 for each violation of this chapter or rules adopted by  
3 the board.

4 3. If a person fails to comply with an order of  
5 the board under this section, the board may petition  
6 the district court for an order for enforcement of the  
7 order of the board. Judicial enforcement of orders of  
8 the board shall be sought in accordance with chapter  
9 17A.

10 4. At any stage in a proceeding, the board may  
11 refer the complaint and supporting information to the  
12 attorney general or appropriate county attorney with a  
13 recommendation for prosecution or enforcement of  
14 criminal penalties.

15 Sec. 18. Section 56.13, subsection 1, unnumbered  
16 paragraph 1, Code Supplement 1995, is amended to read  
17 as follows:

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

49 Sec. 19. Section 56.14, Code Supplement 1995, is  
50 amended by adding the following new unnumbered

H-5721

-15-

H-5721

Page 16

1 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  
6 include, on all printed material, a statement, equal  
7 in size to the identification information, that the  
8 candidate is not registered for a restricted campaign.  
9 A similar disclaimer shall also be included, vocally,  
10 in all radio and television commercials purchased on  
11 behalf of the candidate. Candidates who have not  
12 registered for a restricted campaign shall state the  
13 following: "(name of candidate) refused to limit  
14 campaign spending." The information required under  
15 this paragraph may be included on materials and  
16 commercials by a candidate who is registered for a  
17 restricted campaign.

18 Sec. 20. Section 68B.32A, Code Supplement 1995, is  
19 amended by adding the following new subsections:

20 NEW SUBSECTION. 15. Establish fees to cover the  
21 costs associated with creating, maintaining, and  
22 providing access to an electronic database of campaign  
23 finance disclosure information. Payments received for  
24 these costs shall be considered repayment receipts as  
25 defined in section 8.2.

26 Sec. 21. ANTISEVERABILITY CLAUSE. Notwithstanding  
27 section 4.12, if section 56.32, or section 56.35,  
28 subsection 3 or 4, or section 56.37, subsection 3, or  
29 the application thereof is invalid, this Act as a  
30 whole shall be invalid.

31 Sec. 22. SEVERABILITY CLAUSE. Notwithstanding  
32 other sections of this Act, if any of sections 11  
33 through 17 of this Act, or the application of any of  
34 those sections, is declared unconstitutional, the  
35 invalidity shall not affect the provisions or  
36 application of this Act which can be given effect  
37 without the invalid provisions or application, and to  
38 this end, sections 11 through 17 are severable from  
39 this Act.

40 Sec. 23. EFFECTIVE DATE. This Act, except  
41 sections 11 through 17, takes effect January 1, 1997.  
42 Sections 11 through 17 of this Act, being deemed of  
43 immediate importance, take effect upon enactment."

44 2. Title page, line 1, by inserting after the  
45 word "contribution" the following: "and expenditure".

46 3. Title page, lines 1 through 3, by striking the  
47 words "by persons and political committees, addressing  
48 independent expenditures on behalf of candidates,  
49 employee and member contributions,".

50 4. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-5721 FILED MARCH 28, 1996

*Refused to concur in as amended 4/8/96  
(p. 1443)  
Senate insert 4/11/96 (p. 1346)*

*Supp. chair*

*Jacobs*

*Joehum*

*Martin*

*Conners*

**HSB 686**

STATE GOVERNMENT

~~2449~~ 2449

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON STATE GOVERNMENT BILL BY CHAIRPERSON MARTIN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act setting campaign contribution limits by persons and  
2 political committees, addressing independent expenditures on  
3 behalf of candidates, employee and member contributions,  
4 making penalties applicable, and providing an effective date.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 56.2, Code Supplement 1995, is amended  
2 by adding the following new subsections:

3 NEW SUBSECTION. 2A. "Calendar year" means the time period  
4 from January 1 through December 31 each year.

5 NEW SUBSECTION. 12A. "Election campaign cycle" means the  
6 time period between any general, contested primary, special,  
7 or runoff election for a particular office, commencing on the  
8 day following the previous election for that office, and  
9 continuing through election day.

