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SENATE FILE **2384**  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 2230)

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

**A BILL FOR**

1 An Act relating to matters within the jurisdiction of the Iowa  
2 ethics and campaign disclosure board, by providing for certain  
3 changes in reporting requirements relating to campaign  
4 contributions and expenditures; liability for the activities  
5 of committees; certain restrictions on fundraising and use of  
6 funds by political committees; certain changes in the handling  
7 of investigations and complaints before the board; and  
8 permitting a fee for access to computerized campaign finance  
9 disclosure records.

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

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SF. 2384

1 Section 1. Section 56.2, Code Supplement 1995, is amended  
2 to read as follows:

3 56.2 DEFINITIONS.

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

6 1. "Ballot issue" means a question, other than the  
7 nomination or election of a candidate to a public office,  
8 which has been approved by a political subdivision or the  
9 general assembly or is required by law to be placed before the  
10 voters of the political subdivision by a commissioner of  
11 elections, or to be placed before the voters by the state  
12 commissioner of elections.

13 2. "Board" means the Iowa ethics and campaign disclosure  
14 board established under section 68B.32.

15 3. "Campaign function" means any meeting related to a  
16 candidate's campaign for election.

17 4. "Candidate" means any individual who has taken  
18 affirmative action to seek nomination or election to a public  
19 office and shall also include any judge standing for retention  
20 in a judicial election.

21 5. "Candidate's committee" means the committee designated  
22 by the candidate for a state, county, city, or school office  
23 to receive contributions in excess of five hundred dollars in  
24 the aggregate, expend funds in excess of five hundred dollars  
25 in the aggregate, or incur indebtedness on behalf of the  
26 candidate in excess of five hundred dollars in the aggregate  
27 in any calendar year.

28 6. "Commissioner" means the county auditor of each county,  
29 who is designated as the county commissioner of elections  
30 pursuant to section 47.2.

31 7. "Committee" includes a political committee and a  
32 candidate's committee.

33 7A. "Computer" means an electronic device that performs  
34 logical, arithmetical, and memory functions by manipulations  
35 of electronic or magnetic impulses, and includes all

1 functions, connections, and connected and related devices that  
2 assist in input, output, processing, storage, computer  
3 programs, computer applications, and communication.

4 8. "Consultant" means a person who provides or procures  
5 services for or on behalf of a candidate including but not  
6 limited to consulting, public relations, advertising,  
7 fundraising, polling, managing or organizing services.

8 9. a. "Contribution" means either of the following:

9 a: (1) A gift, loan, advance, deposit, rebate, refund, or  
10 transfer of money or a gift in kind.

11 b: (2) The payment, by any person other than a candidate  
12 or political committee, of compensation for the personal  
13 services of another person which are rendered to a candidate  
14 or political committee for any such purpose.

15 b. "Contribution" shall not include services any of the  
16 following:

17 (1) Services provided without compensation by individuals  
18 volunteering their time on behalf of a candidate's committee  
19 or political committee or a state or county statutory  
20 political committee except when organized or provided on a  
21 collective basis by a business, trade association, labor  
22 union, or any other organized group or association.

23 ~~"Contribution" shall not include refreshments~~

24 (2) Refreshments served at a campaign function so long as  
25 such refreshments do not exceed fifty dollars in value or  
26 transportation provided to a candidate so long as its value  
27 computed at a rate of twenty cents per mile does not exceed  
28 one hundred dollars in value in any one reporting period.

29 ~~"Contribution" shall not include something~~

30 (3) Something provided to a candidate for the candidate's  
31 personal consumption or use and not intended for or on behalf  
32 of the candidate's committee.

33 10. "County office" includes the office of drainage  
34 district trustee.

35 11. "County statutory political committee" means a

1 committee as defined in section 43.100.

2 12. "Disclosure report" means a statement of contributions  
3 received, expenditures made, and indebtedness incurred on  
4 forms prescribed by rules adopted by the board in accordance  
5 with chapter 17A.

6 13. "Fundraising event" means any campaign function to  
7 which admission is charged or at which goods or services are  
8 sold.

9 14. "Group collection" means an accumulation of cash,  
10 amassed through contributions from individual donors of ten  
11 dollars or less each, in a receptacle which is intended for  
12 such contributions and which is accessible by all persons  
13 visiting a particular place or a particular social function,  
14 either due to the placement of the receptacle in a place of  
15 general availability to the attendees, or due to a method of  
16 presenting the receptacle to the attendees. Due to the manner  
17 in which such funds are amassed, identification of the  
18 individual donors is understood to be impractical.

19 14A. "Internet" means the federated system of allied  
20 computer networks linked by telecommunication channels that is  
21 the international network of the networks that connects  
22 educational, scientific, and commercial institutions, and that  
23 may also be accessed by individuals.

24 ~~14.~~ 15. "National political party" means a party which  
25 meets the definition of a political party established for this  
26 state by section 43.2, and which also meets the statutory  
27 definition of the term "political party" or a term of like  
28 import in at least twenty-five other states of the United  
29 States.

30 ~~15.~~ 16. "Person" means, without limitation, any  
31 individual, corporation, government or governmental  
32 subdivision or agency, business trust, estate, trust,  
33 partnership or association, labor union, or any other legal  
34 entity.

35 ~~16.~~ 17. a. "Political committee" means a committee, but

1 not formal or informal association of two or more individuals,  
2 other than a candidate's committee, which-accepts that, in  
3 performing any of the following activities, exceeds any of the  
4 following financial thresholds:

5 (1) Accepts contributions for political purposes in excess  
6 of five hundred dollars in the aggregate,--makes in a calendar  
7 year.

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

11 (3) Incurs indebtedness for political purposes in excess  
12 of five hundred dollars in the aggregate in any-one a calendar  
13 year for-the-purpose-of-supporting-or-opposing-a-candidate-for  
14 public-office,--or-for-the-purpose-of-supporting-or-opposing-a  
15 ballot-issue,.

16 b. A "political committee" also-means-an, provided it has  
17 exceeded at least one of the financial thresholds in paragraph  
18 "a", includes but is not limited to any of the following  
19 entities:

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

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

24 (3) A formally organized association, lodge, society,  
25 cooperative, union, fraternity, sorority, educational  
26 institution, civic organization, labor organization, religious  
27 organization, or professional organization which-accepts  
28 contributions-in-excess-of-five-hundred-dollars-in-the  
29 aggregate,--makes-expenditures-in-excess-of-five-hundred  
30 dollars-in-the-aggregate,--or-incurs-indebtedness-in-excess-of  
31 five-hundred-dollars-in-the-aggregate-in-any-one-calendar-year  
32 for-the-purpose-of-supporting-or-opposing-a-candidate-for  
33 public-office,--or-for-the-purpose-of-supporting-or-opposing-a  
34 ballot-issue.--"Political-committee"--also-includes-a-committee  
35 which-accepts-contributions-in-excess-of-five-hundred-dollars

1 ~~in-the-aggregate, makes expenditures in excess of five hundred~~  
2 ~~dollars in the aggregate, or incurs indebtedness in excess of~~  
3 ~~five hundred dollars in the aggregate in a calendar year to~~  
4 ~~cause, or other permanent organization that temporarily~~  
5 ~~engages in political activity.~~

6 (4) A formal or informal association of two or more  
7 individuals that causes the publication or broadcasting of  
8 material in which the public policy positions or voting record  
9 of that a reasonable person would understand to advocate the  
10 support of or opposition to the election of an identifiable  
11 candidate is discussed and in which a reasonable person could  
12 find commentary favorable or unfavorable to those public  
13 policy positions or voting record.

14 ~~17-~~ 18. "Political purpose" or "political purposes" means  
15 the support or opposition of a candidate or ballot issue.

16 ~~18-~~ 19. "Public office" means any state, county, city, or  
17 school office filled by election.

18 ~~19-~~ 20. "State income tax liability" means the state  
19 individual income tax imposed under section 422.5 reduced by  
20 the sum of the deductions from the computed tax as provided  
21 under section 422.12.

