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Place On Calendar

HOUSE FILE 437
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 163)

Passed House, ^(p.951) Date 3/23/95 Passed Senate, Date 5/3/95
Vote: Ayes 94 Nays 1 Vote: Ayes 49 Nays 0
Approved May 31, 1995

A BILL FOR

1 An Act relating to the financing of political campaigns and by
2 adding and changing definitions of commissioner and political
3 committee, changing the providing for the appointment of
4 committee personnel and the maintenance of committee funds,
5 providing for the retention of records, establishing
6 requirements for committee names, specifying requirements for
7 out-of-state committee filings, prohibiting political
8 committees from supporting a single candidate, revising filing
9 deadlines and the contents of disclosure reports, providing
10 for disclaimers on published materials by nonregistered
11 entities, including federal corporations under corporate
12 activity prohibitions, allowing candidates to donate funds to
13 district political party central committees and political
14 subdivisions, providing for the establishment of ethics and
15 campaign disclosure board staff salaries, and making other
16 related changes.

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

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HF 437

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

3 NEW SUBSECTION. 5A. "Commissioner" means the county
4 auditor of each county, who is designated as the county
5 commissioner of elections pursuant to section 47.2.

6 Sec. 2. Section 56.2, subsection 15, Code 1995, is amended
7 to read as follows:

8 15. "Political committee" means a committee, but not a
9 candidate's committee, ~~which-accepts-contributions-in-excess~~
10 ~~of-two-hundred-fifty-dollars-in-the-aggregate,-makes~~
11 ~~expenditures-in-excess-of-two-hundred-fifty-dollars-in-the~~
12 ~~aggregate,-or-incurs-indebtedness-in-excess-of-two-hundred~~
13 ~~fifty-dollars-in-the-aggregate-in-any-one-calendar-year-for~~
14 ~~the-purpose-of-supporting-or-opposing-a-candidate-for-public~~
15 ~~office-or~~ which accepts contributions in excess of five
16 hundred dollars in the aggregate, makes expenditures in excess
17 of five hundred dollars in the aggregate, or incurs
18 indebtedness in excess of five hundred dollars in the
19 aggregate in any one calendar year for the purpose of
20 supporting or opposing a candidate for public office, or for
21 the purpose of supporting or opposing a ballot issue;
22 "political committee" also means an association, lodge,
23 society, cooperative, union, fraternity, sorority, educational
24 institution, civic organization, labor organization, religious
25 organization, or professional organization ~~which-makes~~
26 ~~contributions-in-the-aggregate-of-more-than-two-hundred-fifty~~
27 ~~dollars-in-any-one-calendar-year-for-the-purpose-of-supporting~~
28 ~~or-opposing-a-candidate-for-public-office-or~~ which accepts
29 contributions in excess of five hundred dollars in the
30 aggregate, makes expenditures in excess of five hundred
31 dollars in the aggregate, or incurs indebtedness in excess of
32 five hundred dollars in the aggregate in any one calendar year
33 for the purpose of supporting or opposing a candidate for
34 public office, or for the purpose of supporting or opposing a
35 ballot issue. "Political committee" also includes a committee

1 which accepts contributions in excess of two five hundred
2 fifty dollars in the aggregate, makes expenditures in excess
3 of two five hundred fifty dollars in the aggregate, or incurs
4 indebtedness in excess of two five hundred fifty dollars in
5 the aggregate in a calendar year to cause the publication or
6 broadcasting of material in which the public policy positions
7 or voting record of an identifiable candidate is discussed and
8 in which a reasonable person could find commentary favorable
9 or unfavorable to those public policy positions or voting
10 record.

11 Sec. 3. Section 56.3, subsections 1 and 2, Code 1995, are
12 amended to read as follows:

13 1. Every candidate's committee shall appoint a treasurer
14 who shall be an-Iowa-resident an individual, other than the
15 candidate, who has reached the age of majority. Every
16 political committee shall appoint both a treasurer and a
17 chairperson, each of whom shall have reached the age of
18 majority. Every committee shall either have an Iowa resident
19 as treasurer or maintain all of the committee's funds in bank
20 accounts in a financial institution located in Iowa. An
21 expenditure shall not be made by the treasurer or treasurer's
22 designee for or on behalf of a committee without the approval
23 of the chairperson of the committee, or the candidate.
24 Expenditures shall be remitted to the designated recipient
25 within fifteen days of the date of the issuance of the
26 payment.

27 2. An individual who receives contributions for a
28 committee without the prior authorization of the chairperson
29 of the committee or the candidate shall be responsible for
30 either rendering the contributions to the treasurer within
31 fifteen days of the date of receipt of the contributions, or
32 depositing the contributions in the account maintained by the
33 committee within seven days of the date of receipt of the
34 contributions. A person who receives contributions for a
35 committee shall, not later than fifteen days from the date of

1 receipt of the contributions or on demand of the treasurer,
2 render to the treasurer the contributions and an account of
3 the total of all contributions, including the name and address
4 of each person making a contribution in excess of ten dollars,
5 the amount of the contributions, and the date on which the
6 contributions were received. The treasurer shall deposit all
7 contributions within seven days of receipt by the treasurer in
8 an account maintained by the committee ~~in-a-financial~~
9 ~~institution-located-in-Iowa~~. All funds of a committee shall
10 be segregated from any other funds held by officers, members,
11 or associates of the committee or the committee's candidate.
12 However, if a candidate's committee receives contributions
13 only from the candidate, or if a permanent organization
14 temporarily engages in activity which qualifies it as a
15 political committee and all expenditures of the organization
16 are made from existing general operating funds and funds are
17 not solicited or received for this purpose from sources other
18 than operating funds, then that committee is not required to
19 maintain a separate account in a financial institution. The
20 funds of a committee are not attachable for the personal debt
21 of the committee's candidate or an officer, member, or
22 associate of the committee.

23 Sec. 4. Section 56.4, Code 1995, is amended to read as
24 follows:

25 56.4 REPORTS FILED WITH BOARD OR COMMISSIONER.

26 All statements and reports required to be filed under this
27 chapter for a state office shall be filed with the board. All
28 statements and reports required to be filed under this chapter
29 for a county, city, or school office shall be filed with the
30 commissioner. Statements and reports on a ballot issue shall
31 be filed with the commissioner responsible under section 47.2
32 for conducting the election at which the issue is voted upon,
33 except that statements and reports on a statewide ballot issue
34 shall be filed with the board. Copies of any reports filed
35 with a commissioner shall be provided by the commissioner to

1 the board on its request. State statutory political
2 committees shall file all statements and reports with the
3 board. All other statutory political committees shall file
4 the statements and reports with the commissioner with a copy
5 sent to the board. The board shall retain statements and
6 reports filed with the board for at least five years from the
7 date of the election in which the committee is involved, or at
8 least five years from the certified date of dissolution of the
9 committee, whichever date is later. The commissioner shall
10 retain statements and reports filed with the commissioner for
11 at least three years from the date of the election in which
12 the committee is involved, or at least three years from the
13 certified date of dissolution of the committee, whichever date
14 is later.

15 Political committees supporting or opposing candidates for
16 both federal office and any elected office created by law or
17 the Constitution of the state of Iowa shall file statements
18 and reports with the board in addition to any federal reports
19 required to be filed with the ~~secretary-of-state~~ board.
20 However, a political committee which is registered and filing
21 full disclosure reports of all financial activities with the
22 federal election commission may file verified statements as
23 provided in section 56.5.

24 Political committees supporting or opposing candidates or
25 ballot issues for statewide elections and for county,
26 municipal or school elections may file all activity on one
27 report with the board and shall send a copy to the
28 commissioner responsible under section 47.2 for conducting the
29 election.

30 Sec. 5. Section 56.5, subsection 1, Code 1995, is amended
31 to read as follows:

32 1. Every committee, as defined in this chapter, shall file
33 a statement of organization within ten days from the date of
34 its organization. Unless formal organization has previously
35 occurred, a committee is deemed to have organized as of the

1 date that committee transactions exceed the financial activity
2 threshold established in section 56.2, subsection 4 or 15.

3 Sec. 6. Section 56.5, subsection 2, paragraph a, Code
4 1995, is amended to read as follows:

5 a. The name, purpose, mailing address and telephone number
6 of the committee. The committee name shall not duplicate the
7 name of another committee organized under this section. For
8 candidate's committees filing initial statements of
9 organization on or after July 1, 1995, the candidate's name
10 shall be contained within the committee name.

11 Sec. 7. Section 56.5, subsection 5, Code 1995, is amended
12 to read as follows:

13 5. A committee or organization not ~~domiciled-in-Iowa~~
14 organized as a committee under this section which makes a
15 contribution to a candidate's committee or political committee
16 ~~domiciled~~ organized in Iowa shall disclose each contribution
17 to the board. A committee or organization not ~~domiciled-in~~
18 ~~Iowa~~ organized as a committee under this section which is not
19 registered and filing full disclosure reports of all financial
20 activities with the federal election commission or another
21 state's disclosure commission shall register and file full
22 disclosure reports with the board pursuant to this chapter,
23 and shall either appoint an eligible Iowa elector as committee
24 or organization treasurer, and or shall maintain all committee
25 funds in an account in a financial institution located in
26 Iowa. A committee which is currently filing a disclosure
27 report in another jurisdiction shall either file a statement
28 of organization under subsections 1 and 2 and file disclosure
29 reports, the same as those required of ~~Iowa-domiciled~~
30 committees organized only in Iowa, under section 56.6, or
31 shall file one copy of a verified statement with the board and
32 a second copy with the treasurer of the committee receiving
33 the contribution. The form shall be completed and filed at
34 the time the contribution is made. The verified statement
35 shall be on forms prescribed by the board and shall attest

1 that the committee is filing reports with the federal election
2 commission or in a jurisdiction with reporting requirements
3 which are substantially similar to those of this chapter, and
4 that the contribution is made from an account which does not
5 accept contributions which would be in violation of section
6 56.15. The form shall include the complete name, address, and
7 telephone number of the contributing committee, the state or
8 federal jurisdiction under which it is registered or operates,
9 the identification of any parent entity or other affiliates or
10 sponsors, its purpose, the name, address, and signature of an
11 Iowa resident authorized to receive service of original notice
12 and the name and address of the receiving committee, the
13 amount of the cash or in-kind contribution, and the date the
14 contribution was made.

15 Sec. 8. Section 56.5A, Code 1995, is amended to read as
16 follows:

17 56.5A CANDIDATE'S COMMITTEE.

18 Each candidate for state, county, city, or school office
19 shall organize one, and only one, candidate's committee for a
20 specific office sought when the candidate receives
21 contributions in excess of five hundred dollars in the
22 aggregate, makes expenditures in excess of five hundred
23 dollars in the aggregate, or incurs indebtedness in excess of
24 five hundred dollars in the aggregate in a calendar year. A
25 political committee shall not be established to support or
26 oppose only one candidate for office, except that a political
27 committee may be established to support or oppose approval of
28 a single judge standing for retention.

29 Sec. 9. Section 56.6, subsection 1, paragraphs a and d,
30 Code 1995, are amended to read as follows:

31 a. Each treasurer of a committee shall file with the board
32 or commissioner disclosure reports of contributions received
33 and disbursed on forms prescribed by rules as provided by
34 chapter 17A. The reports from all committees, except those
35 committees for municipal and school elective offices and for

1 local ballot issues, shall be filed on the twentieth
2 nineteenth day or mailed bearing a United States postal
3 service postmark dated on or before the nineteenth day of
4 January, May, July, and October of each year. The May, July,
5 and October reports shall be current as of five days prior to
6 the filing deadline. The January report shall be the annual
7 report covering activity through December 31. However, a
8 state, ~~or~~ county, or city statutory political committee is not
9 required to file the May and July reports for a year in which
10 no primary or general election is held at the respective
11 state, county, or city level. A candidate's committee, other
12 than for municipal and school elective offices, for a year in
13 which the candidate is not standing for election, is not
14 required to file the May, July, and October reports. Reports
15 for committees for a ballot issue placed before the voters of
16 the entire state shall be filed at the January, May, July, and
17 October deadlines.

18 d. Committees for municipal and school elective offices
19 and local ballot issues shall file their first reports five
20 days prior to any election in which the name of the candidate
21 or the local ballot issue which they support or oppose appears
22 on the printed ballot and shall file their next report on the
23 first day of the month following the final election in a
24 calendar year in which the candidate's name or the ballot
25 issue appears on the ballot. A committee supporting or
26 opposing a candidate for a municipal or school elective office
27 or a local ballot issue shall also file disclosure reports on
28 the twentieth nineteenth day of January and October of each
29 year in which the candidate or ballot issue does not appear on
30 the ballot and on the twentieth nineteenth day of January,
31 May, and July of each year in which the candidate or ballot
32 issue appears on the ballot, until the committee dissolves.
33 These reports shall be current to five days prior to the
34 filing deadline and are considered timely filed if mailed
35 bearing a United States postal service postmark one-or-more

1 ~~calendar-days-preceding~~ on or before the due date.

2 Sec. 10. Section 56.6, subsections 4 and 5, Code 1995, are
3 amended to read as follows:

4 4. If the report is the first report filed by the
5 committee, the report shall include all information required
6 under subsection 3 covering the period from the beginning of
7 the committee's financial activity, even if from a different
8 calendar year, through the end of the current reporting
9 period. If no contributions have been accepted nor any
10 disbursements made or indebtedness incurred during that
11 reporting period, the treasurer of the committee shall file a
12 disclosure statement which shows only the amount of cash on
13 hand at the beginning of the reporting period.

14 5. A committee shall not dissolve until all loans, debts
15 and obligations are paid, forgiven, or transferred and the
16 remaining money in the account is distributed according to the
17 organization statement. If a loan is transferred or forgiven,
18 the amount of the transferred or forgiven loan must be
19 reported as an in-kind contribution and deducted from the
20 loans payable balance on the disclosure form. If, upon review
21 of a committee's statement of dissolution and final report,
22 the board determines that the requirements for dissolution
23 have been satisfied, the dissolution shall be certified and
24 the committee relieved of further filing requirements.