10 Sec. 2. Section 56.2, subsection 16, Code Supplement 1995,  
11 is amended to read as follows:

12 16. a. "Political committee" means a ~~committee~~7-but-not  
13 formal or informal association of two or more individuals,  
14 other than a candidate's committee, which-accepts that, in  
15 performing any of the following activities, exceeds any of the  
16 following financial thresholds:

17 (1) Accepts contributions for political purposes in excess  
18 of five hundred dollars in the aggregate~~7-makes~~ in a calendar  
19 year.

20 (2) Makes expenditures for political purposes in excess of  
21 five hundred dollars in the aggregate~~7-or-incurs~~ in a calendar  
22 year.

23 (3) Incurs indebtedness for political purposes in excess  
24 of five hundred dollars in the aggregate in any-one a calendar  
25 year ~~for-the-purpose-of-supporting-or-opposing-a-candidate-for~~  
26 ~~public-office,7-or-for-the-purpose-of-supporting-or-opposing-a~~  
27 ~~ballot-issue7.~~

28 b. A "political committee" ~~also-means-an,~~ provided it has  
29 exceeded at least one of the financial thresholds in paragraph  
30 "a", includes but is not limited to any of the following  
31 entities:

32 (1) A committee other than a candidate's committee that  
33 supports or opposes more than one candidate for public office.

34 (2) A committee other than a candidate's committee that  
35 supports or opposes a ballot issue.

1     (3) A formally organized association, lodge, society,  
2 cooperative, union, fraternity, sorority, educational  
3 institution, civic organization, labor organization, religious  
4 organization, or professional organization, which accepts  
5 contributions in excess of five hundred dollars in the  
6 aggregate, makes expenditures in excess of five hundred  
7 dollars in the aggregate, or incurs indebtedness in excess of  
8 five hundred dollars in the aggregate in any one calendar year  
9 for the purpose of supporting or opposing a candidate for  
10 public office, or for the purpose of supporting or opposing a  
11 ballot issue. -- "Political committee" also includes a committee  
12 which accepts contributions in excess of five hundred dollars  
13 in the aggregate, makes expenditures in excess of five hundred  
14 dollars in the aggregate, or incurs indebtedness in excess of  
15 five hundred dollars in the aggregate in a calendar year to  
16 cause or other permanent organization that temporarily engages  
17 in political activity.

18     (4) A formal or informal association of two or more  
19 individuals that causes the publication or broadcasting of  
20 material in which the public policy positions or voting record  
21 of that a reasonable person would understand to advocate the  
22 support of or opposition to the election of an identifiable  
23 candidate is discussed and in which a reasonable person could  
24 find commentary favorable or unfavorable to those public  
25 policy positions or voting record.

26     Sec. 3. Section 56.2, subsection 17, Code Supplement 1995,  
27 is amended to read as follows:

28     17. "Political purpose" or "political purposes" means the  
29 support or opposition of a candidate or ballot issue, or the  
30 pursuit of any legislative objectives.

31     Sec. 4. Section 56.2, Code Supplement 1995, is amended by  
32 adding the following new subsection:

33     NEW SUBSECTION. 21. "Statewide office" means the office  
34 of any of the state officers that are listed in section 39.9.

35     Sec. 5. NEW SECTION. 56.5B LIMITATIONS ON CONTRIBUTIONS.

- 1 1. A person, political committee, state statutory  
2 political committee, county statutory political committee,  
3 city statutory political committee, or national political  
4 party shall not make contributions that, during any election  
5 campaign cycle, in the aggregate, exceed the following:
- 6 a. One thousand dollars to any candidate or candidate's  
7 committee for a statewide office.
- 8 b. Five hundred dollars to any other candidate or  
9 candidate's committee.
- 10 2. A person or political committee shall not make  
11 contributions that, during any calendar year, in the  
12 aggregate, exceed the following:
- 13 a. Five hundred dollars to any state statutory political  
14 committee.
- 15 b. Five hundred dollars to any county statutory political  
16 committee.
- 17 c. Five hundred dollars to any city statutory political  
18 committee.
- 19 3. A candidate for statewide office shall not make  
20 contribution aggregating more than five thousand dollars to  
21 the candidate's own committee during any election campaign  
22 cycle. Any other candidate shall not make contributions  
23 aggregating more than two thousand five hundred dollars to the  
24 candidate's own committee during any election campaign cycle.
- 25 4. A candidate, candidate's committee, state statutory  
26 political committee, county statutory political committee, or  
27 city statutory political committee shall not knowingly accept  
28 any contribution in violation of this section.
- 29 5. "Political committee", as used in this section, does  
30 not include a state statutory political committee, county  
31 statutory political committee, city statutory political  
32 committee, or a national political party, unless such a  
33 committee is expressly mentioned.
- 34 6. For purposes of this section, "election campaign cycle"  
35 shall be construed to apply separate contribution limits for