22 ~~20-~~ 21. "State statutory political committee" means a  
23 committee as defined in section 43.111.

24 Sec. 2. Section 56.3, subsection 3, paragraph b, Code  
25 Supplement 1995, is amended to read as follows:

26 b. The name and mailing address of every person making  
27 ~~contributions in excess of ten dollars~~ a contribution, and the  
28 date and amount of the contribution. This paragraph does not  
29 apply to donations received from group collections.

30 Sec. 3. Section 56.3, subsection 3, paragraph d, Code  
31 Supplement 1995, is amended to read as follows:

32 d. The name and mailing address of every person to whom  
33 any expenditure is made, the purpose of the expenditure, the  
34 date and amount of the expenditure and the name and address  
35 of, and office sought by each candidate, if any, on whose

1 behalf the expenditure was made. Notwithstanding this  
2 paragraph, the treasurer may keep a miscellaneous account for  
3 disbursements of less than five dollars which need only show  
4 the amount of the disbursement so long as the aggregate  
5 miscellaneous disbursements to any one person during a  
6 calendar year do not exceed one hundred dollars.

7 Sec. 4. Section 56.3, Code Supplement 1995, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 5. When a candidate, in the case of a  
10 candidate's committee, or a chairperson, in the case of a  
11 political committee, shows that best efforts have been used to  
12 obtain, maintain, and submit the information required by this  
13 chapter, and that failure to satisfy a requirement of this  
14 chapter is due to action or nonaction by another person, such  
15 that the failure to satisfy the requirement is beyond the  
16 control of the candidate or chairperson, the candidate or  
17 chairperson shall be deemed to be in compliance with this  
18 chapter, and the other person may be held liable for  
19 sanctions.

20 Sec. 5. Section 56.3A, Code 1995, is amended to read as  
21 follows:

22 56.3A FUNDS FROM UNKNOWN SOURCE -- ESCHEAT.

23 1. The expenditure of funds from an unknown or  
24 unidentifiable source received by a candidate or committee is  
25 prohibited. ~~Such funds~~

26 2. Funds received by a candidate or committee from an  
27 unknown or unidentifiable source shall escheat to the state.  
28 Any candidate or committee receiving such contributions shall  
29 remit such contributions to the director of revenue and  
30 finance for deposit in the general fund of the state.

31 3. Persons requested to make a contribution at a  
32 fundraising event shall be advised that it is illegal to make  
33 a contribution ~~in excess of ten dollars~~ unless the person  
34 making the contribution also provides the person's name and  
35 address.

1 4. This section does not apply to contributions received  
2 from group collections that are made in compliance with rules  
3 established by the board.

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

6 a. The name, purpose, mailing address, and telephone  
7 number of the committee.

8 (1) The committee name shall not duplicate the name of  
9 another committee organized under this section.

10 (2) For candidate's committees filing initial statements  
11 of organization on or after July 1, 1995, the candidate's name  
12 shall be contained within the committee name.

13 (3) Except for a political committee formed to support or  
14 oppose approval of a judge standing for retention, the name of  
15 a political committee shall not contain the name of a  
16 candidate, a candidate for federal office, or of a current  
17 federal, state, county, city, or school officeholder.

18 Sec. 7. Section 56.5, subsection 2, paragraph f, Code  
19 Supplement 1995, is amended to read as follows:

20 f. (1) A In the case of a candidate's committee, a signed  
21 statement by the treasurer-of-the-committee-and-the candidate,  
22 in-the-case-of-a-candidate's-committee,-which-shall-verify  
23 that they-are verifies the following information:

24 (a) The candidate is aware of the requirement to file  
25 disclosure reports if the committee, the committee officers,  
26 the candidate, or both the committee officers and the  
27 candidate, receive for the purpose of supporting the candidate  
28 for public office, experiences any of the following:

29 (i) Receives contributions in excess of five hundred  
30 dollars in the aggregate,-make.

31 (ii) Makes expenditures in excess of five hundred dollars  
32 in the aggregate,-or-incur.

33 (iii) Incurs indebtedness in excess of five hundred  
34 dollars in the aggregate in a calendar year for-the-purpose-of  
35 supporting-or-opposing-any-candidate-for-public-office.

1 (b) The candidate has and will ensure that the committee  
2 treasurer has been instructed as to the treasurer's  
3 responsibilities under this chapter, but acknowledges that the  
4 candidate remains personally liable for compliance with this  
5 chapter.

6 (2) In the case of political committees, statements-shall  
7 be-made a signed statement by the treasurer chairperson of the  
8 committee and-the-chairperson that verifies the following  
9 information:

10 (a) The chairperson is aware of the requirement to file  
11 disclosure reports if the committee, for the purpose of  
12 supporting or opposing any candidate for public office or any  
13 ballot issue, experiences any of the following:

14 (i) Receives contributions in excess of five hundred  
15 dollars in the aggregate.

16 (ii) Makes expenditures in excess of five hundred dollars  
17 in the aggregate.

18 (iii) Incurs indebtedness in excess of five hundred  
19 dollars in the aggregate in a calendar year.

20 (b) The chairperson has and will ensure that the committee  
21 treasurer has been instructed as to the treasurer's  
22 responsibilities under this chapter, but acknowledges that the  
23 chairperson remains personally liable for compliance with this  
24 chapter.

25 Sec. 8. Section 56.6, subsection 1, paragraphs c and d,  
26 Code Supplement 1995, are amended to read as follows:

27 c. A candidate's committee for a candidate for the general  
28 assembly at a special election for which the governor is  
29 required to give not less than forty days' notice under  
30 section 69.14 shall file a report by the fourteenth day prior  
31 to the special election which is current through the  
32 nineteenth day prior to the special election. A candidate's  
33 committee for a candidate for the general assembly at a  
34 special election for which the governor is required to give  
35 not less than eighteen days' notice under section 69.14 shall

1 file a report five days prior to the election, that shall be  
2 current as of five days prior to the filing deadline. Any  
3 report filed pursuant to this paragraph shall be timely filed,  
4 or mailed bearing a United States postal service postmark  
5 dated on or before the due date.

6 d. Committees The following committees shall file their  
7 first reports five days prior to any election in which the  
8 ballot contains the name of the candidate or the local ballot  
9 issue which the committee supports or opposes:

10 (1) A candidate's committee for municipal and school  
11 elective offices and.

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

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

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

33 Any report filed pursuant to this lettered paragraph shall  
34 be current to five days prior to the filing deadline and are  
35 considered shall be timely filed, if or mailed bearing a

1 United States postal service postmark on or before the due  
2 date.

3 Sec. 9. Section 56.6, subsection 3, Code Supplement 1995,  
4 is amended to read as follows:

5 3. Each report under this section shall disclose:

6 a. The amount of cash on hand at the beginning of the  
7 reporting period.

8 b. The name and mailing address of each person who has  
9 made one or more contributions of money to the committee  
10 including the, together with the amount of the contribution.

11 All reports of proceeds from any fund-raising events shall  
12 include this information, except for those proceeds reportable  
13 under paragraph "f" "e" of this subsection, when the aggregate  
14 amount in a calendar year exceeds the amount specified in the  
15 following schedule:

16 (1) -- For any candidate for school or township  
17 office ..... \$-25

18 (2) -- For any candidate for city office ..... \$-25

19 (3) -- For any candidate for county office ..... \$-25

20 (4) -- For any candidate for the general  
21 assembly ..... \$-25

22 (5) -- For any candidate for the Congress  
23 of the United States ..... \$100

24 (6) -- For any candidate for statewide  
25 office ..... \$-25

26 (7) -- For any committee of a national  
27 political party ..... \$200

28 (8) -- For any state statutory political  
29 committee ..... \$200

30 (9) -- For any county statutory political  
31 committee ..... \$-50

32 (10) -- For any other political committee ..... \$-25

33 (11) -- For any ballot issue ..... \$-25

34 c. -- The total amount of contributions made to the political  
35 committee during the reporting period and not reported under

1 ~~paragraph-"b"-of-this-subsection:~~ and contributions received  
2 and reported as group collections.