25 PARAGRAPH DIVIDED. A statutory political committee is
26 prohibited from dissolving, but may be placed in an inactive
27 status upon the approval of the board. Inactive status may be
28 requested for a statutory political committee when no officers
29 exist and the statutory political committee has ceased to
30 function. The request shall be made by the previous treasurer
31 or chairperson of the committee and by the appropriate state
32 statutory political committee. A statutory political
33 committee granted inactive status shall not solicit or expend
34 funds in its name until the committee reorganizes and fulfills
35 the requirements of a political committee under this chapter.

1 Sec. 11. Section 56.12, unnumbered paragraph 1, Code 1995,
2 is amended to read as follows:

3 A person shall not make a contribution or expenditure in
4 the name of another person, and a person shall not knowingly
5 accept a contribution or expenditure made by one person in the
6 name of another. For the purpose of this section, a
7 contribution or expenditure made by one person which is
8 ultimately reimbursed by another person who has not been
9 identified as the ultimate source or recipient of the funds is
10 considered to be an illegal contribution or expenditure in the
11 name of another.

12 Sec. 12. Section 56.13, subsection 2, Code 1995, is
13 amended to read as follows:

14 2. If a person, other than a political committee, makes
15 one or more expenditures in excess of five hundred dollars in
16 the aggregate, or incurs indebtedness in excess of five
17 hundred dollars in the aggregate, in any one calendar year for
18 purposes of supporting or opposing a ballot issue, the person
19 shall file a statement of activity within ten days of taking
20 the action exceeding the threshold. The statement shall
21 contain information identifying the person filing the
22 statement, identifying the ballot issue, and indicating the
23 position urged by the person with regard to the ballot issue.
24 The person shall file reports indicating the dates on which
25 the expenditures or incurrance of indebtedness took place; a
26 description of the nature of the action taken which resulted
27 in the expenditures or debt; and the cost of the promotion at
28 fair market value. For a local ballot issue, the reports
29 shall be filed five days prior to any election in which the
30 ballot issue appears and on the first day of the month
31 following the election, as well as on the twentieth nineteenth
32 day of January, May, and July of each year in which the ballot
33 issue appears on the ballot and on the twentieth nineteenth
34 day of January and October of each year in which the ballot
35 issue does not appear on the ballot. For a statewide ballot

1 issue, reports shall be filed on the twentieth nineteenth day
2 of January, May, and July of each year. The reports shall be
3 current to five days prior to the filing deadline, and are
4 considered timely filed if mailed bearing a United States
5 postal service postmark on or before the due date. Filing
6 obligations shall cease when the person files a statement of
7 discontinuation indicating that the person's financial
8 activity in support of or in opposition to the ballot issue
9 has ceased. Statements and reports shall be filed with the
10 commissioner responsible under section 47.2 for conducting the
11 election at which the issue is voted upon, except that reports
12 on a statewide ballot issue shall be filed with the board.

13 Sec. 13. Section 56.14, Code 1995, is amended to read as
14 follows:

15 56.14 POLITICAL ADVERTISEMENTS MATERIAL -- SOLICITATIONS
16 -- YARD SIGNS.

17 1. A person who causes the publication or distribution of
18 published material designed to promote or defeat the
19 nomination or election of a candidate for public office or the
20 passage of a constitutional amendment or public measure shall
21 include conspicuously on the published material the identity
22 and address of the person responsible for the material. If
23 the person responsible is an organization, the name of one
24 officer of the organization shall appear on the material.
25 However, if the organization is a committee which has filed a
26 statement of organization under this chapter, only the name of
27 the committee is required to be included on the published
28 material. Published material designed to promote or defeat
29 the nomination or election of a candidate for public office or
30 the passage of a constitutional amendment or public measure
31 which contains language or depictions which a reasonable
32 person would understand as asserting that an entity which is
33 incorporated or is a registered committee had authored the
34 material shall, if the entity is not incorporated or a
35 registered committee, include conspicuously on the published

1 material a statement that the apparent organization or
2 committee is not incorporated or a registered committee in
3 addition to the disclaimer statement required by this section.
4 For purposes of this section, "registered committee" means a
5 committee which has an active statement of organization filed
6 under section 56.5.

7 2. This section does not apply to the editorials or news
8 articles of a newspaper or magazine which are not political
9 advertisements. For the purpose of this section, "published
10 material" means any newspaper, magazine, shopper, outdoor
11 advertising facility, poster, direct mailing, brochure, or any
12 other form of printed general public political advertising;
13 however, the identification need not be conspicuous on
14 posters. This section does not apply to yard signs, bumper
15 stickers, pins, buttons, pens, matchbooks, and similar small
16 items upon which the inclusion of the disclaimer would be
17 impracticable or to published material which is subject to
18 federal regulations regarding a disclaimer requirement.

19 3. Yard signs shall not be placed on any property which
20 adjoins a city, county, or state roadway sooner than forty-
21 five days preceding a primary or general election and shall be
22 removed within seven days after the primary or general
23 election, in which the name of the particular candidate or
24 ballot issue described on the yard sign appears on the ballot.
25 Yard signs are subject to removal by highway authorities as
26 provided in section 319.13, or by county or city law
27 enforcement authorities in a manner consistent with section
28 319.13. The placement or erection of yard signs shall be
29 exempt from the requirements of chapter 480. Notice may be
30 provided to the chairperson of the appropriate county central
31 committee if the highway authorities are unable to provide
32 notice to the candidate, candidate's committee, or political
33 committee regarding the yard sign.

34 4. This section does not prohibit the placement of yard
35 signs on agricultural land owned by individuals or by a family

1 farm operation as defined in section 9H.1, subsections 8, 9,
2 and 10; does not prohibit the placement of yard signs on
3 property owned by private individuals who have rented or
4 leased the property to a corporation, if the prior written
5 permission of the property owner is obtained; and does not
6 prohibit the placement of yard signs on residential property
7 owned by a corporation but rented or leased to a private
8 individual if the prior permission of the renter or lessee is
9 obtained. For the purposes of this chapter, "agricultural
10 land" means agricultural land as defined in section 9H.1.

11 Sec. 14. Section 56.15, subsections 1, 2, and 3, Code
12 1995, are amended to read as follows:

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

28 2. Except as provided in subsection 3, it is unlawful for
29 a member of a committee, or its employee or representative,
30 except a ballot issue committee, or for a candidate for office
31 or the representative of the candidate, to solicit, request,
32 or knowingly receive from an insurance company, savings and
33 loan association, bank, credit union, or corporation organized
34 pursuant to the laws of this state, the United States, or any
35 other state, territory, or foreign country, whether for profit

1 or not, or its officer, agent, or representative, any money,
2 property, or thing of value belonging to the insurance
3 company, savings and loan association, bank, or corporation
4 for campaign expenses, or for the purpose of influencing the
5 vote of an elector. This section does not restrain or abridge
6 the freedom of the press or prohibit the consideration and
7 discussion in the press of candidacies, nominations, public
8 officers, or public questions.

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

30 Sec. 15. Section 56.42, subsection 1, paragraphs b and c,
31 Code 1995, are amended to read as follows:

32 b. Contributions to national, state, district, or local
33 political party central committees.

34 c. Transfers to the treasurer of state for deposit in the
35 general fund of the state, or to the appropriate treasurer for

1 deposit in the general fund of a political subdivision of the
2 state.

3 Sec. 16. Section 56.43, Code 1995, is amended to read as
4 follows:

5 56.43 CAMPAIGN PROPERTY.

6 1. Equipment, supplies, or other materials purchased ~~on-or~~
7 ~~after-July-17-19917~~, with campaign funds or received in-kind
8 are campaign property. Campaign property belongs to the
9 candidate's committee and not to the candidate. Campaign
10 property which has a value of five hundred dollars or more at
11 the time it is acquired by the committee shall be separately
12 disclosed as committee inventory on reports filed pursuant to
13 section 56.6, including a declaration of the approximate
14 current value of the property. Such property shall continue
15 to be reported as committee inventory until it is disposed of
16 by the committee or until the property has a residual value of
17 less than one hundred dollars. However, consumable campaign
18 property is not required to be reported as committee
19 inventory, regardless of the initial value of the consumable
20 campaign property. "Consumable campaign property" means
21 stationery, yard signs, and other campaign materials which
22 have been permanently imprinted to be specific to a candidate
23 or election.

24 2. Upon dissolution of the candidate's committee, a report
25 accounting for the disposition of all items of campaign
26 property, excluding consumable campaign property, having a
27 residual value of ~~twenty-five~~ one hundred dollars or more
28 shall be filed with the board. ~~Each-item-of-campaign~~ Campaign
29 property, excluding consumable campaign property, having a
30 residual value of ~~twenty-five~~ one hundred dollars or more
31 shall be disposed of by one of the following methods:

32 a. Sale of the property at fair market value, in which
33 case the proceeds shall be treated the same as other campaign
34 funds.

35 b. Donation of the property under one of the options for

1 transferring campaign funds set forth in section 56.42.

2 Sec. 17. Section 68B.32, subsection 5, Code 1995, is
3 amended to read as follows:

4 5. The board shall employ a full-time executive ~~secretary~~
5 director who shall be the board's chief administrative
6 officer. The board shall employ or contract for the
7 employment of legal counsel notwithstanding section 13.7, and
8 any other personnel as may be necessary to carry out the
9 duties of the board. The board's legal counsel shall be the
10 chief legal officer of the board, and shall advise the board
11 on all legal matters relating to the administration of this
12 chapter and chapter 56. The state may be represented by the
13 board's legal counsel in any civil action regarding the
14 enforcement of this chapter or chapter 56, or, at the board's
15 request, the state may be represented by the office of the
16 attorney general. Notwithstanding section 19A.3, all of the
17 board's employees, except for the executive ~~secretary~~ director
18 and legal counsel, shall be employed subject to the merit
19 system provisions of chapter 19A. The salary of the executive
20 director shall be fixed by the board, within the range
21 established by the general assembly. The salary of the legal
22 counsel shall be fixed by the board, within a salary range
23 established by the department of personnel for a position
24 requiring similar qualifications and experience.

25 Sec. 18. Section 68B.32A, subsection 2, Code 1995, is
26 amended to read as follows:

27 2. Develop, prescribe, furnish, and distribute any forms
28 necessary for the implementation of the procedures contained
29 in this chapter and chapter 56 for the filing of reports and
30 statements by persons required to file the reports and
31 statements under this chapter and chapter 56.

32 The board may establish a process to assign signature codes
33 to a person or committee for purposes of facilitating an
34 electronic filing procedure. The assignment of signature
35 codes shall be kept confidential, notwithstanding section

1 22.2.

2 Sec. 19. TRANSITIONAL PROVISION. Changes or additions to
3 reporting requirements contained in section 56.6, subsection
4 4, which are made in this Act shall not be construed to
5 require reporting of financial activities which took place
6 prior to January 1, 1995, if the financial activities which
7 took place on or after January 1, 1995, would result in the
8 committee exceeding the reporting threshold established for a
9 particular type of committee. Any activities which took place
10 on or after January 1, 1995, shall, however, be reported.

11

EXPLANATION

12 Section 56.2 is amended to add a definition of the term
13 "commissioner", which is used extensively throughout chapter
14 56, which provides that the term means the county auditor of
15 each county who is otherwise designated commissioner of
16 elections by statute.

17 The reporting threshold contained in section 56.2 for
18 political committees which support or oppose candidates is
19 raised from \$250 to \$500, the same level set for political
20 committees which support or oppose ballot issues.

21 Candidate's committees are required under the bill to have
22 someone other than the candidate act as the committee
23 treasurer and political committees are required to have both a
24 chairperson and a treasurer under changes made to section
25 56.3. Chairpersons and treasurers are required to have
26 reached the age of majority at the time of appointment.
27 Committees are required under the bill to either have their
28 accounts in a financial institution located in Iowa or the
29 committee's treasurer is required to be an Iowa resident, but
30 both are no longer required under the bill. Committee
31 expenditures are required to be remitted to the designated
32 recipients within 15 days of the date of the issuance of the
33 payment.

34 Statements and reports which are filed with the board are
35 required to be kept at least five years from the later of

1 either the date of the election in which the committee is
2 involved or the date of the dissolution of the committee,
3 under the changes made to section 56.4. The commissioner is
4 required to keep the statements and reports for three years.
5 Political committees which support or oppose candidates for
6 state or federal office are required to file their statements
7 and reports required under state and federal law with the
8 board. Currently, federal statements are filed with the
9 secretary of state. A political committee which is registered
10 and has filed full disclosure reports with the federal
11 election commission is allowed to file verified statements
12 attesting to those filings and their compliance with state law
13 in lieu of filing the federal reports with the board.

14 Changes to section 56.5 include a provision that, unless
15 formal organization has already taken place, formal committee
16 organization is deemed to have occurred as of the date that
17 the committee transactions exceeded their reporting threshold.
18 Committee names are required to be unique and candidate's
19 committee names are to contain the name of the candidate.

20 A political committee is prohibited in section 56.5A from
21 supporting or opposing only one candidate, except in the case
22 of political committees formed to support or oppose judges who
23 are standing for retention.

24 The filing deadline specified under section 56.6 and
25 section 56.13 for financial activity disclosure reports is
26 changed from the twentieth to the nineteenth. A postmark
27 indicating mailing on the date on or before the deadline will
28 still suffice for purposes of meeting the deadline. Under
29 other changes to section 56.6, city statutory political
30 committees, like state or county statutory political
31 committees, are exempted from filing in May and July of a year
32 in which no primary or general election is held at that level.
33 The content requirements for first financial activity
34 disclosure reports that are filed by new committees is changed
35 to include a requirement that all financial activity engaged

1 in prior to the end of the reporting period, that caused the
2 committee to exceed the financial reporting threshold, be
3 included in the report, even if the activity took place during
4 another calendar year. The bill contains a transition
5 provision that indicates that this does not apply to require
6 reporting of financial activities which occurred prior to
7 January 1, 1995, although if the threshold is crossed as a
8 result of those activities, activities since January 1, 1995,
9 must be reported. A procedure for certification of
10 dissolution of committees is specified, which requires board
11 approval of the committee's statement of dissolution and final
12 report before the committee is relieved of further filing
13 requirements.