1 each type of election for a particular office, including  
2 primary, general, special, and runoff elections. However, if  
3 a candidate for office does not run in a contested primary,  
4 the contribution limit for the general election shall apply  
5 for the time period covering both the primary and general  
6 elections.

7 7. This section shall not apply to contributions to Iowa  
8 candidates for the United States senate or house of  
9 representatives, or to any other candidate for federal office.

10 8. Prior to the beginning of each calendar year, the  
11 executive director of the board shall adjust the limits in  
12 this section according to the most recent consumer price index  
13 for all urban consumers, published by the United States  
14 department of labor, bureau of labor statistics. The adjusted  
15 amount shall be published in the Iowa administrative bulletin.

16 Sec. 6. Section 56.13, subsection 1, Code Supplement 1995,  
17 is amended to read as follows:

18 1. Action involving a contribution or expenditure which  
19 must be reported under this chapter and which is taken by any  
20 person, candidate's committee or political committee on behalf  
21 of a candidate, if known and approved by the candidate, shall  
22 be deemed action by the candidate and reported by the  
23 candidate's committee.

24 a. It shall be presumed that a candidate approves the  
25 action if the candidate had knowledge of it and failed to file  
26 a statement of disavowal with the commissioner or board and  
27 take corrective action within seventy-two hours of the action.

28 b. An expenditure made on behalf of a candidate, and which  
29 is not disavowed by the candidate, shall be deemed a  
30 contribution to the candidate or candidate's committee, and is  
31 subject to the limitations and prohibitions in section 56.5B,  
32 as well as the disclosure requirements of section 56.6.

33 c. An expenditure by a candidate's committee can not be  
34 disavowed by the candidate.

35 d. For purposes of this section, a contribution or

1 expenditure shall be construed to have been made on behalf of  
2 a candidate according to the following:

3 (1) A contribution or expenditure that conveys a message  
4 that is reasonably construed to advocate the election of a  
5 clearly identified candidate may be an action on behalf of  
6 that candidate, if it does not otherwise qualify as an  
7 independent expenditure under this section.

8 (2) A contribution or expenditure that conveys a message  
9 that is reasonably construed to advocate the defeat of a  
10 clearly identified candidate may be an action on behalf of  
11 that candidate's opponent, if it does not otherwise qualify as  
12 an independent expenditure under this section.

13 1A. a. A person, candidate's committee or political  
14 committee taking such action independently-of-that-candidate's  
15 committee involving a contribution or expenditure that conveys  
16 a message that is reasonably construed to advocate the  
17 election or defeat of a clearly identified candidate shall  
18 notify that-candidate's-committee the following committees in  
19 writing within twenty-four hours of taking the action-:

20 (1) The candidate's committee, if the contribution or  
21 expenditure may reasonably be construed to convey a message  
22 advocating the election of the candidate.

23 (2) The committee for the candidate's opponent, if the  
24 contribution or expenditure may reasonably be construed to  
25 advocate the defeat of the candidate.

26 b. The notification shall provide that candidate's  
27 committee with the cost of the promotion at fair market value.

28 c. A copy of the notification shall be sent to the board.

29 1B. Any person who makes expenditures or incurs  
30 indebtedness, other than incidental expenses incurred in  
31 performing volunteer work, in support or opposition of a  
32 candidate for public office shall notify the appropriate  
33 committee and provide necessary information for disclosure  
34 reports.

35 1C. For purposes of this section, action shall be

1 construed to have been taken independently of a candidate's  
2 committee only if the action was not made with the cooperation  
3 of, with the prior consent of, in consultation with, or at the  
4 request or suggestion of any candidate, any candidate's  
5 committee, or other agent for the candidate.