3 ~~d. c.~~ The name and mailing address of each person who has  
4 made one or more in-kind contributions to the committee when  
5 ~~the aggregate market value of the in-kind contribution in a~~  
6 ~~calendar year exceeds the amount specified in subsection 3,~~  
7 ~~paragraph-"b", of this section.~~ In-kind contributions shall  
8 be designated on a separate schedule from schedules showing  
9 contributions of money and shall identify the nature of the  
10 contribution and provide its estimated fair market value.

11 ~~e. d.~~ Each loan to any person or committee within the  
12 ~~calendar year in an aggregate amount in excess of those~~  
13 ~~amounts enumerated in the schedule in paragraph-"b"-of this~~  
14 ~~subsection,~~ together with the name and mailing address of the  
15 lender and endorsers, the date and amount of each loan  
16 received, and the date and amount of each loan repayment.  
17 Loans received and loan repayments shall be reported on a  
18 separate schedule.

19 ~~f. e.~~ The total amount of ticket sale proceeds from any  
20 fund-raising event for which the per-person ticket price was  
21 ten dollars or less.

22 ~~f.~~ Contributions and sales at fund-raising events which  
23 involve the sale of a product acquired at less than market  
24 value and sold ~~for an amount of money in excess of the amount~~  
25 ~~specified in paragraph-"b"-of this subsection~~ by the committee  
26 shall be designated separately from in-kind and monetary  
27 contributions and the report shall include the name and  
28 address of the donor, a description of the product, the market  
29 value of the product, the sales price of the product, and the  
30 name and address of the purchaser, and the total amount paid  
31 by each purchaser.

32 g. The name and mailing address of each person to whom  
33 disbursements or loan repayments have been made by the  
34 committee from contributions during the reporting period and  
35 the amount, purpose, and date of each disbursement ~~except that~~

1 disbursements-of-less-than-five-dollars-may-be-shown-as  
2 miscellaneous-disbursements-so-long-as-the-aggregate  
3 miscellaneous-disbursements-to-any-one-person-during-a  
4 calendar-year-do-not-exceed-one-hundred-dollars. If  
5 disbursements are made to a consultant, the consultant shall  
6 provide the committee with a statement of disbursements made  
7 by the consultant during the reporting period showing the name  
8 and address of the recipient, amount, purpose, and date to the  
9 same extent as if made by the candidate, which shall be  
10 included in the report by the committee.

11 h. The amount and nature of debts and obligations owed in  
12 excess-of-those-amounts-stated-in-the-schedule-in-paragraph  
13 "b"-of-this-subsection by the committee. Loans made to a  
14 committee and reported under paragraph "b"-of-this-subsection  
15 "d" shall not be considered a debt or obligation under this  
16 paragraph. A loan made by a committee to any person shall be  
17 considered a disbursement.

18 i. --If-a-person-listed-under-paragraph-"b",-"d",-"e",-or  
19 "f"-as-making-a-contribution-or-loan-to-or-purchase-from-a  
20 candidate's-committee-is-related-to-the-candidate-within-the  
21 third-degree-of-consanguinity-or-affinity,-the-existence-of  
22 that-person's-family-relationship-shall-be-indicated-on-the  
23 report.

24 j. i. The name and mailing address of each person with  
25 whom a candidate's committee has entered into a contract  
26 during the reporting period for future or continuing  
27 performance and the nature of the performance, period of  
28 performance and total, anticipated compensation for  
29 performance. For a report filed under subsection 1, paragraph  
30 "b", this paragraph also requires the reporting of estimates  
31 of performance which the candidate's committee reasonably  
32 expects to contract for during the balance of the period  
33 running until thirty days after the election.

34 k. j. Other pertinent information required by this  
35 chapter, by rules adopted pursuant to this chapter, or forms

1 approved by the board.

2 Sec. 10. Section 56.7, Code 1995, is amended to read as  
3 follows:

4 56.7 REPORTS SIGNED.

5 1. A report or statement required to be filed by a  
6 ~~treasurer of a political committee, a candidate, or by any~~  
7 ~~other person,~~ shall be signed by ~~the person filing the report.~~  
8 as follows:

9 a. In the case of a candidate's committee, the report  
10 shall be signed by the candidate, attesting under penalty of  
11 perjury that the report is accurate and correct to the best of  
12 the candidate's knowledge, that all expenditures made by the  
13 committee are permitted uses under sections 56.41 and 56.42,  
14 and that the candidate acknowledges personal liability for any  
15 violations of chapter 56.

16 b. In the case of a political committee, the report shall  
17 be signed by the chairperson, attesting under penalty of  
18 perjury that the report is accurate and correct to the best of  
19 the chairperson's knowledge, that all expenditures made by the  
20 committee are permitted uses under section 56.44, and that the  
21 chairperson acknowledges personal liability for any violations  
22 of chapter 56.

23 2. A copy of every report or statement shall be preserved  
24 by the person filing it or the person's successor for at least  
25 ~~three~~ five years following the filing of the report or  
26 statement.

27 Sec. 11. Section 56.14, subsection 3, Code Supplement  
28 1995, is amended to read as follows:

29 3. Yard signs shall not be placed on any property which  
30 adjoins a city, county, or state roadway sooner than forty-  
31 five days preceding a primary, or general, or special election  
32 and shall be removed within seven days after the primary, or  
33 general, or special election, in which the name of the  
34 particular candidate or ballot issue described on the yard  
35 sign appears on the ballot. Yard signs are subject to removal

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

10 Sec. 12. Section 56.14, subsection 5, Code Supplement  
11 1995, is amended to read as follows:

12 5. This section shall not be construed to require the  
13 inclusion an individual to disclose that individual's identity  
14 or address on published material, of-information-which  
15 discloses-the-identity-or-address-of-any as long as the  
16 individual who is not a candidate, is acting independently,  
17 and using has not expended more than five hundred dollars of  
18 the individual's own modest resources in a calendar year in  
19 order to publish or distribute the material. However, this  
20 exception does not apply to text or graphics that are  
21 transmitted to another computer by computer, via the internet,  
22 or via other means.

23 Sec. 13. Section 56.15, subsection 4, unnumbered paragraph  
24 1, Code Supplement 1995, is amended to read as follows:

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

1 for a permanent organization temporarily engaged in a  
2 political activity under section 56.6. The restrictions  
3 imposed by this section relating to making, soliciting, or  
4 receiving contributions shall not be construed to prohibit an  
5 insurance company, savings and loan association, bank, credit  
6 union, or corporation, whether for profit or not, from using  
7 its own resources to encourage registration of voters and  
8 participation in the political process, including  
9 familiarization with candidates for public office, as long as  
10 those resources are made equally available to all candidates.

11 Sec. 14. Section 56.42, subsection 1, Code Supplement  
12 1995, is amended to read as follows:

13 1. In addition to the uses permitted under section 56.41,  
14 a candidate's committee may only transfer campaign funds in  
15 one or more of the following ways:

16 a. Contributions to charitable organizations.

17 b. Contributions to national, state, or local political  
18 party central committees, ~~or~~ to partisan political committees  
19 organized to represent persons within the boundaries of a  
20 congressional district, or to committees representing a  
21 nonparty political organization described in section 44.1.

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

26 d. Return of contributions to contributors on a pro rata  
27 basis, except that any contributor who contributed five  
28 dollars or less and any contributor to a group collection may  
29 be excluded from the distribution.

30 e. Contributions to another candidate's committee when the  
31 candidate for whom both committees are formed is the same  
32 person.

33 Sec. 15. NEW SECTION. 56.44 POLITICAL COMMITTEES --  
34 RESTRICTIONS ON USE -- FUNDRAISING -- PENALTIES.

35 1. A political committee shall designate its purpose on

1 its statement of organization as either in regard to candidate  
2 elections or in regard to a ballot issue election. A  
3 political committee may not be organized with the purpose of  
4 being involved in both types of elections. A committee formed  
5 with regard to candidate elections shall not make  
6 contributions with regard to a ballot issue election, and a  
7 committee formed with regard to a ballot issue shall not  
8 contribute with regard to a candidate election.