14 Language is added to section 56.12 which states that
15 contributions made by one person which are reimbursed by
16 another person who is not reported as the source of the
17 contribution is an illegal contribution in the name of
18 another.

19 Language is added to section 56.14 which provides that
20 entities which are not registered political or candidate's
21 committees and which publish materials in support of or
22 opposition to a candidate or ballot issue are required to
23 indicate their authorship of the materials if a reasonable
24 person would believe that a registered political or
25 candidate's committee was responsible for the publication.
26 County and city law enforcement authorities are given the
27 authority to remove yard signs that create impermissible
28 obstructions in city and county streets, roads, and highways.

29 Section 56.15 is amended to add insurance companies,
30 financial institutions, and corporations organized under the
31 laws of the United States to the list of corporations
32 prohibited from engaging in political activity.

33 Section 56.42 is amended to permit candidate's committees
34 to transfer campaign funds to a district political party
35 central committee and an appropriate treasurer for deposit in

1 the general fund of a political subdivision of the state.
 2 Section 56.43 is amended to require the separate disclosure
 3 of materials purchased and materials received in-kind as
 4 campaign property in the financial activity disclosure reports
 5 that must be filed by candidate's committees. Campaign
 6 property with value of \$500 or more when acquired is to be
 7 separately disclosed as committee inventory and will continue
 8 to be disclosed in the financial activity disclosure reports
 9 until the property is either disposed of or has a residual
 10 value of less than \$100. Imprinted materials that are left
 11 when a candidate's committee dissolves are deemed to have a
 12 value of \$25 or less and are not required to be accounted for
 13 upon dissolution of a candidate's committee.

14 Section 68B.32 is amended to provide that the board is to
 15 fix the salaries of the executive director and the legal
 16 counsel of the ethics and campaign disclosure board. The
 17 salary range for the director is to be set by the general
 18 assembly and the salary range for the legal counsel is to be
 19 the same as for comparable positions in state government.

20 Section 68B.32A is amended to permit the ethics and
 21 campaign disclosure board to establish a process for assigning
 22 signature codes to persons who are required to file reports
 23 with the agency. The signature codes are for use in
 24 electronic filings and are to be kept confidential by the
 25 board.

HOUSE FILE 437

H-3423

1 Amend House File 437 as follows:

2 1. Page 2, line 15, by inserting after the word
3 "who" the following: "is an Iowa resident and who".

4 2. Page 2, line 18, by striking the words "Every
5 committee" and inserting the following: "Every
6 candidate's committee shall maintain all of the
7 committee's funds in bank accounts in a financial
8 institution located in Iowa. Every political
9 committee".

By WEIGEL of Chickasaw

H-3423 FILED MARCH 22, 1995

(p.951) *Adopted 3/23/95*

1995
S - 4/4/95 Do Pass
S-4-13-95 Unfinished Business
Calendar

HOUSE FILE 437
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 163)

(As Amended and Passed by the House March 23, 1995)

(P. 2258)
Passed House, Date 5/3/95 Passed Senate, Date 5/3/95
Vote: Ayes 95 Nays 0 Vote: Ayes 49 Nays 0
Approved May 31, 1995

A BILL FOR

1 An Act relating to the financing of political campaigns and by
2 adding and changing definitions of commissioner and political
3 committee, changing the providing for the appointment of
4 committee personnel and the maintenance of committee funds,
5 providing for the retention of records, establishing
6 requirements for committee names, specifying requirements for
7 out-of-state committee filings, prohibiting political
8 committees from supporting a single candidate, revising filing
9 deadlines and the contents of disclosure reports, providing
10 for disclaimers on published materials by nonregistered
11 entities, including federal corporations under corporate
12 activity prohibitions, allowing candidates to donate funds to
13 district political party central committees and political
14 subdivisions, providing for the establishment of ethics and
15 campaign disclosure board staff salaries, and making other
16 related changes.

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

18
19
20
21
22

House Amendments _____

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

3 NEW SUBSECTION. 5A. "Commissioner" means the county
4 auditor of each county, who is designated as the county
5 commissioner of elections pursuant to section 47.2.

6 Sec. 2. Section 56.2, subsection 15, Code 1995, is amended
7 to read as follows:

8 15. "Political committee" means a committee, but not a
9 candidate's committee, ~~which-accepts-contributions-in-excess~~
10 ~~of-two-hundred-fifty-dollars-in-the-aggregate,-makes~~
11 ~~expenditures-in-excess-of-two-hundred-fifty-dollars-in-the~~
12 ~~aggregate,-or-incurs-indebtedness-in-excess-of-two-hundred~~
13 ~~fifty-dollars-in-the-aggregate-in-any-one-calendar-year-for~~
14 ~~the-purpose-of-supporting-or-opposing-a-candidate-for-public~~
15 ~~office-or~~ which accepts contributions in excess of five
16 hundred dollars in the aggregate, makes expenditures in excess
17 of five hundred dollars in the aggregate, or incurs
18 indebtedness in excess of five hundred dollars in the
19 aggregate in any one calendar year for the purpose of
20 supporting or opposing a candidate for public office, or for
21 the purpose of supporting or opposing a ballot issue;
22 "political committee" also means an association, lodge,
23 society, cooperative, union, fraternity, sorority, educational
24 institution, civic organization, labor organization, religious
25 organization, or professional organization ~~which-makes~~
26 ~~contributions-in-the-aggregate-of-more-than-two-hundred-fifty~~
27 ~~dollars-in-any-one-calendar-year-for-the-purpose-of-supporting~~
28 ~~or-opposing-a-candidate-for-public-office-or~~ which accepts
29 contributions in excess of five hundred dollars in the
30 aggregate, makes expenditures in excess of five hundred
31 dollars in the aggregate, or incurs indebtedness in excess of
32 five hundred dollars in the aggregate in any one calendar year
33 for the purpose of supporting or opposing a candidate for
34 public office, or for the purpose of supporting or opposing a
35 ballot issue. "Political committee" also includes a committee

1 which accepts contributions in excess of ~~two~~ five hundred
2 ~~fifty~~ dollars in the aggregate, makes expenditures in excess
3 of ~~two~~ five hundred ~~fifty~~ dollars in the aggregate, or incurs
4 indebtedness in excess of ~~two~~ five hundred ~~fifty~~ dollars in
5 the aggregate in a calendar year to cause the publication or
6 broadcasting of material in which the public policy positions
7 or voting record of an identifiable candidate is discussed and
8 in which a reasonable person could find commentary favorable
9 or unfavorable to those public policy positions or voting
10 record.

11 Sec. 3. Section 56.3, subsections 1 and 2, Code 1995, are
12 amended to read as follows:

13 1. Every candidate's committee shall appoint a treasurer
14 who shall be ~~an Iowa resident~~ an individual, other than the
15 candidate, who is an Iowa resident and who has reached the age
16 of majority. Every political committee shall appoint both a
17 treasurer and a chairperson, each of whom shall have reached
18 the age of majority. Every candidate's committee shall
19 maintain all of the committee's funds in bank accounts in a
20 financial institution located in Iowa. Every political
21 committee shall either have an Iowa resident as treasurer or
22 maintain all of the committee's funds in bank accounts in a
23 financial institution located in Iowa. An expenditure shall
24 not be made by the treasurer or treasurer's designee for or on
25 behalf of a committee without the approval of the chairperson
26 of the committee, or the candidate. Expenditures shall be
27 remitted to the designated recipient within fifteen days of
28 the date of the issuance of the payment.

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

1 contributions. A person who receives contributions for a
2 committee shall, not later than fifteen days from the date of
3 receipt of the contributions or on demand of the treasurer,
4 render to the treasurer the contributions and an account of
5 the total of all contributions, including the name and address
6 of each person making a contribution in excess of ten dollars,
7 the amount of the contributions, and the date on which the
8 contributions were received. The treasurer shall deposit all
9 contributions within seven days of receipt by the treasurer in
10 an account maintained by the committee ~~in a financial~~
11 ~~institution located in Iowa~~. All funds of a committee shall
12 be segregated from any other funds held by officers, members,
13 or associates of the committee or the committee's candidate.
14 However, if a candidate's committee receives contributions
15 only from the candidate, or if a permanent organization
16 temporarily engages in activity which qualifies it as a
17 political committee and all expenditures of the organization
18 are made from existing general operating funds and funds are
19 not solicited or received for this purpose from sources other
20 than operating funds, then that committee is not required to
21 maintain a separate account in a financial institution. The
22 funds of a committee are not attachable for the personal debt
23 of the committee's candidate or an officer, member, or
24 associate of the committee.

25 Sec. 4. Section 56.4, Code 1995, is amended to read as
26 follows:

27 56.4 REPORTS FILED WITH BOARD OR COMMISSIONER.

28 All statements and reports required to be filed under this
29 chapter for a state office shall be filed with the board. All
30 statements and reports required to be filed under this chapter
31 for a county, city, or school office shall be filed with the
32 commissioner. Statements and reports on a ballot issue shall
33 be filed with the commissioner responsible under section 47.2
34 for conducting the election at which the issue is voted upon,
35 except that statements and reports on a statewide ballot issue

1 shall be filed with the board. Copies of any reports filed
2 with a commissioner shall be provided by the commissioner to
3 the board on its request. State statutory political
4 committees shall file all statements and reports with the
5 board. All other statutory political committees shall file
6 the statements and reports with the commissioner with a copy
7 sent to the board. The board shall retain statements and
8 reports filed with the board for at least five years from the
9 date of the election in which the committee is involved, or at
10 least five years from the certified date of dissolution of the
11 committee, whichever date is later. The commissioner shall
12 retain statements and reports filed with the commissioner for
13 at least three years from the date of the election in which
14 the committee is involved, or at least three years from the
15 certified date of dissolution of the committee, whichever date
16 is later.

17 Political committees supporting or opposing candidates for
18 both federal office and any elected office created by law or
19 the Constitution of the state of Iowa shall file statements
20 and reports with the board in addition to any federal reports
21 required to be filed with the ~~secretary-of-state~~ board.
22 However, a political committee which is registered and filing
23 full disclosure reports of all financial activities with the
24 federal election commission may file verified statements as
25 provided in section 56.5.

26 Political committees supporting or opposing candidates or
27 ballot issues for statewide elections and for county,
28 municipal or school elections may file all activity on one
29 report with the board and shall send a copy to the
30 commissioner responsible under section 47.2 for conducting the
31 election.

32 Sec. 5. Section 56.5, subsection 1, Code 1995, is amended
33 to read as follows:

34 1. Every committee, as defined in this chapter, shall file
35 a statement of organization within ten days from the date of

1 its organization. Unless formal organization has previously
2 occurred, a committee is deemed to have organized as of the
3 date that committee transactions exceed the financial activity
4 threshold established in section 56.2, subsection 4 or 15.

5 Sec. 6. Section 56.5, subsection 2, paragraph a, Code
6 1995, is amended to read as follows:

7 a. The name, purpose, mailing address and telephone number
8 of the committee. The committee name shall not duplicate the
9 name of another committee organized under this section. For
10 candidate's committees filing initial statements of
11 organization on or after July 1, 1995, the candidate's name
12 shall be contained within the committee name.

13 Sec. 7. Section 56.5, subsection 5, Code 1995, is amended
14 to read as follows:

15 5. A committee or organization not ~~domiciled-in-Iowa~~
16 organized as a committee under this section which makes a
17 contribution to a candidate's committee or political committee
18 ~~domiciled~~ organized in Iowa shall disclose each contribution
19 to the board. A committee or organization not ~~domiciled-in~~
20 ~~Iowa~~ organized as a committee under this section which is not
21 registered and filing full disclosure reports of all financial
22 activities with the federal election commission or another
23 state's disclosure commission shall register and file full
24 disclosure reports with the board pursuant to this chapter,
25 and shall either appoint an eligible Iowa elector as committee
26 or organization treasurer, and or shall maintain all committee
27 funds in an account in a financial institution located in
28 Iowa. A committee which is currently filing a disclosure
29 report in another jurisdiction shall either file a statement
30 of organization under subsections 1 and 2 and file disclosure
31 reports, the same as those required of ~~Iowa-domiciled~~
32 committees organized only in Iowa, under section 56.6, or
33 shall file one copy of a verified statement with the board and
34 a second copy with the treasurer of the committee receiving
35 the contribution. The form shall be completed and filed at

1 the time the contribution is made. The verified statement
2 shall be on forms prescribed by the board and shall attest
3 that the committee is filing reports with the federal election
4 commission or in a jurisdiction with reporting requirements
5 which are substantially similar to those of this chapter, and
6 that the contribution is made from an account which does not
7 accept contributions which would be in violation of section
8 56.15. The form shall include the complete name, address, and
9 telephone number of the contributing committee, the state or
10 federal jurisdiction under which it is registered or operates,
11 the identification of any parent entity or other affiliates or
12 sponsors, its purpose, the name, address, and signature of an
13 Iowa resident authorized to receive service of original notice
14 and the name and address of the receiving committee, the
15 amount of the cash or in-kind contribution, and the date the
16 contribution was made.

17 Sec. 8. Section 56.5A, Code 1995, is amended to read as
18 follows:

19 56.5A CANDIDATE'S COMMITTEE.

20 Each candidate for state, county, city, or school office
21 shall organize one, and only one, candidate's committee for a
22 specific office sought when the candidate receives
23 contributions in excess of five hundred dollars in the
24 aggregate, makes expenditures in excess of five hundred
25 dollars in the aggregate, or incurs indebtedness in excess of
26 five hundred dollars in the aggregate in a calendar year. A
27 political committee shall not be established to support or
28 oppose only one candidate for office, except that a political
29 committee may be established to support or oppose approval of
30 a single judge standing for retention.