6 a. For purposes of this section, an agent of the candidate  
7 is any person who has actual oral or written authority, either  
8 express or implied, to make or to authorize the making of  
9 expenditures on behalf of a candidate, or any person who has  
10 been placed in a position within the campaign organization  
11 where it would reasonably appear that in the ordinary course  
12 of campaign-related activities, that person may authorize  
13 activity on behalf of the candidate.

14 b. An action will be presumed to be made with the  
15 cooperation of, with the prior consent of, in consultation  
16 with, or at the request or suggestion of any candidate, any  
17 candidate's committee, or other agent for the candidate in the  
18 following situations:

19 (1) When the action is based on information about the  
20 candidate's plans, projects, or needs, which information is  
21 provided by the candidate, the candidate's committee, or other  
22 agent of the candidate.

23 (2) When the action involves any arrangement,  
24 coordination, or direction by the candidate, the candidate's  
25 committee, or other agent of the candidate prior to the  
26 action.

27 (3) When the action involves any participation by the  
28 candidate or any person who is or who has been an officer of  
29 the candidate's committee, or who is or has been receiving  
30 compensation or reimbursement from the candidate, the  
31 candidate's committee, or other agent of the candidate.

32 1d. Any expenditure which is part of an action that is  
33 deemed not to have been taken independently of the candidate,  
34 candidate's committee, or other agent of the candidate shall  
35 be considered a contribution for the purpose of contribution

1 limitations and prohibitions. All reporting requirements  
2 shall apply to such contributions.

3 1E. Any expenditure by a candidate's committee shall not  
4 be construed to be an independent expenditure under this  
5 section.

6 Sec. 7. Section 56.15, Code Supplement 1995, is amended by  
7 adding the following new subsection:

8 NEW SUBSECTION. 4A. It shall be unlawful for any person  
9 to utilize, with regard to employees or members, a payroll  
10 deduction, partial donation of member dues or fees, or any  
11 other automatic means of contribution intended for support of  
12 political purposes. A person who seeks financial support for  
13 any political purpose must affirmatively solicit and receive  
14 individual contributions from employees or members in a method  
15 separate from any regular monetary transfer between the person  
16 and the employee or member.

17 Sec. 8. EFFECTIVE DATE. This Act takes effect January 1,  
18 1997.

19 EXPLANATION

20 This bill adds individual and political committee  
21 contribution limits to the campaign finance chapter of the  
22 Iowa Code. Section 5 of the bill prohibits a person,  
23 political party, or political committee from contributing more  
24 than \$1,000 to a candidate for statewide office or \$500 to any  
25 other candidate during any election campaign cycle. The bill  
26 also prohibits a person or political committee from  
27 contributing more than \$500 to a city, county, or state  
28 statutory political committee during any calendar year.  
29 "Calendar year", "statewide office", "election campaign  
30 cycle", and "political purpose", are defined in sections 1, 3,  
31 and 4. A contested primary is considered a separate election  
32 campaign cycle, distinct from the general election.

33 Section 5 also provides that these limits do not apply to  
34 contributions to candidates for the United States senate,  
35 house of representatives, or other federal office, and that

1 the limitations will be adjusted annually according to the  
2 consumer price index.

3 Section 2 reorganizes and restates the existing definition  
4 for political committee.

5 Section 6 adds subsections to the Code section pertaining  
6 to independent expenditures. These new subsections further  
7 define when an expenditure or contribution will be deemed  
8 independent of a candidate's committee, and therefore not  
9 subject to the contribution limitations added in section 5.  
10 These provisions are modeled after federal regulations dealing  
11 with independent expenditures.

12 Section 7 adds a prohibition for any person using payroll  
13 deductions, dues contributions, or other automatic means of  
14 financing political activities. All contributions sought from  
15 employees or members must be solicited and received apart from  
16 any regular monetary transfer between the person and the  
17 employee or member.

18 Finally, section 8 provides for an effective date of  
19 January 1, 1997, to allow for completion of the current  
20 election cycle prior to application of the new contribution  
21 limits.

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