9 2. a. A political committee and the officers of a  
10 political committee shall use the funds of the committee only  
11 for expenses consistent with and directly related to the  
12 designated purposes of the committee, reasonable  
13 administrative expenses, and contributions to candidates, in  
14 the case of committees organized with regard to candidate  
15 elections. Reasonable administrative expenses may include  
16 payment of wages to administrative personnel, provided that  
17 the wages are compensation for actual services rendered and  
18 are at a rate comparable to community standard compensation  
19 for persons providing similar services.

20 b. A political committee shall not use committee funds for  
21 personal expenses or for the personal benefit of any person.

22 3. A political committee, other than a statutory political  
23 committee, shall not engage in fundraising through telephone  
24 solicitation except as authorized by rule, which shall be  
25 adopted by the board.

26 4. If the board determines, after notice and hearing as  
27 provided in sections 68B.32B and 68B.32C, that a political  
28 committee other than a statutory political committee has  
29 committed a violation of this section, the board may, in  
30 addition to other sanctions provided under sections 56.16 and  
31 68B.32D, order the committee to dissolve and bar its officers  
32 from serving as officers of another political committee for a  
33 period of up to three years.

34 Sec. 16. Section 68B.7, Code 1995, is amended to read as  
35 follows:

1 68B.7 OTHER ACTIVITIES -- TWO-YEAR BAN.

2 1. A person who has served as an official, state employee  
3 ~~of-a-state-agency~~, member of the general assembly, or  
4 legislative employee shall not within a period of two years  
5 after the termination of such service or employment, appear do  
6 any of the following:

7 a. Appear before the agency or-receive-compensation with  
8 which the person served for any services rendered on behalf of  
9 any person, firm, corporation, or association in relation to  
10 any case, proceeding, or application with respect to which the  
11 person was directly concerned and personally participated  
12 during the period of service or employment.

13 b. Receive compensation for any services rendered on  
14 behalf of any person, firm, corporation, or association in  
15 relation to any case, proceeding, or application with respect  
16 to which the person was directly concerned and personally  
17 participated during the period of service or employment.

18 2. A person who has served as the head of or on a  
19 commission or board of a regulatory agency or as a deputy  
20 thereof, shall not, within a period of two years after the  
21 termination of such service accept, do any of the following:

22 a. Accept employment with that commission, board, or  
23 agency or-receive.

24 b. Receive compensation for any services rendered on  
25 behalf of any person, firm, corporation, or association in any  
26 case, proceedings, or application before the department with  
27 which the person so served wherein the person's compensation  
28 is to be dependent or contingent upon any action by such  
29 agency with respect to any license, contract, certificate,  
30 ruling, decision, opinion, rate schedule, franchise, or other  
31 benefit, or-in-promoting-or-opposing, directly-or-indirectly,  
32 the-passage-of-bills-or-resolutions-before-either-house-of-the  
33 general-assembly.

34 Sec. 17. Section 68B.32A, subsection 3, Code Supplement  
35 1995, is amended to read as follows:

1 3. Review the contents of all campaign finance disclosure  
2 reports and statements filed with the board and promptly  
3 advise each person or committee of errors found.

4 a. The board may verify information contained in the  
5 reports with other parties to assure accurate disclosure.  
6 Information may be sought from a third party after notice to  
7 the committee which is the subject of the review. However, if  
8 the chairperson of the board concludes that notification to  
9 the committee would have the potential of jeopardizing the  
10 validity of the information sought, prior notice to the  
11 committee which is the subject of the review is not required.

12 The board may also verify information by requesting that a  
13 candidate or committee produce copies of receipts, bills,  
14 logbooks, or other memoranda of reimbursements of expenses to  
15 a candidate for expenses incurred during a campaign.

16 b. For the purposes of obtaining verifying information,  
17 the board may issue administrative subpoenas for the requested  
18 information, which may be served upon the candidate,  
19 committee, or third party by restricted certified mail or by  
20 personal service as in civil actions.

21 c. The board, upon its own motion, may initiate action and  
22 conduct a hearing relating to requirements under chapter 56.

23 d. The board may require a county commissioner of  
24 elections to periodically file summary reports with the board.

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

27 NEW SUBSECTION. 15. Establish fees to cover the costs  
28 associated with creating, maintaining, and providing access to  
29 an electronic database of campaign finance disclosure  
30 information. Payments received for these costs shall be  
31 considered repayment receipts as defined in section 8.2.

32 NEW SUBSECTION. 16. Adopt rules regarding the collection  
33 and reporting of contributions received from group  
34 collections.

35 Sec. 19. Section 68B.32B, subsections 2, 4, and 5, Code

1 1995, are amended to read as follows:

2 2. The board staff shall review the complaint to determine  
3 if the complaint is sufficient as to form.

4 a. If the complaint is deficient as to form, the complaint  
5 shall be returned to the complainant with a statement of the  
6 deficiency and an explanation describing how the deficiency  
7 may be cured.

8 b. If the complaint is sufficient as to form, the  
9 complaint shall be referred to the board chairperson for legal  
10 review.

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

17 a. Facts that would establish a violation of a provision  
18 of this chapter, chapter 56, or rules adopted by the board.

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

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

24 ~~5.--After receiving an evaluation of the legal sufficiency~~  
25 ~~of the complaint, the chairperson shall refer the complaint to~~  
26 ~~the board for a formal determination by the board of the legal~~  
27 ~~sufficiency of the allegations contained in the complaint.~~

28 Sec. 20. EFFECTIVE DATE. Sections 1, 2, 3, 5, 9, and 14  
29 take effect January 1, 1997.

30 EXPLANATION

31 Section 1 of the bill adds a new definition for donations  
32 received from "group collections", which are obtained either  
33 from a source such as a donation can in a group setting. The  
34 definition restricts such anonymous donations to \$10 or less  
35 from each individual. The board is authorized, in section 18

1 of the bill, to adopt rules related to the collection and  
2 reporting of such proceeds. This definition is utilized in  
3 sections 2, 5, 9, and 14 of the bill, regarding the reporting  
4 of funds received from such sources.

5 Section 1 also reorganizes and restates the definition of a  
6 political committee.

7 Sections 3 and 9 of the bill delete provisions allowing a  
8 committee treasurer the discretion not to record the detail of  
9 miscellaneous disbursements of \$5 or less. All expenditures  
10 must now be recorded in detail.

11 Section 6 restricts the choice of names that may be used by  
12 a political committee, prohibiting any political committee  
13 from using the name of a candidate or officeholder, other than  
14 one directed toward a judge standing for retention.

15 Section 20 provides for a delayed effective date of January  
16 1, 1997, for these sections concerned with campaign reporting  
17 requirements, which are explained above.

18 Section 7 of the bill provides that ultimate liability for  
19 the accuracy and retention of the financial records rests with  
20 the candidate (for a candidate's committee) or the chairperson  
21 (for a political committee). These individuals must now make  
22 a verified statement with the committee's organization  
23 statement that acknowledges responsibility for complying with  
24 the Code requirements. These individuals are also required to  
25 sign and file the disclosure reports, according to changes  
26 contained in section 10 of the bill. However, section 4 of  
27 the bill contains a new subsection that allows a candidate or  
28 chairperson who demonstrates that best efforts have been made  
29 to comply with the Code requirements to be deemed to be in  
30 compliance with the chapter.

31 Section 8 adds county office special elections to the list  
32 of committees that must file reports at least five days prior  
33 to an election, and addresses reports for certain special  
34 elections for the general assembly, as well. Regular  
35 disclosure rules apply for post-election filings by these

1 candidates' committees.

2 Section 9 changes the Code to remove the varying reporting  
3 thresholds on disclosure statements according to the type of  
4 candidate or ballot issue. All contributions other than group  
5 collections and events where the ticket price is less than \$10  
6 would be subject to reporting requirements. The provision  
7 requiring disclosure of familial relationships is also  
8 deleted.