31 Sec. 9. Section 56.6, subsection 1, paragraphs a and d,
32 Code 1995, are amended to read as follows:

33 a. Each treasurer of a committee shall file with the board
34 or commissioner disclosure reports of contributions received
35 and disbursed on forms prescribed by rules as provided by

1 chapter 17A. The reports from all committees, except those
2 committees for municipal and school elective offices and for
3 local ballot issues, shall be filed on the twentieth
4 nineteenth day or mailed bearing a United States postal
5 service postmark dated on or before the nineteenth day of
6 January, May, July, and October of each year. The May, July,
7 and October reports shall be current as of five days prior to
8 the filing deadline. The January report shall be the annual
9 report covering activity through December 31. However, a
10 state, or county, or city statutory political committee is not
11 required to file the May and July reports for a year in which
12 no primary or general election is held at the respective
13 state, county, or city level. A candidate's committee, other
14 than for municipal and school elective offices, for a year in
15 which the candidate is not standing for election, is not
16 required to file the May, July, and October reports. Reports
17 for committees for a ballot issue placed before the voters of
18 the entire state shall be filed at the January, May, July, and
19 October deadlines.

20 d. Committees for municipal and school elective offices
21 and local ballot issues shall file their first reports five
22 days prior to any election in which the name of the candidate
23 or the local ballot issue which they support or oppose appears
24 on the printed ballot and shall file their next report on the
25 first day of the month following the final election in a
26 calendar year in which the candidate's name or the ballot
27 issue appears on the ballot. A committee supporting or
28 opposing a candidate for a municipal or school elective office
29 or a local ballot issue shall also file disclosure reports on
30 the twentieth nineteenth day of January and October of each
31 year in which the candidate or ballot issue does not appear on
32 the ballot and on the twentieth nineteenth day of January,
33 May, and July of each year in which the candidate or ballot
34 issue appears on the ballot, until the committee dissolves.
35 These reports shall be current to five days prior to the

1 filing deadline and are considered timely filed if mailed
2 bearing a United States postal service postmark ~~one-or-more~~
3 ~~calendar-days-preceding~~ on or before the due date.

4 Sec. 10. Section 56.6, subsections 4 and 5, Code 1995, are
5 amended to read as follows:

6 4. If the report is the first report filed by the
7 committee, the report shall include all information required
8 under subsection 3 covering the period from the beginning of
9 the committee's financial activity, even if from a different
10 calendar year, through the end of the current reporting
11 period. If no contributions have been accepted nor any
12 disbursements made or indebtedness incurred during that
13 reporting period, the treasurer of the committee shall file a
14 disclosure statement which shows only the amount of cash on
15 hand at the beginning of the reporting period.

16 5. A committee shall not dissolve until all loans, debts
17 and obligations are paid, forgiven, or transferred and the
18 remaining money in the account is distributed according to the
19 organization statement. If a loan is transferred or forgiven,
20 the amount of the transferred or forgiven loan must be
21 reported as an in-kind contribution and deducted from the
22 loans payable balance on the disclosure form. If, upon review
23 of a committee's statement of dissolution and final report,
24 the board determines that the requirements for dissolution
25 have been satisfied, the dissolution shall be certified and
26 the committee relieved of further filing requirements.

27 PARAGRAPH DIVIDED. A statutory political committee is
28 prohibited from dissolving, but may be placed in an inactive
29 status upon the approval of the board. Inactive status may be
30 requested for a statutory political committee when no officers
31 exist and the statutory political committee has ceased to
32 function. The request shall be made by the previous treasurer
33 or chairperson of the committee and by the appropriate state
34 statutory political committee. A statutory political
35 committee granted inactive status shall not solicit or expend

1 funds in its name until the committee reorganizes and fulfills
2 the requirements of a political committee under this chapter.

3 Sec. 11. Section 56.12, unnumbered paragraph 1, Code 1995,
4 is amended to read as follows:

5 A person shall not make a contribution or expenditure in
6 the name of another person, and a person shall not knowingly
7 accept a contribution or expenditure made by one person in the
8 name of another. For the purpose of this section, a
9 contribution or expenditure made by one person which is
10 ultimately reimbursed by another person who has not been
11 identified as the ultimate source or recipient of the funds is
12 considered to be an illegal contribution or expenditure in the
13 name of another.

14 Sec. 12. Section 56.13, subsection 2, Code 1995, is
15 amended to read as follows:

16 2. If a person, other than a political committee, makes
17 one or more expenditures in excess of five hundred dollars in
18 the aggregate, or incurs indebtedness in excess of five
19 hundred dollars in the aggregate, in any one calendar year for
20 purposes of supporting or opposing a ballot issue, the person
21 shall file a statement of activity within ten days of taking
22 the action exceeding the threshold. The statement shall
23 contain information identifying the person filing the
24 statement, identifying the ballot issue, and indicating the
25 position urged by the person with regard to the ballot issue.
26 The person shall file reports indicating the dates on which
27 the expenditures or incurrence of indebtedness took place; a
28 description of the nature of the action taken which resulted
29 in the expenditures or debt; and the cost of the promotion at
30 fair market value. For a local ballot issue, the reports
31 shall be filed five days prior to any election in which the
32 ballot issue appears and on the first day of the month
33 following the election, as well as on the twentieth nineteenth
34 day of January, May, and July of each year in which the ballot
35 issue appears on the ballot and on the twentieth nineteenth

1 day of January and October of each year in which the ballot
2 issue does not appear on the ballot. For a statewide ballot
3 issue, reports shall be filed on the ~~twentieth~~ nineteenth day
4 of January, May, and July of each year. The reports shall be
5 current to five days prior to the filing deadline, and are
6 considered timely filed if mailed bearing a United States
7 postal service postmark on or before the due date. Filing
8 obligations shall cease when the person files a statement of
9 discontinuation indicating that the person's financial
10 activity in support of or in opposition to the ballot issue
11 has ceased. Statements and reports shall be filed with the
12 commissioner responsible under section 47.2 for conducting the
13 election at which the issue is voted upon, except that reports
14 on a statewide ballot issue shall be filed with the board.

15 Sec. 13. Section 56.14, Code 1995, is amended to read as
16 follows:

17 56.14 POLITICAL ADVERTISEMENTS MATERIAL -- SOLICITATIONS
18 -- YARD SIGNS.

19 1. A person who causes the publication or distribution of
20 published material designed to promote or defeat the
21 nomination or election of a candidate for public office or the
22 passage of a constitutional amendment or public measure shall
23 include conspicuously on the published material the identity
24 and address of the person responsible for the material. If
25 the person responsible is an organization, the name of one
26 officer of the organization shall appear on the material.
27 However, if the organization is a committee which has filed a
28 statement of organization under this chapter, only the name of
29 the committee is required to be included on the published
30 material. Published material designed to promote or defeat
31 the nomination or election of a candidate for public office or
32 the passage of a constitutional amendment or public measure
33 which contains language or depictions which a reasonable
34 person would understand as asserting that an entity which is
35 incorporated or is a registered committee had authored the

1 material shall, if the entity is not incorporated or a
2 registered committee, include conspicuously on the published
3 material a statement that the apparent organization or
4 committee is not incorporated or a registered committee in
5 addition to the disclaimer statement required by this section.
6 For purposes of this section, "registered committee" means a
7 committee which has an active statement of organization filed
8 under section 56.5.

9 2. This section does not apply to the editorials or news
10 articles of a newspaper or magazine which are not political
11 advertisements. For the purpose of this section, "published
12 material" means any newspaper, magazine, shopper, outdoor
13 advertising facility, poster, direct mailing, brochure, or any
14 other form of printed general public political advertising;
15 however, the identification need not be conspicuous on
16 posters. This section does not apply to yard signs, bumper
17 stickers, pins, buttons, pens, matchbooks, and similar small
18 items upon which the inclusion of the disclaimer would be
19 impracticable or to published material which is subject to
20 federal regulations regarding a disclaimer requirement.

21 3. Yard signs shall not be placed on any property which
22 adjoins a city, county, or state roadway sooner than forty-
23 five days preceding a primary or general election and shall be
24 removed within seven days after the primary or general
25 election, in which the name of the particular candidate or
26 ballot issue described on the yard sign appears on the ballot.
27 Yard signs are subject to removal by highway authorities as
28 provided in section 319.13, or by county or city law
29 enforcement authorities in a manner consistent with section
30 319.13. The placement or erection of yard signs shall be
31 exempt from the requirements of chapter 480. Notice may be
32 provided to the chairperson of the appropriate county central
33 committee if the highway authorities are unable to provide
34 notice to the candidate, candidate's committee, or political
35 committee regarding the yard sign.

1 4. This section does not prohibit the placement of yard
2 signs on agricultural land owned by individuals or by a family
3 farm operation as defined in section 9H.1, subsections 8, 9,
4 and 10; does not prohibit the placement of yard signs on
5 property owned by private individuals who have rented or
6 leased the property to a corporation, if the prior written
7 permission of the property owner is obtained; and does not
8 prohibit the placement of yard signs on residential property
9 owned by a corporation but rented or leased to a private
10 individual if the prior permission of the renter or lessee is
11 obtained. For the purposes of this chapter, "agricultural
12 land" means agricultural land as defined in section 9H.1.

13 Sec. 14. Section 56.15, subsections 1, 2, and 3, Code
14 1995, are amended to read as follows:

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

30 2. Except as provided in subsection 3, it is unlawful for
31 a member of a committee, or its employee or representative,
32 except a ballot issue committee, or for a candidate for office
33 or the representative of the candidate, to solicit, request,
34 or knowingly receive from an insurance company, savings and
35 loan association, bank, credit union, or corporation organized

1 pursuant to the laws of this state, the United States, or any
2 other state, territory, or foreign country, whether for profit
3 or not, or its officer, agent, or representative, any money,
4 property, or thing of value belonging to the insurance
5 company, savings and loan association, bank, or corporation
6 for campaign expenses, or for the purpose of influencing the
7 vote of an elector. This section does not restrain or abridge
8 the freedom of the press or prohibit the consideration and
9 discussion in the press of candidacies, nominations, public
10 officers, or public questions.

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

32 Sec. 15. Section 56.42, subsection 1, paragraphs b and c,
33 Code 1995, are amended to read as follows:

34 b. Contributions to national, state, district, or local
35 political party central committees.

1 c. Transfers to the treasurer of state for deposit in the
2 general fund of the state, or to the appropriate treasurer for
3 deposit in the general fund of a political subdivision of the
4 state.

5 Sec. 16. Section 56.43, Code 1995, is amended to read as
6 follows:

7 56.43 CAMPAIGN PROPERTY.

8 1. Equipment, supplies, or other materials purchased ~~on-or~~
9 ~~after July 17, 1991~~, with campaign funds or received in-kind
10 are campaign property. Campaign property belongs to the
11 candidate's committee and not to the candidate. Campaign
12 property which has a value of five hundred dollars or more at
13 the time it is acquired by the committee shall be separately
14 disclosed as committee inventory on reports filed pursuant to
15 section 56.6, including a declaration of the approximate
16 current value of the property. Such property shall continue
17 to be reported as committee inventory until it is disposed of
18 by the committee or until the property has a residual value of
19 less than one hundred dollars. However, consumable campaign
20 property is not required to be reported as committee
21 inventory, regardless of the initial value of the consumable
22 campaign property. "Consumable campaign property" means
23 stationery, yard signs, and other campaign materials which
24 have been permanently imprinted to be specific to a candidate
25 or election.

26 2. Upon dissolution of the candidate's committee, a report
27 accounting for the disposition of all items of campaign
28 property, excluding consumable campaign property, having a
29 residual value of ~~twenty-five~~ one hundred dollars or more
30 shall be filed with the board. ~~Each item of campaign~~ Campaign
31 property, excluding consumable campaign property, having a
32 residual value of ~~twenty-five~~ one hundred dollars or more
33 shall be disposed of by one of the following methods:

34 a. Sale of the property at fair market value, in which
35 case the proceeds shall be treated the same as other campaign

1 funds.

2 b. Donation of the property under one of the options for
3 transferring campaign funds set forth in section 56.42.

4 Sec. 17. Section 68B.32, subsection 5, Code 1995, is
5 amended to read as follows:

6 5. The board shall employ a full-time executive ~~secretary~~
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 13.7, and
10 any other personnel as may be necessary to carry out the
11 duties of the board. The board's legal counsel shall be the
12 chief legal officer of the board, and shall advise the board
13 on all legal matters relating to the administration of this
14 chapter and chapter 56. The state may be represented by the
15 board's legal counsel in any civil action regarding the
16 enforcement of this chapter or chapter 56, or, at the board's
17 request, the state may be represented by the office of the
18 attorney general. Notwithstanding section 19A.3, all of the
19 board's employees, except for the executive ~~secretary~~ director
20 and legal counsel, shall be employed subject to the merit
21 system provisions of chapter 19A. The salary of the executive
22 director shall be fixed by the board, within the range
23 established by the general assembly. The salary of the legal
24 counsel shall be fixed by the board, within a salary range
25 established by the department of personnel for a position
26 requiring similar qualifications and experience.

27 Sec. 18. Section 68B.32A, subsection 2, Code 1995, is
28 amended to read as follows:

29 2. Develop, prescribe, furnish, and distribute any forms
30 necessary for the implementation of the procedures contained
31 in this chapter and chapter 56 for the filing of reports and
32 statements by persons required to file the reports and
33 statements under this chapter and chapter 56.

34 The board may establish a process to assign signature codes
35 to a person or committee for purposes of facilitating an

1 electronic filing procedure. The assignment of signature
2 codes shall be kept confidential, notwithstanding section
3 22.2.

4 Sec. 19. TRANSITIONAL PROVISION. Changes or additions to
5 reporting requirements contained in section 56.6, subsection
6 4, which are made in this Act shall not be construed to
7 require reporting of financial activities which took place
8 prior to January 1, 1995, if the financial activities which
9 took place on or after January 1, 1995, would result in the
10 committee exceeding the reporting threshold established for a
11 particular type of committee. Any activities which took place
12 on or after January 1, 1995, shall, however, be reported.