9 Section 11 of the bill adds special elections to the  
10 regulations regarding display of yard signs.

11 Section 12 of the bill adds a \$500 value limitation to the  
12 section permitting an individual who is not running for office  
13 to distribute published political material. However, this  
14 exception to the "disclaimer" provision does not apply to  
15 internet publications. Section 1 adds definitions of  
16 "computer" and "internet".

17 Section 13 of the bill permits a corporation, insurance  
18 company, or financial institution to conduct voter awareness  
19 and registration programs without penalty, as long as any  
20 resources directed toward candidates are made equally  
21 available to all candidates.

22 Section 14 of the bill adds a provision permitting moneys  
23 from dissolved committees to be donated to an additional  
24 source, nonparty political organizations.

25 Section 15 of the bill adds a new section setting forth  
26 certain restrictions on fundraising and use of funds by  
27 political committees.

28 Sections 16 through 19 of the bill make changes to the  
29 ethics chapter. Section 16 amends the lobbying restriction  
30 for former state employees, making the restriction expressly  
31 applicable to all state employees, not just agency employees.  
32 Section 18 permits the board to charge fees for access to an  
33 electronic database of campaign finance disclosure  
34 information. Section 17 permits the board to verify  
35 information with third parties, and to issue administrative

1 subpoenas in its investigations of campaign disclosure  
2 requirements. Section 19 eliminates staff legal review of a  
3 formal complaint filed with the board.

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## SENATE FILE 2384

S-5411

1 Amend Senate File 2384 as follows:

2 1. Page 3, by striking lines 9 through 18.

3 2. By striking page 5, line 24, through page 6,  
4 line 6.

5 3. Page 6, line 33, by striking the words "~~in~~  
6 ~~excess-of-ten-dollars~~" and inserting the following:  
7 "in excess of ten dollars".

8 4. Page 7, by striking lines 1 through 3.

9 5. By striking page 10, line 3, through page 13,  
10 line 1, and inserting the following:

11 "Sec. \_\_\_\_ . Section 56.6, subsection 3, paragraph  
12 b, unnumbered paragraph 1, Code Supplement 1995, is  
13 amended to read as follows:

14 The name and mailing address of each person who has  
15 made one or more contributions of money to the  
16 committee including the, together with the amount of  
17 contribution or contributions. All reports of  
18 proceeds from any fund-raising events shall include  
19 this information, except for those proceeds reportable  
20 under paragraph "f" of this subsection, when the  
21 aggregate amount in a calendar year exceeds the amount  
22 specified in the following schedule:

23 Sec. \_\_\_\_ . Section 56.6, subsection 3, paragraphs f  
24 and h, Code Supplement 1995, are amended to read as  
25 follows:

26 f. The total amount of ticket sales proceeds and  
27 other proceeds, separately designated, from any fund-  
28 raising event for which the per person ticket price  
29 was ten dollars or less. Contributions and sales at  
30 fund-raising events which involve the sale of a  
31 product acquired at less than market value and sold  
32 for an amount of money in excess of the amount  
33 specified in paragraph "b" of this subsection by the  
34 committee shall be designated separately from in-kind  
35 and monetary contributions and the report shall  
36 include the name and address of the donor, a  
37 description of the product, the market value of the  
38 product, the sales price of the product, and the name  
39 and address of the purchaser, and the total amount  
40 paid by each purchaser.

41 h. The amount and nature of debts and obligations  
42 owed by the committee, in excess of those amounts  
43 stated in the schedule in paragraph "b" of this  
44 subsection by the committee. Loans made to a committee  
45 and reported under paragraph "b" of this subsection  
46 "e" shall not be considered a debt or obligation under  
47 this paragraph. A loan made by a committee to any  
48 person shall be considered a disbursement.

49 Sec. \_\_\_\_ . Section 56.6, subsection 3, paragraph i,  
50 Code Supplement 1995, is amended by striking the

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-1-

S-5411

Page 2

- 1 paragraph."
- 2 6. Page 13, lines 10 and 11, by striking the
- 3 words "under penalty of perjury".
- 4 7. Page 13, lines 17 and 18, by striking the
- 5 words "under penalty of perjury".
- 6 8. Page 15, by striking lines 11 through 32 and
- 7 inserting the following:
- 8 "Sec. \_\_\_\_ . Section 56.42, subsection 1, paragraph
- 9 b, Code Supplement 1995, is amended to read as
- 10 follows:
- 11 b. Contributions to national, state, or local
- 12 political party central committees, ~~or~~ to partisan
- 13 political committees organized to represent persons
- 14 within the boundaries of a congressional district, or
- 15 to committees representing a nonparty political
- 16 organization described in section 44.1."
- 17 9. By striking page 16, line 34, through page 17,
- 18 line 33.
- 19 10. Page 18, line 26, by striking the word
- 20 "subsections" and inserting the following:
- 21 "subsection".
- 22 11. Page 18, by striking lines 32 through 34.
- 23 12. Page 18, line 35, by inserting after the word
- 24 and figure "subsections 2," the following: "3,".
- 25 13. Page 19, by inserting after line 10 the
- 26 following:
- 27 "3. Unless the chairperson of the board concludes
- 28 that immediate notification would prejudice a
- 29 preliminary investigation or subject the complainant
- 30 to an unreasonable risk, the board shall ~~maii~~ make
- 31 best efforts to contact, and shall hand-deliver a copy
- 32 of the complaint, to the subject of the complaint
- 33 within ~~three-working-days~~ twenty-four hours of the
- 34 acceptance filing of the complaint. If a
- 35 determination is made by the chairperson not to ~~maii~~
- 36 contact, or to deliver a copy of the complaint, to the
- 37 subject of the complaint within the ~~three-working-days~~
- 38 twenty-four-hour time period, the board shall approve
- 39 and establish the time and conditions under which the
- 40 subject will be informed of the filing and contents of
- 41 the complaint."
- 42 14. Page 19, by striking lines 28 and 29.
- 43 15. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT  
MICHAEL E. GRONSTAL, Chairperson

S-5411 FILED MARCH 19, 1996

Gronstal  
Kibbie  
Rittner  
Dearden  
Drake

SSB-2230  
State Government

Submitted By  
SF 2384

SENATE/HOUSE FILE  
BY (PROPOSED ETHICS AND  
CAMPAIGN DISCLOSURE  
BOARD BILL)

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

A BILL FOR

1 An Act relating to matters within the jurisdiction of the Iowa  
2 ethics and campaign disclosure board, by providing for certain  
3 changes in reporting requirements relating to campaign  
4 contributions and expenditures; liability for the activities  
5 of committees; certain restrictions on fundraising and use of  
6 funds by political committees; certain changes in the handling  
7 of investigations and complaints before the board; and  
8 permitting a fee for access to computerized campaign finance  
9 disclosure records.

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

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1 Section 1. Section 56.2, Code Supplement 1995, is amended  
2 to read as follows:

3 56.2 DEFINITIONS.

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

6 1. "Ballot issue" means a question, other than the  
7 nomination or election of a candidate to a public office,  
8 which has been approved by a political subdivision or the  
9 general assembly or is required by law to be placed before the  
10 voters of the political subdivision by a commissioner of  
11 elections, or to be placed before the voters by the state  
12 commissioner of elections.

13 2. "Board" means the Iowa ethics and campaign disclosure  
14 board established under section 68B.32.

15 3. "Campaign function" means any meeting related to a  
16 candidate's campaign for election.

17 4. "Candidate" means any individual who has taken  
18 affirmative action to seek nomination or election to a public  
19 office and shall also include any judge standing for retention  
20 in a judicial election.

21 5. "Candidate's committee" means the committee designated  
22 by the candidate for a state, county, city, or school office  
23 to receive contributions in excess of five hundred dollars in  
24 the aggregate, expend funds in excess of five hundred dollars  
25 in the aggregate, or incur indebtedness on behalf of the  
26 candidate in excess of five hundred dollars in the aggregate  
27 in any calendar year.

28 6. "Commissioner" means the county auditor of each county,  
29 who is designated as the county commissioner of elections  
30 pursuant to section 47.2.

31 7. "Committee" includes a political committee and a  
32 candidate's committee.