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HOUSE FILE 437

S-3659

- 1 Amend House File 437, as amended, passed, and
2 reprinted by the House, as follows:
- 3 1. Page 2, line 11, by striking the word and
4 figure "and 2" and inserting the following: ", 2, and
5 4".
- 6 2. Page 2, by striking lines 14 and 15 and
7 inserting the following: "who shall be an Iowa
8 resident who has reached the age".
- 9 3. Page 3, by inserting after line 24 the
10 following:
- 11 "4. The treasurer and candidate in the case of a
12 candidate's committee, and the treasurer and
13 chairperson in the case of a political committee,
14 shall preserve all records required to be kept by this
15 section for a period of three five years. However, a
16 committee is not required to preserve any records for
17 more than three years from the date of the election in
18 which the committee is involved, or the certified date
19 of dissolution of the committee, whichever is
20 applicable. For purposes of this section, the five-
21 year period shall commence with the due date of the
22 disclosure report covering the activity documented in
23 the records."
- 24 4. Page 5, line 4, by striking the figure "4" and
25 inserting the following: "5".
- 26 5. Page 12, line 3, by inserting after the figure
27 "8," the following: "8A,".
- 28 6. Page 12, by inserting after line 12 the
29 following:
- 30 " . This section shall not be construed to
31 require the inclusion on published material of
32 information which discloses the identity or address of
33 any individual who is acting independently and using
34 their own modest resources to publish or distribute
35 the material."
- 36 7. Page 13, by striking lines 34 and 35 and
37 inserting the following:
- 38 "b. Contributions to national, state, or local
39 political party central committees, or to partisan
40 political committees organized to represent persons
41 within the boundaries of a congressional district."
- 42 8. Title page, line 9, by striking the word
43 "providing" and inserting the following: "changing
44 requirements".
- 45 9. Title page, lines 10 and 11, by striking the
46 words "by nonregistered entities".
- 47 10. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-3659 FILED MAY 1, 1995

adopted
*5-3-95**(p. 1596)*

HOUSE FILE 437

S-3564

1 Amend House File 437, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 13, by inserting after line 31 the
4 following:

5 "Sec. ____ . Section 56.41, subsection 1, Code 1995,
6 is amended to read as follows:

7 1. A candidate and the candidate's committee shall
8 use campaign funds only for campaign purposes,
9 educational and other expenses associated with the
10 duties of office, or constituency services, and shall
11 not use campaign funds for personal expenses or
12 personal benefit. The purchase of subscriptions to
13 newspapers from or which circulate within the area
14 represented by the office which a candidate is seeking
15 or holds is presumed to be an expense that is
16 associated with the duties of the campaign for and
17 duties of office."

18 2. By numbering and renumbering as necessary.

By MERLIN E. BARTZ

S-3564 FILED APRIL 24, 1995

Adopted

5-3-95

(P.1596)

SENATE AMENDMENT TO HOUSE FILE 437

H-4217

1 Amend House File 437, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, line 11, by striking the word and
4 figure "and 2" and inserting the following: ", 2, and
5 4".

6 2. Page 2, by striking lines 14 and 15 and
7 inserting the following: "who shall be an Iowa
8 resident who has reached the age".

9 3. Page 3, by inserting after line 24 the
10 following:

11 "4. The treasurer and candidate in the case of a
12 candidate's committee, and the treasurer and
13 chairperson in the case of a political committee,
14 shall preserve all records required to be kept by this
15 section for a period of three five years. However, a
16 committee is not required to preserve any records for
17 more than three years from the date-of-the-election-in
18 which-the-committee-is-involved,-or-the certified date
19 of dissolution of the committee, whichever-is
20 applicable. For purposes of this section, the five-
21 year period shall commence with the due date of the
22 disclosure report covering the activity documented in
23 the records."

24 4. Page 5, line 4, by striking the figure "4" and
25 inserting the following: "5".

26 5. Page 12, line 3, by inserting after the figure
27 "8," the following: "8A,".

28 6. Page 12, by inserting after line 12 the
29 following:

30 "_____. This section shall not be construed to
31 require the inclusion on published material of
32 information which discloses the identity or address of
33 any individual who is acting independently and using
34 their own modest resources to publish or distribute
35 the material."

36 7. Page 13, by inserting after line 31 the
37 following:

38 "Sec. _____. Section 56.41, subsection 1, Code 1995,
39 is amended to read as follows:

40 1. A candidate and the candidate's committee shall
41 use campaign funds only for campaign purposes,
42 educational and other expenses associated with the
43 duties of office, or constituency services, and shall
44 not use campaign funds for personal expenses or
45 personal benefit. The purchase of subscriptions to
46 newspapers from or which circulate within the area
47 represented by the office which a candidate is seeking
48 or holds is presumed to be an expense that is
49 associated with the duties of the campaign for and
50 duties of office."

H-4217

-1-

H-4217

Page 2

- 1 8. Page 13, by striking lines 34 and 35 and
2 inserting the following:
3 "b. Contributions to national, state, or local
4 political party central committees, or to partisan
5 political committees organized to represent persons
6 within the boundaries of a congressional district."
7 9. Title page, line 9, by striking the word
8 "providing" and inserting the following: "changing
9 requirements".
10 10. Title page, lines 10 and 11, by striking the
11 words "by nonregistered entities".
12 11. By renumbering, relettering, or redesignating
13 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-4217 FILED MAY 3, 1995

CONCURRED

(p. 2258)

HSB 163

Hepp, Chair
Brammer
Jacks
Rockum
Tynell

STATE GOVERNMENT

Succeeded By
SF/HF
HOUSE FILE 437

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 relating to the financing of political campaigns and by
2 adding and changing definitions of commissioner and political
3 committee, changing the providing for the appointment of
4 committee personnel and the maintenance of committee funds,
5 providing for the retention of records, establishing
6 requirements for committee names, specifying requirements for
7 out-of-state committee filings, prohibiting political
8 committees from supporting a single candidate, revising filing
9 deadlines and the contents of disclosure reports, providing
10 for disclaimers on published materials by nonregistered
11 entities, including federal corporations under corporate
12 activity prohibitions, allowing candidates to donate funds to
13 political subdivisions, providing for the establishment of
14 ethics and campaign disclosure board staff salaries, and
15 making other related changes.

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

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

3 NEW SUBSECTION. 5A. "Commissioner" means the county
4 auditor of each county, who is designated as the county
5 commissioner of elections pursuant to section 47.2.

6 Sec. 2. Section 56.2, subsection 15, Code 1995, is amended
7 to read as follows:

8 15. "Political committee" means a committee, but not a
9 candidate's committee, ~~which-accepts-contributions-in-excess~~
10 ~~of-two-hundred-fifty-dollars-in-the-aggregate,-makes~~
11 ~~expenditures-in-excess-of-two-hundred-fifty-dollars-in-the~~
12 ~~aggregate,-or-incurs-indebtedness-in-excess-of-two-hundred~~
13 ~~fifty-dollars-in-the-aggregate-in-any-one-calendar-year-for~~
14 ~~the-purpose-of-supporting-or-opposing-a-candidate-for-public~~
15 ~~office-or~~ which accepts contributions in excess of five
16 hundred dollars in the aggregate, makes expenditures in excess
17 of five hundred dollars in the aggregate, or incurs
18 indebtedness in excess of five hundred dollars in the
19 aggregate in any one calendar year for the purpose of
20 supporting or opposing a candidate for public office, or for
21 the purpose of supporting or opposing a ballot issue;
22 "political committee" also means an association, lodge,
23 society, cooperative, union, fraternity, sorority, educational
24 institution, civic organization, labor organization, religious
25 organization, or professional organization ~~which-makes~~
26 ~~contributions-in-the-aggregate-of-more-than-two-hundred-fifty~~
27 ~~dollars-in-any-one-calendar-year-for-the-purpose-of-supporting~~
28 ~~or-opposing-a-candidate-for-public-office-or~~ which accepts
29 contributions in excess of five hundred dollars in the
30 aggregate, makes expenditures in excess of five hundred
31 dollars in the aggregate, or incurs indebtedness in excess of
32 five hundred dollars in the aggregate in any one calendar year
33 for the purpose of supporting or opposing a candidate for
34 public office, or for the purpose of supporting or opposing a
35 ballot issue. "Political committee" also includes a committee

1 which accepts contributions in excess of ~~two~~ five hundred
2 ~~fifty~~ dollars in the aggregate, makes expenditures in excess
3 of ~~two~~ five hundred ~~fifty~~ dollars in the aggregate, or incurs
4 indebtedness in excess of ~~two~~ five hundred ~~fifty~~ dollars in
5 the aggregate in a calendar year to cause the publication or
6 broadcasting of material in which the public policy positions
7 or voting record of an identifiable candidate is discussed and
8 in which a reasonable person could find commentary favorable
9 or unfavorable to those public policy positions or voting
10 record.

11 Sec. 3. Section 56.3, subsections 1 and 2, Code 1995, are
12 amended to read as follows:

13 1. Every candidate's committee shall appoint a treasurer
14 who shall be ~~an-Iowa-resident~~ an individual, other than the
15 candidate, who has reached the age of majority. Every
16 political committee shall appoint both a treasurer and a
17 chairperson, each of whom shall have reached the age of
18 majority. Every committee shall either have an Iowa resident
19 as treasurer or maintain all of the committee's funds in bank
20 accounts in a financial institution located in Iowa. An
21 expenditure shall not be made by the treasurer or treasurer's
22 designee for or on behalf of a committee without the approval
23 of the chairperson of the committee, or the candidate.
24 Expenditures shall be remitted to the designated recipient
25 within fifteen days of the date of the issuance of the
26 payment.

27 2. An individual who receives contributions for a
28 committee without the prior authorization of the chairperson
29 of the committee or the candidate shall be responsible for
30 either rendering the contributions to the treasurer within
31 fifteen days of the date of receipt of the contributions, or
32 depositing the contributions in the account maintained by the
33 committee within seven days of the date of receipt of the
34 contributions. A person who receives contributions for a
35 committee shall, not later than fifteen days from the date of

1 receipt of the contributions or on demand of the treasurer,
2 render to the treasurer the contributions and an account of
3 the total of all contributions, including the name and address
4 of each person making a contribution in excess of ten dollars,
5 the amount of the contributions, and the date on which the
6 contributions were received. The treasurer shall deposit all
7 contributions within seven days of receipt by the treasurer in
8 an account maintained by the committee ~~in-a-financial~~
9 ~~institution-located-in-Iowa~~. All funds of a committee shall
10 be segregated from any other funds held by officers, members,
11 or associates of the committee or the committee's candidate.
12 However, if a candidate's committee receives contributions
13 only from the candidate, or if a permanent organization
14 temporarily engages in activity which qualifies it as a
15 political committee and all expenditures of the organization
16 are made from existing general operating funds and funds are
17 not solicited or received for this purpose from sources other
18 than operating funds, then that committee is not required to
19 maintain a separate account in a financial institution. The
20 funds of a committee are not attachable for the personal debt
21 of the committee's candidate or an officer, member, or
22 associate of the committee.

23 Sec. 4. Section 56.4, Code 1995, is amended to read as
24 follows:

25 56.4 REPORTS FILED WITH BOARD OR COMMISSIONER.

26 All statements and reports required to be filed under this
27 chapter for a state office shall be filed with the board. All
28 statements and reports required to be filed under this chapter
29 for a county, city, or school office shall be filed with the
30 commissioner. Statements and reports on a ballot issue shall
31 be filed with the commissioner responsible under section 47.2
32 for conducting the election at which the issue is voted upon,
33 except that statements and reports on a statewide ballot issue
34 shall be filed with the board. Copies of any reports filed
35 with a commissioner shall be provided by the commissioner to

1 the board on its request. State statutory political
2 committees shall file all statements and reports with the
3 board. All other statutory political committees shall file
4 the statements and reports with the commissioner with a copy
5 sent to the board. The board shall retain statements and
6 reports filed with the board for at least five years from the
7 date of the election in which the committee is involved, or at
8 least five years from the certified date of dissolution of the
9 committee, whichever date is later. The commissioner shall
10 retain statements and reports filed with the commissioner for
11 at least three years from the date of the election in which
12 the committee is involved, or at least three years from the
13 certified date of dissolution of the committee, whichever date
14 is later.

15 Political committees supporting or opposing candidates for
16 both federal office and any elected office created by law or
17 the Constitution of the state of Iowa shall file statements
18 and reports with the board in addition to any federal reports
19 required to be filed with the secretary-of-state board.
20 However, a political committee which is registered and filing
21 full disclosure reports of all financial activities with the
22 federal election commission may file verified statements as
23 provided in section 56.5.

24 Political committees supporting or opposing candidates or
25 ballot issues for statewide elections and for county,
26 municipal or school elections may file all activity on one
27 report with the board and shall send a copy to the
28 commissioner responsible under section 47.2 for conducting the
29 election.

30 Sec. 5. Section 56.5, subsection 1, Code 1995, is amended
31 to read as follows:

32 1. Every committee, as defined in this chapter, shall file
33 a statement of organization within ten days from the date of
34 its organization. Unless formal organization has previously
35 occurred, a committee is deemed to have organized as of the

1 date that committee transactions exceed the financial activity
2 threshold established in section 56.2, subsection 4 or 15.

3 Sec. 6. Section 56.5, subsection 2, paragraph a, Code
4 1995, is amended to read as follows:

5 a. The name, purpose, mailing address and telephone number
6 of the committee. The committee name shall not duplicate the
7 name of another committee organized under this section. For
8 candidate's committees filing initial statements of
9 organization on or after July 1, 1995, the candidate's name
10 shall be contained within the committee name.

11 Sec. 7. Section 56.5, subsection 5, Code 1995, is amended
12 to read as follows:

13 5. A committee or organization not ~~domiciled-in-Iowa~~
14 organized as a committee under this section which makes a
15 contribution to a candidate's committee or political committee
16 ~~domiciled~~ organized in Iowa shall disclose each contribution
17 to the board. A committee or organization not ~~domiciled-in~~
18 ~~Iowa~~ organized as a committee under this section which is not
19 registered and filing full disclosure reports of all financial
20 activities with the federal election commission or another
21 state's disclosure commission shall register and file full
22 disclosure reports with the board pursuant to this chapter,
23 and shall either appoint an eligible Iowa elector as committee
24 or organization treasurer, and or shall maintain all committee
25 funds in an account in a financial institution located in
26 Iowa. A committee which is currently filing a disclosure
27 report in another jurisdiction shall either file a statement
28 of organization under subsections 1 and 2 and file disclosure
29 reports, the same as those required of ~~Iowa-domiciled~~
30 committees organized only in Iowa, under section 56.6, or
31 shall file one copy of a verified statement with the board and
32 a second copy with the treasurer of the committee receiving
33 the contribution. The form shall be completed and filed at
34 the time the contribution is made. The verified statement
35 shall be on forms prescribed by the board and shall attest

1 that the committee is filing reports with the federal election
2 commission or in a jurisdiction with reporting requirements
3 which are substantially similar to those of this chapter, and
4 that the contribution is made from an account which does not
5 accept contributions which would be in violation of section
6 56.15. The form shall include the complete name, address, and
7 telephone number of the contributing committee, the state or
8 federal jurisdiction under which it is registered or operates,
9 the identification of any parent entity or other affiliates or
10 sponsors, its purpose, the name, address, and signature of an
11 Iowa resident authorized to receive service of original notice
12 and the name and address of the receiving committee, the
13 amount of the cash or in-kind contribution, and the date the
14 contribution was made.

15 Sec. 8. Section 56.5A, Code 1995, is amended to read as
16 follows:

17 56.5A CANDIDATE'S COMMITTEE.

18 Each candidate for state, county, city, or school office
19 shall organize one, and only one, candidate's committee for a
20 specific office sought when the candidate receives
21 contributions in excess of five hundred dollars in the
22 aggregate, makes expenditures in excess of five hundred
23 dollars in the aggregate, or incurs indebtedness in excess of
24 five hundred dollars in the aggregate in a calendar year. A
25 political committee shall not be established to support or
26 oppose only one candidate for office, except that a political
27 committee may be established to support or oppose approval of
28 a single judge standing for retention.

29 Sec. 9. Section 56.6, subsection 1, paragraphs a and d,
30 Code 1995, are amended to read as follows:

31 a. Each treasurer of a committee shall file with the board
32 or commissioner disclosure reports of contributions received
33 and disbursed on forms prescribed by rules as provided by
34 chapter 17A. The reports from all committees, except those
35 committees for municipal and school elective offices and for

1 local ballot issues, shall be filed on the twentieth
2 nineteenth day or mailed bearing a United States postal
3 service postmark dated on or before the nineteenth day of
4 January, May, July, and October of each year. The May, July,
5 and October reports shall be current as of five days prior to
6 the filing deadline. The January report shall be the annual
7 report covering activity through December 31. However, a
8 state, or county, or city statutory political committee is not
9 required to file the May and July reports for a year in which
10 no primary or general election is held at the respective
11 state, county, or city level. A candidate's committee, other
12 than for municipal and school elective offices, for a year in
13 which the candidate is not standing for election, is not
14 required to file the May, July, and October reports. Reports
15 for committees for a ballot issue placed before the voters of
16 the entire state shall be filed at the January, May, July, and
17 October deadlines.

18 d. Committees for municipal and school elective offices
19 and local ballot issues shall file their first reports five
20 days prior to any election in which the name of the candidate
21 or the local ballot issue which they support or oppose appears
22 on the printed ballot and shall file their next report on the
23 first day of the month following the final election in a
24 calendar year in which the candidate's name or the ballot
25 issue appears on the ballot. A committee supporting or
26 opposing a candidate for a municipal or school elective office
27 or a local ballot issue shall also file disclosure reports on
28 the twentieth nineteenth day of January and October of each
29 year in which the candidate or ballot issue does not appear on
30 the ballot and on the twentieth nineteenth day of January,
31 May, and July of each year in which the candidate or ballot
32 issue appears on the ballot, until the committee dissolves.
33 These reports shall be current to five days prior to the
34 filing deadline and are considered timely filed if mailed
35 bearing a United States postal service postmark one-or-more

1 calendar-days-preceding on or before the due date.

2 Sec. 10. Section 56.6, subsections 4 and 5, Code 1995, are
3 amended to read as follows:

4 4. If the report is the first report filed by the
5 committee, the report shall include all information required
6 under subsection 3 covering the period from the beginning of
7 the committee's financial activity, even if from a different
8 calendar year, through the end of the current reporting
9 period. If no contributions have been accepted nor any
10 disbursements made or indebtedness incurred during that
11 reporting period, the treasurer of the committee shall file a
12 disclosure statement which shows only the amount of cash on
13 hand at the beginning of the reporting period.

14 5. A committee shall not dissolve until all loans, debts
15 and obligations are paid, forgiven, or transferred and the
16 remaining money in the account is distributed according to the
17 organization statement. If a loan is transferred or forgiven,
18 the amount of the transferred or forgiven loan must be
19 reported as an in-kind contribution and deducted from the
20 loans payable balance on the disclosure form. If, upon review
21 of a committee's statement of dissolution and final report,
22 the board determines that the requirements for dissolution
23 have been satisfied, the dissolution shall be certified and
24 the committee relieved of further filing requirements.

25 PARAGRAPH DIVIDED. A statutory political committee is
26 prohibited from dissolving, but may be placed in an inactive
27 status upon the approval of the board. Inactive status may be
28 requested for a statutory political committee when no officers
29 exist and the statutory political committee has ceased to
30 function. The request shall be made by the previous treasurer
31 or chairperson of the committee and by the appropriate state
32 statutory political committee. A statutory political
33 committee granted inactive status shall not solicit or expend
34 funds in its name until the committee reorganizes and fulfills
35 the requirements of a political committee under this chapter.

1 Sec. 11. Section 56.13, subsection 2, Code 1995, is
2 amended to read as follows:

3 2. If a person, other than a political committee, makes
4 one or more expenditures in excess of five hundred dollars in
5 the aggregate, or incurs indebtedness in excess of five
6 hundred dollars in the aggregate, in any one calendar year for
7 purposes of supporting or opposing a ballot issue, the person
8 shall file a statement of activity within ten days of taking
9 the action exceeding the threshold. The statement shall
10 contain information identifying the person filing the
11 statement, identifying the ballot issue, and indicating the
12 position urged by the person with regard to the ballot issue.
13 The person shall file reports indicating the dates on which
14 the expenditures or incurrance of indebtedness took place; a
15 description of the nature of the action taken which resulted
16 in the expenditures or debt; and the cost of the promotion at
17 fair market value. For a local ballot issue, the reports
18 shall be filed five days prior to any election in which the
19 ballot issue appears and on the first day of the month
20 following the election, as well as on the ~~twentieth~~ nineteenth
21 day of January, May, and July of each year in which the ballot
22 issue appears on the ballot and on the ~~twentieth~~ nineteenth
23 day of January and October of each year in which the ballot
24 issue does not appear on the ballot. For a statewide ballot
25 issue, reports shall be filed on the ~~twentieth~~ nineteenth day
26 of January, May, and July of each year. The reports shall be
27 current to five days prior to the filing deadline, and are
28 considered timely filed if mailed bearing a United States
29 postal service postmark on or before the due date. Filing
30 obligations shall cease when the person files a statement of
31 discontinuation indicating that the person's financial
32 activity in support of or in opposition to the ballot issue
33 has ceased. Statements and reports shall be filed with the
34 commissioner responsible under section 47.2 for conducting the
35 election at which the issue is voted upon, except that reports

1 on a statewide ballot issue shall be filed with the board.

2 Sec. 12. Section 56.14, Code 1995, is amended to read as
3 follows:

4 56.14 POLITICAL ADVERTISEMENTS MATERIAL -- SOLICITATIONS
5 -- YARD SIGNS.

6 1. A person who causes the publication or distribution of
7 published material designed to promote or defeat the
8 nomination or election of a candidate for public office or the
9 passage of a constitutional amendment or public measure shall
10 include conspicuously on the published material the identity
11 and address of the person responsible for the material. If
12 the person responsible is an organization, the name of one
13 officer of the organization shall appear on the material.
14 However, if the organization is a committee which has filed a
15 statement of organization under this chapter, only the name of
16 the committee is required to be included on the published
17 material. Published material designed to promote or defeat
18 the nomination or election of a candidate for public office or
19 the passage of a constitutional amendment or public measure
20 which contains language or depictions which a reasonable
21 person would understand as asserting that an entity which is
22 incorporated or is a registered committee had authored the
23 material shall, if the entity is not incorporated or a
24 registered committee, include conspicuously on the published
25 material a statement that the apparent organization or
26 committee is not incorporated or a registered committee in
27 addition to the disclaimer statement required by this section.
28 For purposes of this section, "registered committee" means a
29 committee which has an active statement of organization filed
30 under section 56.5.

31 2. This section does not apply to the editorials or news
32 articles of a newspaper or magazine which are not political
33 advertisements. For the purpose of this section, "published
34 material" means any newspaper, magazine, shopper, outdoor
35 advertising facility, poster, direct mailing, brochure, or any

1 other form of printed general public political advertising;
2 however, the identification need not be conspicuous on
3 posters. This section does not apply to yard signs, bumper
4 stickers, pins, buttons, pens, matchbooks, and similar small
5 items upon which the inclusion of the disclaimer would be
6 impracticable or to published material which is subject to
7 federal regulations regarding a disclaimer requirement.

8 3. Yard signs shall not be placed on any property which
9 adjoins a city, county, or state roadway sooner than forty-
10 five days preceding a primary or general election and shall be
11 removed within seven days after the primary or general
12 election, in which the name of the particular candidate or
13 ballot issue described on the yard sign appears on the ballot.
14 Yard signs are subject to removal by highway authorities as
15 provided in section 319.13, or by county or city law
16 enforcement authorities in a manner consistent with section
17 319.13. The placement or erection of yard signs shall be
18 exempt from the requirements of chapter 480. Notice may be
19 provided to the chairperson of the appropriate county central
20 committee if the highway authorities are unable to provide
21 notice to the candidate, candidate's committee, or political
22 committee regarding the yard sign.

23 4. This section does not prohibit the placement of yard
24 signs on agricultural land owned by individuals or by a family
25 farm operation as defined in section 9H.1, subsections 8, 9,
26 and 10; does not prohibit the placement of yard signs on
27 property owned by private individuals who have rented or
28 leased the property to a corporation, if the prior written
29 permission of the property owner is obtained; and does not
30 prohibit the placement of yard signs on residential property
31 owned by a corporation but rented or leased to a private
32 individual if the prior permission of the renter or lessee is
33 obtained. For the purposes of this chapter, "agricultural
34 land" means agricultural land as defined in section 9H.1.

35 Sec. 13. Section 56.15, subsections 1, 2, and 3, Code

1 1995, are amended to read as follows:

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

17 2. Except as provided in subsection 3, it is unlawful for
18 a member of a committee, or its employee or representative,
19 except a ballot issue committee, or for a candidate for office
20 or the representative of the candidate, to solicit, request,
21 or knowingly receive from an insurance company, savings and
22 loan association, bank, credit union, or corporation organized
23 pursuant to the laws of this state, the United States, or any
24 other state, territory, or foreign country, whether for profit
25 or not, or its officer, agent, or representative, any money,
26 property, or thing of value belonging to the insurance
27 company, savings and loan association, bank, or corporation
28 for campaign expenses, or for the purpose of influencing the
29 vote of an elector. This section does not restrain or abridge
30 the freedom of the press or prohibit the consideration and
31 discussion in the press of candidacies, nominations, public
32 officers, or public questions.

33 3. It is lawful for an insurance company, savings and loan
34 association, bank, credit union, and corporation organized
35 pursuant to the laws of this state, the United States, or any

1 other state or territory, whether or not for profit, and for
2 their officers, agents and representatives, to use the money,
3 property, labor, or any other thing of value of the entity for
4 the purposes of soliciting its stockholders, administrative
5 officers and members for contributions to a committee
6 sponsored by that entity and of financing the administration
7 of a committee sponsored by that entity. The entity's
8 employees to whom the foregoing authority does not extend may
9 voluntarily contribute to such a committee but shall not be
10 solicited for contributions. All contributions made under
11 this subsection are subject to the disclosure requirements of
12 this chapter. A committee member, committee employee,
13 committee representative, candidate or representative referred
14 to in subsection 2 lawfully may solicit, request, and receive
15 money, property and other things of value from a committee
16 sponsored by an insurance company, savings and loan
17 association, bank, credit union, or corporation as permitted
18 by this subsection.

19 Sec. 14. Section 56.42, subsection 1, paragraph c, Code
20 1995, is amended to read as follows:

21 c. Transfers to the treasurer of state for deposit in the
22 general fund of the state, or to the appropriate treasurer for
23 deposit in the general fund of a political subdivision of the
24 state.

25 Sec. 15. Section 56.43, Code 1995, is amended to read as
26 follows:

27 56.43 CAMPAIGN PROPERTY.

28 1. Equipment, supplies, or other materials purchased ~~on or~~
29 ~~after July 1, 1991~~, with campaign funds or received in-kind
30 are campaign property and shall be separately disclosed on
31 reports filed pursuant to section 56.6. Campaign property
32 belongs to the candidate's committee and not to the candidate.

33 2. Upon dissolution of the candidate's committee, a report
34 accounting for the disposition of all items of campaign
35 property having a residual value of twenty-five dollars or

1 more shall be filed with the board. Imprinted materials which
2 are specific to a candidate or election are deemed not to have
3 a residual value of twenty-five dollars or more. Each item of
4 campaign property having a residual value of twenty-five
5 dollars or more shall be disposed of by one of the following
6 methods:

7 a. Sale of the property at fair market value, in which
8 case the proceeds shall be treated the same as other campaign
9 funds.

10 b. Donation of the property under one of the options for
11 transferring campaign funds set forth in section 56.42.

12 Sec. 16. Section 68B.32, subsection 5, Code 1995, is
13 amended to read as follows:

14 5. The board shall employ a full-time executive ~~secretary~~
15 director who shall be the board's chief administrative
16 officer. The board shall employ or contract for the
17 employment of legal counsel notwithstanding section 13.7, and
18 any other personnel as may be necessary to carry out the
19 duties of the board. The board's legal counsel shall be the
20 chief legal officer of the board, and shall advise the board
21 on all legal matters relating to the administration of this
22 chapter and chapter 56. The state may be represented by the
23 board's legal counsel in any civil action regarding the
24 enforcement of this chapter or chapter 56, or, at the board's
25 request, the state may be represented by the office of the
26 attorney general. Notwithstanding section 19A.3, all of the
27 board's employees, except for the executive ~~secretary~~ director
28 and legal counsel, shall be employed subject to the merit
29 system provisions of chapter 19A. The salary of the executive
30 director shall be fixed by the board, within the range
31 established by the general assembly. The salary of the legal
32 counsel shall be fixed by the board, within a salary range
33 established by the department of personnel for a position
34 requiring similar qualifications and experience.