33 7A. "Computer" means an electronic device that performs  
34 logical, arithmetical, and memory functions by manipulations  
35 of electronic or magnetic impulses, and includes all

1 functions, connections, and connected and related devices that  
2 assist in input, output, processing, storage, computer  
3 programs, computer applications, and communication.

4 8. "Consultant" means a person who provides or procures  
5 services for or on behalf of a candidate including but not  
6 limited to consulting, public relations, advertising,  
7 fundraising, polling, managing or organizing services.

8 9. a. "Contribution" means either of the following:

9 a- (1) A gift, loan, advance, deposit, rebate, refund, or  
10 transfer of money or a gift in kind.

11 b- (2) The payment, by any person other than a candidate  
12 or political committee, of compensation for the personal  
13 services of another person which are rendered to a candidate  
14 or political committee for any such purpose.

15 b. "Contribution" shall not include services any of the  
16 following:

17 (1) Services provided without compensation by individuals  
18 volunteering their time on behalf of a candidate's committee  
19 or political committee or a state or county statutory  
20 political committee except when organized or provided on a  
21 collective basis by a business, trade association, labor  
22 union, or any other organized group or association.

23 ~~"Contribution"-shall-not-include-refreshments~~

24 (2) Refreshments served at a campaign function so long as  
25 such refreshments do not exceed fifty dollars in value or  
26 transportation provided to a candidate so long as its value  
27 computed at a rate of twenty cents per mile does not exceed  
28 one hundred dollars in value in any one reporting period.

29 ~~"Contribution"-shall-not-include-something~~

30 (3) Something provided to a candidate for the candidate's  
31 personal consumption or use and not intended for or on behalf  
32 of the candidate's committee.

33 10. "County office" includes the office of drainage  
34 district trustee.

35 11. "County statutory political committee" means a

1 committee as defined in section 43.100.

2 12. "Disclosure report" means a statement of contributions  
3 received, expenditures made, and indebtedness incurred on  
4 forms prescribed by rules adopted by the board in accordance  
5 with chapter 17A.

6 13. "Fundraising event" means any campaign function to  
7 which admission is charged or at which goods or services are  
8 sold.

9 14. "Group collection" means an accumulation of cash,  
10 amassed through contributions from individual donors of ten  
11 dollars or less each, in a receptacle which is intended for  
12 such contributions and which is accessible by all persons  
13 visiting a particular place or a particular social function,  
14 either due to the placement of the receptacle in a place of  
15 general availability to the attendees, or due to a method of  
16 presenting the receptacle to the attendees. Due to the manner  
17 in which such funds are amassed, identification of the  
18 individual donors is understood to be impractical.

19 14A. "Internet" means the federated system of allied  
20 computer networks linked by telecommunication channels that is  
21 the international network of the networks that connects  
22 educational, scientific, and commercial institutions, and that  
23 may also be accessed by individuals.

24 ~~±4-~~ 15. "National political party" means a party which  
25 meets the definition of a political party established for this  
26 state by section 43.2, and which also meets the statutory  
27 definition of the term "political party" or a term of like  
28 import in at least twenty-five other states of the United  
29 States.

30 ~~±5-~~ 16. "Person" means, without limitation, any  
31 individual, corporation, government or governmental  
32 subdivision or agency, business trust, estate, trust,  
33 partnership or association, labor union, or any other legal  
34 entity.

35 ~~±6-~~ 17. a. "Political committee" means a committee, but

1 net formal or informal association of two or more individuals,  
2 other than a candidate's committee, which-accepts that, in  
3 performing any of the following activities, exceeds any of the  
4 following financial thresholds:

5 (1) Accepts contributions for political purposes in excess  
6 of five hundred dollars in the aggregate,--makes in a calendar  
7 year.

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

11 (3) Incurs indebtedness for political purposes in excess  
12 of five hundred dollars in the aggregate in any-one a calendar  
13 year for-the-purpose-of-supporting-or-opposing-a-candidate-for  
14 public-office,--or-for-the-purpose-of-supporting-or-opposing-a  
15 ballot-issue,.

16 b. A "political committee" also-means-an, provided it has  
17 exceeded at least one of the financial thresholds in paragraph  
18 "a", includes but is not limited to any of the following  
19 entities:

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

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

24 (3) A formally organized association, lodge, society,  
25 cooperative, union, fraternity, sorority, educational  
26 institution, civic organization, labor organization, religious  
27 organization, or professional organization which-accepts  
28 contributions-in-excess-of-five-hundred-dollars-in-the  
29 aggregate,--makes-expenditures-in-excess-of-five-hundred  
30 dollars-in-the-aggregate,--or-incurs-indebtedness-in-excess-of  
31 five-hundred-dollars-in-the-aggregate-in-any-one-calendar-year  
32 for-the-purpose-of-supporting-or-opposing-a-candidate-for  
33 public-office,--or-for-the-purpose-of-supporting-or-opposing-a  
34 ballot-issue.--"Political-committee"--also-includes-a-committee  
35 which-accepts-contributions-in-excess-of-five-hundred-dollars

1 ~~in-the-aggregate, makes expenditures in excess of five hundred~~  
2 ~~dollars in the aggregate, or incurs indebtedness in excess of~~  
3 ~~five hundred dollars in the aggregate in a calendar year to~~  
4 ~~cause, or other permanent organization that temporarily~~  
5 ~~engages in political activity.~~

6 (4) A formal or informal association of two or more  
7 individuals that causes the publication or broadcasting of  
8 material in which the public policy positions or voting record  
9 of that a reasonable person would understand to advocate the  
10 support of or opposition to the election of an identifiable  
11 candidate is discussed and in which a reasonable person could  
12 find commentary favorable or unfavorable to those public  
13 policy positions or voting record.

14 ~~17-~~ 18. "Political purpose" or "political purposes" means  
15 the support or opposition of a candidate or ballot issue.

16 ~~18-~~ 19. "Public office" means any state, county, city, or  
17 school office filled by election.

18 ~~19-~~ 20. "State income tax liability" means the state  
19 individual income tax imposed under section 422.5 reduced by  
20 the sum of the deductions from the computed tax as provided  
21 under section 422.12.

22 ~~20-~~ 21. "State statutory political committee" means a  
23 committee as defined in section 43.111.

24 Sec. 2. Section 56.3, subsection 3, paragraph b, Code  
25 Supplement 1995, is amended to read as follows:

26 b. The name and mailing address of every person making  
27 ~~contributions in excess of ten dollars~~ a contribution, and the  
28 date and amount of the contribution. This paragraph does not  
29 apply to donations received from group collections.

30 Sec. 3. Section 56.3, subsection 3, paragraph d, Code  
31 Supplement 1995, is amended to read as follows:

32 d. The name and mailing address of every person to whom  
33 any expenditure is made, the purpose of the expenditure, the  
34 date and amount of the expenditure and the name and address  
35 of, and office sought by each candidate, if any, on whose

1 behalf the expenditure was made. ~~Notwithstanding this~~  
2 ~~paragraph, the treasurer may keep a miscellaneous account for~~  
3 ~~disbursements of less than five dollars which need only show~~  
4 ~~the amount of the disbursement so long as the aggregate~~  
5 ~~miscellaneous disbursements to any one person during a~~  
6 ~~calendar year do not exceed one hundred dollars.~~

7 Sec. 4. Section 56.3, Code Supplement 1995, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 5. When a candidate, in the case of a  
10 candidate's committee, or a chairperson, in the political  
11 committee, shows that best efforts have been used to obtain,  
12 maintain, and submit the information required by this chapter,  
13 and that failure to satisfy a requirement of this chapter is  
14 due to action or nonaction by another person, such that the  
15 failure to satisfy the requirement is beyond the control of  
16 the candidate or chairperson, the candidate or chairperson  
17 shall be deemed to be in compliance with this chapter, and the  
18 other person may be held liable for sanctions.

19 Sec. 5. Section 56.3A, Code 1995, is amended to read as  
20 follows:

21 56.3A FUNDS FROM UNKNOWN SOURCE -- ESCHEAT.

22 1. The expenditure of funds from an unknown or  
23 unidentifiable source received by a candidate or committee is  
24 prohibited. ~~Such funds~~

25 2. Funds received by a candidate or committee from an  
26 unknown or unidentifiable source shall escheat to the state.  
27 Any candidate or committee receiving such contributions shall  
28 remit such contributions to the director of revenue and  
29 finance for deposit in the general fund of the state.

30 3. Persons requested to make a contribution at a  
31 fundraising event shall be advised that it is illegal to make  
32 a contribution ~~in excess of ten dollars~~ unless the person  
33 making the contribution also provides the person's name and  
34 address.

35 4. This section does not apply to contributions received

1 from group collections that are made in compliance with rules  
2 established by the board.

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

5 a. The name, purpose, mailing address, and telephone  
6 number of the committee.

7 (1) The committee name shall not duplicate the name of  
8 another committee organized under this section.

9 (2) For candidate's committees filing initial statements  
10 of organization on or after July 1, 1995, the candidate's name  
11 shall be contained within the committee name.

12 (3) Except for a political committee formed to support or  
13 oppose approval of a judge standing for retention, the name of  
14 a political committee shall not contain the name of a  
15 candidate, a candidate for federal office, or of a current  
16 federal, state, county, city, or school officeholder.

17 Sec. 7. Section 56.5, subsection 2, paragraph f, Code  
18 Supplement 1995, is amended to read as follows:

19 f. (1) A In the case of a candidate's committee, a signed  
20 statement by the treasurer-of-the-committee-and-the candidate,  
21 in-the-case-of-a-candidate's-committee,-which-shall-verify  
22 that they-are verifies the following information:

23 (a) The candidate is aware of the requirement to file  
24 disclosure reports if the committee, the committee officers,  
25 the candidate, or both the committee officers and the  
26 candidate, receive for the purpose of supporting the candidate  
27 for public office, experiences any of the following:

28 (i) Receives contributions in excess of five hundred  
29 dollars in the aggregate,-make.

30 (ii) Makes expenditures in excess of five hundred dollars  
31 in the aggregate,-or-incur.

32 (iii) Incurs indebtedness in excess of five hundred  
33 dollars in the aggregate in a calendar year for-the-purpose-of  
34 supporting-or-opposing-any-candidate-for-public-office.

35 (b) The candidate has and will ensure that the committee

1 treasurer has been instructed as to the treasurer's  
2 responsibilities under this chapter, but acknowledges that the  
3 candidate remains personally liable for compliance with this  
4 chapter.

5 (2) In the case of political committees, statements-shall  
6 be-made a signed statement by the treasurer chairperson of the  
7 committee and-the-chairperson that verifies the following  
8 information:

9 (a) The chairperson is aware of the requirement to file  
10 disclosure reports if the committee, for the purpose of  
11 supporting or opposing any candidate for public office or any  
12 ballot issue, experiences any of the following:

13 (i) Receives contributions in excess of five hundred  
14 dollars in the aggregate.

15 (ii) Makes expenditures in excess of five hundred dollars  
16 in the aggregate.

17 (iii) Incurs indebtedness in excess of five hundred  
18 dollars in the aggregate in a calendar year.

19 (b) The chairperson has and will ensure that the committee  
20 treasurer has been instructed as to the treasurer's  
21 responsibilities under this chapter, but acknowledges that the  
22 chairperson remains personally liable for compliance with this  
23 chapter.

24 Sec. 8. section 56.6, subsection 1, paragraphs c and d,  
25 Code Supplement 1995, are amended to read as follows:

26 c. A candidate's committee for a candidate for the general  
27 assembly at a special election for which the governor is  
28 required to give not less than forty days' notice under  
29 section 69.14 shall file a report by the fourteenth day prior  
30 to the special election which is current through the  
31 nineteenth day prior to the special election. A candidate's  
32 committee for a candidate for the general assembly at a  
33 special election for which the governor is required to give  
34 not less than eighteen days' notice under section 69.14 shall  
35 file a report five days prior to the election, that shall be

1 current as of five days prior to the filing deadline. Any  
2 report filed pursuant to this paragraph shall be timely filed,  
3 or mailed bearing a United States postal service postmark  
4 dated on or before the due date.

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

9 (1) A candidate's committee for municipal and school  
10 elective offices and.

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

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

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

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

1 date.

2 Sec. 9. Section 56.6, subsection 3, Code Supplement 1995,  
3 is amended to read as follows:

4 3. Each report under this section shall disclose:

5 a. The amount of cash on hand at the beginning of the  
6 reporting period.

7 b. The name and mailing address of each person who has  
8 made one or more contributions of money to the committee  
9 including-the, together with the amount of the contribution.

10 All reports of proceeds from any fund-raising events shall  
11 include this information, except for those proceeds reportable  
12 under paragraph "f" "e" of this subsection, when the aggregate  
13 amount in a calendar year exceeds the amount specified in the  
14 following schedule:

15 (1)--For any candidate for school or township  
16 office-----\$-25

17 (2)--For any candidate for city office-----\$-25

18 (3)--For any candidate for county office-----\$-25

19 (4)--For any candidate for the general  
20 assembly-----\$-25

21 (5)--For any candidate for the Congress  
22 of the United States-----\$100

23 (6)--For any candidate for statewide  
24 office-----\$-25

25 (7)--For any committee of a national  
26 political party-----\$200

27 (8)--For any state statutory political  
28 committee-----\$200

29 (9)--For any county statutory political  
30 committee-----\$-50

31 (10)--For any other political committee-----\$-25

32 (11)--For any ballot issue-----\$-25

33 c.--The total amount of contributions made to the political  
34 committee during the reporting period and not reported under  
35 paragraph "b" of this subsection; and contributions received

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1 and reported as group collections.

2 ~~d. c.~~ The name and mailing address of each person who has  
3 made one or more in-kind contributions to the committee when  
4 ~~the aggregate market value of the in-kind contribution in a~~  
5 ~~calendar year exceeds the amount specified in subsection 3,~~  
6 ~~paragraph "b", of this section.~~ In-kind contributions shall  
7 be designated on a separate schedule from schedules showing  
8 contributions of money and shall identify the nature of the  
9 contribution and provide its estimated fair market value.

10 ~~e. d.~~ Each loan to any person or committee within the  
11 ~~calendar year in an aggregate amount in excess of those~~  
12 ~~amounts enumerated in the schedule in paragraph "b" of this~~  
13 ~~subsection,~~ together with the name and mailing address of the  
14 lender and endorsers, the date and amount of each loan  
15 received, and the date and amount of each loan repayment.  
16 Loans received and loan repayments shall be reported on a  
17 separate schedule.

18 ~~f. e.~~ The total amount of ticket sale proceeds from any  
19 fund-raising event for which the per-person ticket price was  
20 ten dollars or less.

21 f. Contributions and sales at fund-raising events which  
22 involve the sale of a product acquired at less than market  
23 value and sold ~~for an amount of money in excess of the amount~~  
24 ~~specified in paragraph "b" of this subsection~~ by the committee  
25 shall be designated separately from in-kind and monetary  
26 contributions and the report shall include the name and  
27 address of the donor, a description of the product, the market  
28 value of the product, the sales price of the product, and the  
29 name and address of the purchaser, and the total amount paid  
30 by each purchaser.

31 g. The name and mailing address of each person to whom  
32 disbursements or loan repayments have been made by the  
33 committee from contributions during the reporting period and  
34 the amount, purpose, and date of each disbursement ~~except that~~  
35 ~~disbursements of less than five dollars may be shown as~~

1 miscellaneous-disbursements-so-long-as-the-aggregate  
2 miscellaneous-disbursements-to-any-one-person-during-a  
3 calendar-year-do-not-exceed-one-hundred-dollars. If  
4 disbursements are made to a consultant, the consultant shall  
5 provide the committee with a statement of disbursements made  
6 by the consultant during the reporting period showing the name  
7 and address of the recipient, amount, purpose, and date to the  
8 same extent as if made by the candidate, which shall be  
9 included in the report by the committee.