35 Sec. 17. Section 68B.32A, subsection 2, Code 1995, is

1 amended to read as follows:

2 2. Develop, prescribe, furnish, and distribute any forms
3 necessary for the implementation of the procedures contained
4 in this chapter and chapter 56 for the filing of reports and
5 statements by persons required to file the reports and
6 statements under this chapter and chapter 56.

7 The board may establish a process to assign signature codes
8 to a person or committee for purposes of facilitating an
9 electronic filing procedure. The assignment of signature
10 codes shall be kept confidential, notwithstanding section
11 22.2.

12 Sec. 18. TRANSITIONAL PROVISION. Changes or additions to
13 reporting requirements contained in section 56.6, subsection
14 4, which are made in this Act shall not be construed to
15 require reporting of financial activities which took place
16 prior to January 1, 1995, if the financial activities which
17 took place on or after January 1, 1995, would result in the
18 committee exceeding the reporting threshold established for
19 particular type of committee. Any activities which took place
20 on or after January 1, 1995, shall, however, be reported.

21 EXPLANATION

22 Section 56.2 is amended to add a definition of the term
23 "commissioner", which is used extensively throughout chapter
24 56, which provides that the term means the county auditor of
25 each county who is otherwise designated commissioner of
26 elections by statute.

27 The reporting threshold contained in section 56.2 for
28 political committees which support or oppose candidates is
29 raised from \$250 to \$500, the same level set for political
30 committees which support or oppose ballot issues.

31 Candidate's committees are required under the bill to have
32 someone other than the candidate act as the committee
33 treasurer and political committees are required to have both a
34 chairperson and a treasurer under changes made to section
35 56.3. Chairpersons and treasurers are required to have

1 reached the age of majority at the time of appointment.
2 Committees are required under the bill to either have their
3 accounts in a financial institution located in Iowa or the
4 committee's treasurer is required to be an Iowa resident, but
5 both are no longer required under the bill. Committee
6 expenditures are required to be remitted to the designated
7 recipients within 15 days of the date of the issuance of the
8 payment.

9 Statements and reports which are filed with the board are
10 required to be kept at least five years from the later of
11 either the date of the election in which the committee is
12 involved or the date of the dissolution of the committee,
13 under the changes made to section 56.4. The commissioner is
14 required to keep the statements and reports for three years.
15 Political committees which support or oppose candidates for
16 state or federal office are required to file their statements
17 and reports required under state and federal law with the
18 board. Currently, federal statements are filed with the
19 secretary of state. A political committee which is registered
20 and has filed full disclosure reports with the federal
21 election commission is allowed to file verified statements
22 attesting to those filings and their compliance with state law
23 in lieu of filing the federal reports with the board.

24 Changes to section 56.5 include a provision that, unless
25 formal organization has already taken place, formal committee
26 organization is deemed to have occurred as of the date that
27 the committee transactions exceeded their reporting threshold.
28 Committee names are required to be unique and candidate's
29 committee names are to contain the name of the candidate.

30 A political committee is prohibited in section 56.5A from
31 supporting or opposing only one candidate, except in the case
32 of political committees formed to support or oppose judges who
33 are standing for retention.

34 The filing deadline specified under section 56.6 and
35 section 56.13 for financial activity disclosure reports is

1 changed from the twentieth to the nineteenth. A postmark
2 indicating mailing on the date on or before the deadline will
3 still suffice for purposes of meeting the deadline. Under
4 other changes to section 56.6, city statutory political
5 committees, like state or county statutory political
6 committees, are exempted from filing in May and July of a year
7 in which no primary or general election is held at that level.
8 The content requirements for first financial activity
9 disclosure reports that are filed by new committees is changed
10 to include a requirement that all financial activity engaged
11 in prior to the end of the reporting period, that caused the
12 committee to exceed the financial reporting threshold, be
13 included in the report, even if the activity took place during
14 another calendar year. The bill contains a transition
15 provision that indicates that this does not apply to require
16 reporting of financial activities which occurred prior to
17 January 1, 1995, although if the threshold is crossed as a
18 result of those activities, activities since January 1, 1995,
19 must be reported. A procedure for certification of
20 dissolution of committees is specified, which requires board
21 approval of the committee's statement of dissolution and final
22 report before the committee is relieved of further filing
23 requirements.

24 Language is added to section 56.14 which provides that
25 entities which are not registered political or candidate's
26 committees and which publish materials in support of or
27 opposition to a candidate or ballot issue are required to
28 indicate their authorship of the materials if a reasonable
29 person would believe that a registered political or
30 candidate's committee was responsible for the publication.
31 County and city law enforcement authorities are given the
32 authority to remove yard signs that create impermissible
33 obstructions in city and county streets, roads, and highways.

34 Section 56.15 is amended to add insurance companies,
35 financial institutions, and corporations organized under the

1 laws of the United States to the list of corporations
2 prohibited from engaging in political activity.

3 Section 56.42 is amended to permit candidate's committees
4 to, upon dissolution of the committee, transfer remaining
5 campaign funds to an appropriate treasurer for deposit in the
6 general fund of a political subdivision of the state.

7 Section 56.43 is amended to require the separate disclosure
8 of materials purchased and materials received in-kind as
9 campaign property in the financial activity disclosure reports
10 that must be filed by candidate's committees. Imprinted
11 materials that are left when a candidate's committee dissolves
12 are deemed to have a value of \$25 or less and are not required
13 to be accounted for upon dissolution of a candidate's
14 committee.

15 Section 68B.32 is amended to provide that the board is to
16 fix the salaries of the executive director and the legal
17 counsel of the ethics and campaign disclosure board. The
18 salary range for the director is to be set by the general
19 assembly and the salary range for the legal counsel is to be
20 the same as for comparable positions in state government.

21 Section 68B.32A is amended to permit the ethics and
22 campaign disclosure board to establish a process for assigning
23 signature codes to persons who are required to file reports
24 with the agency. The signature codes are for use in
25 electronic filings and are to be kept confidential by the
26 board.

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HOUSE FILE 437

AN ACT

RELATING TO THE FINANCING OF POLITICAL CAMPAIGNS AND BY ADDING AND CHANGING DEFINITIONS OF COMMISSIONER AND POLITICAL COMMITTEE, CHANGING THE PROVIDING FOR THE APPOINTMENT OF COMMITTEE PERSONNEL AND THE MAINTENANCE OF COMMITTEE FUNDS, PROVIDING FOR THE RETENTION OF RECORDS, ESTABLISHING REQUIREMENTS FOR COMMITTEE NAMES, SPECIFYING REQUIREMENTS FOR OUT-OF-STATE COMMITTEE FILINGS, PROHIBITING POLITICAL COMMITTEES FROM SUPPORTING A SINGLE CANDIDATE, REVISING FILING DEADLINES AND THE CONTENTS OF DISCLOSURE REPORTS, CHANGING REQUIREMENTS FOR DISCLAIMERS ON PUBLISHED MATERIALS, INCLUDING FEDERAL CORPORATIONS UNDER CORPORATE ACTIVITY PROHIBITIONS, ALLOWING CANDIDATES TO DONATE FUNDS TO DISTRICT POLITICAL PARTY CENTRAL COMMITTEES AND POLITICAL SUBDIVISIONS, PROVIDING FOR THE ESTABLISHMENT OF ETHICS AND CAMPAIGN DISCLOSURE BOARD STAFF SALARIES, AND MAKING OTHER RELATED CHANGES.

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

Section 1. Section 56.2, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. "Commissioner" means the county auditor of each county, who is designated as the county commissioner of elections pursuant to section 47.2.

Sec. 2. Section 56.2, subsection 15, Code 1995, is amended to read as follows:

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

of two five hundred fifty dollars in the aggregate, or incurs indebtedness in excess of two five hundred fifty dollars in the aggregate in a calendar year to cause the publication or broadcasting of material in which the public policy positions or voting record of an identifiable candidate is discussed and in which a reasonable person could find commentary favorable or unfavorable to those public policy positions or voting record.

Sec. 3. Section 56.3, subsections 1, 2, and 4, Code 1995, are amended to read as follows:

1. Every candidate's committee shall appoint a treasurer who shall be an Iowa resident who has reached the age of majority. Every political committee shall appoint both a treasurer and a chairperson, each of whom shall have reached the age of majority. Every candidate's committee shall maintain all of the committee's funds in bank accounts in a financial institution located in Iowa. Every political committee shall either have an Iowa resident as treasurer or maintain all of the committee's funds in bank accounts in a financial institution located in Iowa. An expenditure shall not be made by the treasurer or treasurer's designee for or on behalf of a committee without the approval of the chairperson of the committee, or the candidate. Expenditures shall be remitted to the designated recipient within fifteen days of the date of the issuance of the payment.

2. An individual who receives contributions for a committee without the prior authorization of the chairperson of the committee or the candidate shall be responsible for either rendering the contributions to the treasurer within fifteen days of the date of receipt of the contributions, or depositing the contributions in the account maintained by the committee within seven days of the date of receipt of the contributions. A person who receives contributions for a committee shall, not later than fifteen days from the date of receipt of the contributions or on demand of the treasurer,

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

4. The treasurer and candidate in the case of a candidate's committee, and the treasurer and chairperson in the case of a political committee, shall preserve all records required to be kept by this section for a period of three five years. However, a committee is not required to preserve any records for more than three years from the date of the election in which the committee is involved, or the certified date of dissolution of the committee, whichever is applicable. For purposes of this section, the five-year period shall commence with the due date of the disclosure report covering the activity documented in the records.

Sec. 4. Section 56.4, Code 1995, is amended to read as follows:

56.4 REPORTS FILED WITH BOARD OR COMMISSIONER.

All statements and reports required to be filed under this chapter for a state office shall be filed with the board. All statements and reports required to be filed under this chapter for a county, city, or school office shall be filed with the commissioner. Statements and reports on a ballot issue shall be filed with the commissioner responsible under section 47.2 for conducting the election at which the issue is voted upon, except that statements and reports on a statewide ballot issue shall be filed with the board. Copies of any reports filed with a commissioner shall be provided by the commissioner to the board on its request. State statutory political committees shall file all statements and reports with the board. All other statutory political committees shall file the statements and reports with the commissioner with a copy sent to the board. The board shall retain statements and reports filed with the board for at least five years from the date of the election in which the committee is involved, or at least five years from the certified date of dissolution of the committee, whichever date is later. The commissioner shall retain statements and reports filed with the commissioner for at least three years from the date of the election in which the committee is involved, or at least three years from the certified date of dissolution of the committee, whichever date is later.

Political committees supporting or opposing candidates for both federal office and any elected office created by law or the Constitution of the state of Iowa shall file statements and reports with the board in addition to any federal reports required to be filed with the ~~secretary-of-state board~~. However, a political committee which is registered and filing full disclosure reports of all financial activities with the federal election commission may file verified statements as provided in section 56.5.

Political committees supporting or opposing candidates or ballot issues for statewide elections and for county,

municipal or school elections may file all activity on one report with the board and shall send a copy to the commissioner responsible under section 47.2 for conducting the election.

Sec. 5. Section 56.5, subsection 1, Code 1995, is amended to read as follows:

1. Every committee, as defined in this chapter, shall file a statement of organization within ten days from the date of its organization. Unless formal organization has previously occurred, a committee is deemed to have organized as of the date that committee transactions exceed the financial activity threshold established in section 56.2, subsection 5 or 15.

Sec. 6. Section 56.5, subsection 2, paragraph a, Code 1995, is amended to read as follows:

a. The name, purpose, mailing address and telephone number of the committee. The committee name shall not duplicate the name of another committee organized under this section. For candidate's committees filing initial statements of organization on or after July 1, 1995, the candidate's name shall be contained within the committee name.

Sec. 7. Section 56.5, subsection 5, Code 1995, is amended to read as follows:

5. A committee or organization not ~~domiciled-in-Iowa~~ organized as a committee under this section which makes a contribution to a candidate's committee or political committee ~~domiciled~~ organized in Iowa shall disclose each contribution to the board. A committee or organization not ~~domiciled-in-Iowa~~ organized as a committee under this section which is not registered and filing full disclosure reports of all financial activities with the federal election commission or another state's disclosure commission shall register and file full disclosure reports with the board pursuant to this chapter, and shall either appoint an eligible Iowa elector as committee or organization treasurer, and or shall maintain all committee funds in an account in a financial institution located in

Iowa. A committee which is currently filing a disclosure report in another jurisdiction shall either file a statement of organization under subsections 1 and 2 and file disclosure reports, the same as those required of Iowa-domiciled committees organized only in Iowa, under section 56.6, or shall file one copy of a verified statement with the board and a second copy with the treasurer of the committee receiving the contribution. The form shall be completed and filed at the time the contribution is made. The verified statement shall be on forms prescribed by the board and shall attest that the committee is filing reports with the federal election commission or in a jurisdiction with reporting requirements which are substantially similar to those of this chapter, and that the contribution is made from an account which does not accept contributions which would be in violation of section 56.15. The form shall include the complete name, address, and telephone number of the contributing committee, the state or federal jurisdiction under which it is registered or operates, the identification of any parent entity or other affiliates or sponsors, its purpose, the name, address, and signature of an Iowa resident authorized to receive service of original notice and the name and address of the receiving committee, the amount of the cash or in-kind contribution, and the date the contribution was made.

Sec. 8. Section 56.5A, Code 1995, is amended to read as follows:

56.5A CANDIDATE'S COMMITTEE.

Each candidate for state, county, city, or school office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions in excess of five hundred dollars in the aggregate, makes expenditures in excess of five hundred dollars in the aggregate, or incurs indebtedness in excess of five hundred dollars in the aggregate in a calendar year. A political committee shall not be established to support or

oppose only one candidate for office, except that a political committee may be established to support or oppose approval of a single judge standing for retention.

Sec. 9. Section 56.6, subsection 1, paragraphs a and d, Code 1995, are amended to read as follows:

a. Each treasurer of a committee shall file with the board or commissioner disclosure reports of contributions received and disbursed on forms prescribed by rules as provided by chapter 17A. The reports from all committees, except those committees for municipal and school elective offices and for local ballot issues, shall be filed on the twentieth nineteenth day or mailed bearing a United States postal service postmark dated on or before the nineteenth day of January, May, July, and October of each year. The May, July, and October reports shall be current as of five days prior to the filing deadline. The January report shall be the annual report covering activity through December 31. However, a state, or county, or city statutory political committee is not required to file the May and July reports for a year in which no primary or general election is held at the respective state, county, or city level. A candidate's committee, other than for municipal and school elective offices, for a year in which the candidate is not standing for election, is not required to file the May, July, and October reports. Reports for committees for a ballot issue placed before the voters of the entire state shall be filed at the January, May, July, and October deadlines.

d. Committees for municipal and school elective offices and local ballot issues shall file their first reports five days prior to any election in which the name of the candidate or the local ballot issue which they support or oppose appears on the printed ballot and shall file their next report on the first day of the month following the final election in a calendar year in which the candidate's name or the ballot issue appears on the ballot. A committee supporting or

opposing a candidate for a municipal or school elective office or a local ballot issue shall also file disclosure reports on the twentieth nineteenth day of January and October of each year in which the candidate or ballot issue does not appear on the ballot and on the twentieth nineteenth day of January, May, and July of each year in which the candidate or ballot issue appears on the ballot, until the committee dissolves. These reports shall be current to five days prior to the filing deadline and are considered timely filed if mailed bearing a United States postal service postmark one-or-more calendar-days-preceding on or before the due date.

Sec. 10. Section 56.6, subsections 4 and 5, Code 1995, are amended to read as follows:

4. If the report is the first report filed by the committee, the report shall include all information required under subsection 3 covering the period from the beginning of the committee's financial activity, even if from a different calendar year, through the end of the current reporting period. If no contributions have been accepted nor any disbursements made or indebtedness incurred during that reporting period, the treasurer of the committee shall file a disclosure statement which shows only the amount of cash on hand at the beginning of the reporting period.

5. A committee shall not dissolve until all loans, debts and obligations are paid, forgiven, or transferred and the remaining money in the account is distributed according to the organization statement. If a loan is transferred or forgiven, the amount of the transferred or forgiven loan must be reported as an in-kind contribution and deducted from the loans payable balance on the disclosure form. If, upon review of a committee's statement of dissolution and final report, the board determines that the requirements for dissolution have been satisfied, the dissolution shall be certified and the committee relieved of further filing requirements.

PARAGRAPH DIVIDED. A statutory political committee is prohibited from dissolving, but may be placed in an inactive status upon the approval of the board. Inactive status may be requested for a statutory political committee when no officers exist and the statutory political committee has ceased to function. The request shall be made by the previous treasurer or chairperson of the committee and by the appropriate state statutory political committee. A statutory political committee granted inactive status shall not solicit or expend funds in its name until the committee reorganizes and fulfills the requirements of a political committee under this chapter.

Sec. 11. Section 56.12, unnumbered paragraph 1, Code 1995, is amended to read as follows:

A person shall not make a contribution or expenditure in the name of another person, and a person shall not knowingly accept a contribution or expenditure made by one person in the name of another. For the purpose of this section, a contribution or expenditure made by one person which is ultimately reimbursed by another person who has not been identified as the ultimate source or recipient of the funds is considered to be an illegal contribution or expenditure in the name of another.

Sec. 12. Section 56.13, subsection 2, Code 1995, is amended to read as follows:

2. If a person, other than a political committee, makes one or more expenditures in excess of five hundred dollars in the aggregate, or incurs indebtedness in excess of five hundred dollars in the aggregate, in any one calendar year for purposes of supporting or opposing a ballot issue, the person shall file a statement of activity within ten days of taking the action exceeding the threshold. The statement shall contain information identifying the person filing the statement, identifying the ballot issue, and indicating the position urged by the person with regard to the ballot issue. The person shall file reports indicating the dates on which

the expenditures or incurrence of indebtedness took place; a description of the nature of the action taken which resulted in the expenditures or debt; and the cost of the promotion at fair market value. For a local ballot issue, the reports shall be filed five days prior to any election in which the ballot issue appears and on the first day of the month following the election, as well as on the twentieth nineteenth day of January, May, and July of each year in which the ballot issue appears on the ballot and on the twentieth nineteenth day of January and October of each year in which the ballot issue does not appear on the ballot. For a statewide ballot issue, reports shall be filed on the twentieth nineteenth day of January, May, and July of each year. The reports shall be current to five days prior to the filing deadline, and are considered timely filed if mailed bearing a United States postal service postmark on or before the due date. Filing obligations shall cease when the person files a statement of discontinuation indicating that the person's financial activity in support of or in opposition to the ballot issue has ceased. Statements and reports shall be filed with the commissioner responsible under section 47.2 for conducting the election at which the issue is voted upon, except that reports on a statewide ballot issue shall be filed with the board.

Sec. 13. Section 56.14, Code 1995, is amended to read as follows:

56.14 POLITICAL ADVERTISEMENTS MATERIAL -- SOLICITATIONS
-- YARD SIGNS.

1. A person who causes the publication or distribution of published material designed to promote or defeat the nomination or election of a candidate for public office or the passage of a constitutional amendment or public measure shall include conspicuously on the published material the identity and address of the person responsible for the material. If the person responsible is an organization, the name of one officer of the organization shall appear on the material.

However, if the organization is a committee which has filed a statement of organization under this chapter, only the name of the committee is required to be included on the published material. Published material designed to promote or defeat the nomination or election of a candidate for public office or the passage of a constitutional amendment or public measure which contains language or depictions which a reasonable person would understand as asserting that an entity which is incorporated or is a registered committee had authored the material shall, if the entity is not incorporated or a registered committee, include conspicuously on the published material a statement that the apparent organization or committee is not incorporated or a registered committee in addition to the disclaimer statement required by this section. For purposes of this section, "registered committee" means a committee which has an active statement of organization filed under section 56.5.

2. This section does not apply to the editorials or news articles of a newspaper or magazine which are not political advertisements. For the purpose of this section, "published material" means any newspaper, magazine, shopper, outdoor advertising facility, poster, direct mailing, brochure, or any other form of printed general public political advertising; however, the identification need not be conspicuous on posters. This section does not apply to yard signs, bumper stickers, pins, buttons, pens, matchbooks, and similar small items upon which the inclusion of the disclaimer would be impracticable or to published material which is subject to federal regulations regarding a disclaimer requirement.

3. Yard signs shall not be placed on any property which adjoins a city, county, or state roadway sooner than forty-five days preceding a primary or general election and shall be removed within seven days after the primary or general election, in which the name of the particular candidate or ballot issue described on the yard sign appears on the ballot.

Yard signs are subject to removal by highway authorities as provided in section 319.13, or by county or city law enforcement authorities in a manner consistent with section 319.13. The placement or erection of yard signs shall be exempt from the requirements of chapter 480. Notice may be provided to the chairperson of the appropriate county central committee if the highway authorities are unable to provide notice to the candidate, candidate's committee, or political committee regarding the yard sign.

4. This section does not prohibit the placement of yard signs on agricultural land owned by individuals or by a family farm operation as defined in section 9H.1, subsections 8, 8A, 9, and 10; does not prohibit the placement of yard signs on property owned by private individuals who have rented or leased the property to a corporation, if the prior written permission of the property owner is obtained; and does not prohibit the placement of yard signs on residential property owned by a corporation but rented or leased to a private individual if the prior permission of the renter or lessee is obtained. For the purposes of this chapter, "agricultural land" means agricultural land as defined in section 9H.1.

5. This section shall not be construed to require the inclusion on published material of information which discloses the identity or address of any individual who is acting independently and using their own modest resources to publish or distribute the material.

Sec. 14. Section 56.15, subsections 1, 2, and 3, Code 1995, are amended to read as follows:

1. Except as provided in subsections 3 and 4, it is unlawful for an insurance company, savings and loan association, bank, credit union, or corporation organized pursuant to the laws of this state, the United States, or any other state, territory, or foreign country, whether for profit or not, or an officer, agent or representative acting for such insurance company, savings and loan association, bank, credit

union, or corporation, to contribute any money, property, labor, or thing of value, directly or indirectly, to a committee, or for the purpose of influencing the vote of an elector, except that such resources may be so expended in connection with a utility franchise election held pursuant to section 364.2, subsection 4, or a ballot issue. All such expenditures are subject to the disclosure requirements of this chapter.

2. Except as provided in subsection 3, it is unlawful for a member of a committee, or its employee or representative, except a ballot issue committee, or for a candidate for office or the representative of the candidate, to solicit, request, or knowingly receive from an insurance company, savings and loan association, bank, credit union, or corporation organized pursuant to the laws of this state, the United States, or any other state, territory, or foreign country, whether for profit or not, or its officer, agent, or representative, any money, property, or thing of value belonging to the insurance company, savings and loan association, bank, or corporation for campaign expenses, or for the purpose of influencing the vote of an elector. This section does not restrain or abridge the freedom of the press or prohibit the consideration and discussion in the press of candidacies, nominations, public officers, or public questions.

3. It is lawful for an insurance company, savings and loan association, bank, credit union, and corporation organized pursuant to the laws of this state, the United States, or any other state or territory, whether or not for profit, and for their officers, agents and representatives, to use the money, property, labor, or any other thing of value of the entity for the purposes of soliciting its stockholders, administrative officers and members for contributions to a committee sponsored by that entity and of financing the administration of a committee sponsored by that entity. The entity's employees to whom the foregoing authority does not extend may

voluntarily contribute to such a committee but shall not be solicited for contributions. All contributions made under this subsection are subject to the disclosure requirements of this chapter. A committee member, committee employee, committee representative, candidate or representative referred to in subsection 2 lawfully may solicit, request, and receive money, property and other things of value from a committee sponsored by an insurance company, savings and loan association, bank, credit union, or corporation as permitted by this subsection.

Sec. 15. Section 56.41, subsection 1, Code 1995, is amended to read as follows:

1. A candidate and the candidate's committee shall use campaign funds only for campaign purposes, educational and other expenses associated with the duties of office, or constituency services, and shall not use campaign funds for personal expenses or personal benefit. The purchase of subscriptions to newspapers from or which circulate within the area represented by the office which a candidate is seeking or holds is presumed to be an expense that is associated with the duties of the campaign for and duties of office.

Sec. 16. Section 56.42, subsection 1, paragraphs b and c, Code 1995, are amended to read as follows:

b. Contributions to national, state, or local political party central committees, or to partisan political committees organized to represent persons within the boundaries of a congressional district.

c. Transfers to the treasurer of state for deposit in the general fund of the state, or to the appropriate treasurer for deposit in the general fund of a political subdivision of the state.

Sec. 17. Section 56.43, Code 1995, is amended to read as follows:

56.43 CAMPAIGN PROPERTY.

1. Equipment, supplies, or other materials purchased ~~on or after July 17, 1991~~, with campaign funds or received in-kind are campaign property. Campaign property belongs to the candidate's committee and not to the candidate. Campaign property which has a value of five hundred dollars or more at the time it is acquired by the committee shall be separately disclosed as committee inventory on reports filed pursuant to section 56.6, including a declaration of the approximate current value of the property. Such property shall continue to be reported as committee inventory until it is disposed of by the committee or until the property has a residual value of less than one hundred dollars. However, consumable campaign property is not required to be reported as committee inventory, regardless of the initial value of the consumable campaign property. "Consumable campaign property" means stationery, yard signs, and other campaign materials which have been permanently imprinted to be specific to a candidate or election.

2. Upon dissolution of the candidate's committee, a report accounting for the disposition of all items of campaign property, excluding consumable campaign property, having a residual value of ~~twenty-five~~ one hundred dollars or more shall be filed with the board. ~~Each item of campaign~~ Campaign property, excluding consumable campaign property, having a residual value of ~~twenty-five~~ one hundred dollars or more shall be disposed of by one of the following methods:

a. Sale of the property at fair market value, in which case the proceeds shall be treated the same as other campaign funds.

b. Donation of the property under one of the options for transferring campaign funds set forth in section 56.42.

Sec. 18. Section 68B.32, subsection 5, Code 1995, is amended to read as follows:

5. The board shall employ a full-time executive secretary director who shall be the board's chief administrative

officer. The board shall employ or contract for the employment of legal counsel notwithstanding section 13.7, and any other personnel as may be necessary to carry out the duties of the board. The board's legal counsel shall be the chief legal officer of the board, and shall advise the board on all legal matters relating to the administration of this chapter and chapter 56. The state may be represented by the board's legal counsel in any civil action regarding the enforcement of this chapter or chapter 56, or, at the board's request, the state may be represented by the office of the attorney general. Notwithstanding section 19A.3, all of the board's employees, except for the executive secretary director and legal counsel, shall be employed subject to the merit system provisions of chapter 19A. The salary of the executive director shall be fixed by the board, within the range established by the general assembly. The salary of the legal counsel shall be fixed by the board, within a salary range established by the department of personnel for a position requiring similar qualifications and experience.

Sec. 19. Section 68B.32A, subsection 2, Code 1995, is amended to read as follows:

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

The board may establish a process to assign signature codes to a person or committee for purposes of facilitating an electronic filing procedure. The assignment of signature codes shall be kept confidential, notwithstanding section 22.2.

Sec. 20. TRANSITIONAL PROVISION. Changes or additions to reporting requirements contained in section 56.6, subsection 4, which are made in this Act shall not be construed to require reporting of financial activities which took place

prior to January 1, 1995, if the financial activities which took place on or after January 1, 1995, would result in the committee exceeding the reporting threshold established for a particular type of committee. Any activities which took place on or after January 1, 1995, shall, however, be reported.

RON J. CORBETT
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 437, Seventy-sixth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved  1995

TERRY E. BRANSTAD
Governor