10 h. The amount and nature of debts and obligations owed in  
11 excess-of-these-amounts-stated-in-the-schedule-in-paragraph  
12 "b"-of-this-subsection by the committee. Loans made to a  
13 committee and reported under paragraph "b"-of-this-subsection  
14 "d" shall not be considered a debt or obligation under this  
15 paragraph. A loan made by a committee to any person shall be  
16 considered a disbursement.

17 i. If a person listed under paragraph "b", "d", "e", or  
18 "f" as making a contribution or loan to or purchase from a  
19 candidate's committee is related to the candidate within the  
20 third-degree-of-consanguinity-or-affinity, the existence of  
21 that person's family-relationship shall be indicated on the  
22 report.

23 j. i. The name and mailing address of each person with  
24 whom a candidate's committee has entered into a contract  
25 during the reporting period for future or continuing  
26 performance and the nature of the performance, period of  
27 performance and total, anticipated compensation for  
28 performance. For a report filed under subsection 1, paragraph  
29 "b", this paragraph also requires the reporting of estimates  
30 of performance which the candidate's committee reasonably  
31 expects to contract for during the balance of the period  
32 running until thirty days after the election.

33 k. j. Other pertinent information required by this  
34 chapter, by rules adopted pursuant to this chapter, or forms  
35 approved by the board.

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1 Sec. 10. Section 56.7, Code 1995, is amended to read as  
2 follows:

3 56.7 REPORTS SIGNED.

4 1. A report or statement required to be filed by a  
5 ~~treasurer-of-a-political~~ committee, ~~a-candidate,~~ ~~or-by-any~~  
6 ~~other-person,~~ shall be signed by ~~the-person-filing-the-report.~~  
7 as follows:

8 a. In the case of a candidate's committee, the report  
9 shall be signed by the candidate, attesting under penalty of  
10 perjury that the report is accurate and correct to the best of  
11 the candidate's knowledge, that all expenditures made by the  
12 committee are permitted uses under sections 56.41 and 56.42,  
13 and that the candidate acknowledges personal liability for any  
14 violations of chapter 56.

15 b. In the case of a political committee, the report shall  
16 be signed by the chairperson, attesting under penalty of  
17 perjury that the report is accurate and correct to the best of  
18 the chairperson's knowledge, that all expenditures made by the  
19 committee are permitted uses under section 56.44, and that the  
20 chairperson acknowledges personal liability for any violations  
21 of chapter 56.

22 2. A copy of every report or statement shall be preserved  
23 by the person filing it or the person's successor for at least  
24 three five years following the filing of the report or  
25 statement.

26 Sec. 11. Section 56.14, subsection 3, Code Supplement  
27 1995, is amended to read as follows:

28 3. Yard signs shall not be placed on any property which  
29 adjoins a city, county, or state roadway sooner than forty-  
30 five days preceding a primary, or general, or special election  
31 and shall be removed within seven days after the primary, or  
32 general, or special election, in which the name of the  
33 particular candidate or ballot issue described on the yard  
34 sign appears on the ballot. Yard signs are subject to removal  
35 by highway authorities as provided in section 319.13, or by

1 county or city law enforcement authorities in a manner  
2 consistent with section 319.13. The placement or erection of  
3 yard signs shall be exempt from the requirements of chapter  
4 480. Notice may be provided to the chairperson of the  
5 appropriate county central committee if the highway  
6 authorities are unable to provide notice to the candidate,  
7 candidate's committee, or political committee regarding the  
8 yard sign.

9 Sec. 12. Section 56.14, subsection 5, Code Supplement  
10 1995, is amended to read as follows:

11 5. This section shall not be construed to require the  
12 inclusion an individual to disclose that individual's identity  
13 or address on published material, of-information-which  
14 discloses-the-identity-or-address-of-any as long as the  
15 individual who is not a candidate, is acting independently,  
16 and using has not expended more than five hundred dollars of  
17 the individual's own modest resources in a calendar year in  
18 order to publish or distribute the material. However, this  
19 exception does not apply to text or graphics that are  
20 transmitted to another computer by computer, via the internet,  
21 or via other means.

22 Sec. 13. Section 56.15, subsection 4, unnumbered paragraph  
23 1, Code Supplement 1995, is amended to read as follows:

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

1 political activity under section 56.6. The restrictions  
2 imposed by this section relating to making, soliciting, or  
3 receiving contributions shall not be construed to prohibit an  
4 insurance company, savings and loan association, bank, credit  
5 union, or corporation, whether for profit or not, from using  
6 its own resources to encourage registration of voters and  
7 participation in the political process, including  
8 familiarization with candidates for public office, as long as  
9 those resources are made equally available to all candidates.

10 Sec. 14. Section 56.42, subsection 1, Code Supplement  
11 1995, is amended to read as follows:

12 1. In addition to the uses permitted under section 56.41,  
13 a candidate's committee may only transfer campaign funds in  
14 one or more of the following ways:

15 a. Contributions to charitable organizations.

16 b. Contributions to national, state, or local political  
17 party central committees, or to partisan political committees  
18 organized to represent persons within the boundaries of a  
19 congressional district, or to committees representing a  
20 nonparty political organization described in section 44.1.

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 d. Return of contributions to contributors on a pro rata  
26 basis, except that any contributor who contributed five  
27 dollars or less and any contributor to a group collection may  
28 be excluded from the distribution.

29 e. Contributions to another candidate's committee when the  
30 candidate for whom both committees are formed is the same  
31 person.

32 Sec. 15. NEW SECTION. 56.44 POLITICAL COMMITTEES --  
33 RESTRICTIONS ON USE -- FUNDRAISING -- PENALTIES.

34 1. A political committee shall designate its purpose on  
35 its statement of organization as either in regard to candidate

1 elections or in regard to a ballot issue election. A  
2 political committee may not be organized with the purpose of  
3 being involved in both types of elections. A committee formed  
4 with regard to candidate elections shall not make  
5 contributions with regard to a ballot issue election, and a  
6 committee formed with regard to a ballot issue shall not  
7 contribute with regard to a candidate election.

8 2. a. A political committee and the officers of a  
9 political committee shall use the funds of the committee only  
10 for expenses consistent with and directly related to the  
11 designated purposes of the committee, reasonable  
12 administrative expenses, and contributions to candidates, in  
13 the case of committees organized with regard to candidate  
14 elections. Reasonable administrative expenses may include  
15 payment of wages to administrative personnel, provided that  
16 the wages are compensation for actual services rendered and  
17 are at a rate comparable to community standard compensation  
18 for persons providing similar services.

19 b. A political committee shall not use committee funds for  
20 personal expenses or for the personal benefit of any person.

21 3. A political committee, other than a statutory political  
22 committee, shall not engage in fundraising through telephone  
23 solicitation except as authorized by rule, which shall be  
24 adopted by the board.

25 4. If the board determines, after notice and hearing as  
26 provided in sections 68B.32B and 68B.32C, that a political  
27 committee other than a statutory political committee has  
28 committed a violation of this section, the board may, in  
29 addition to other sanctions provided under sections 56.16 and  
30 68B.32D, order the committee to dissolve and bar its officers  
31 from serving as officers of another political committee for a  
32 period of up to three years.

33 Sec. 16. Section 68B.7, Code 1995, is amended to read as  
34 follows:

35 68B.7 OTHER ACTIVITIES -- TWO-YEAR BAN.

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1 1. A person who has served as an official, state employee  
2 ~~of-a-state-agency~~, member of the general assembly, or  
3 legislative employee shall not within a period of two years  
4 after the termination of such service or employment, appear do  
5 any of the following:

6 a. Appear before the agency ~~or-receive-compensation with~~  
7 which the person served for any services rendered on behalf of  
8 any person, firm, corporation, or association in relation to  
9 any case, proceeding, or application with respect to which the  
10 person was directly concerned and personally participated  
11 during the period of service or employment.

12 b. Receive compensation for any services rendered on  
13 behalf of any person, firm, corporation, or association in  
14 relation to any case, proceeding, or application with respect  
15 to which the person was directly concerned and personally  
16 participated during the period of service or employment.

17 2. A person who has served as the head of or on a  
18 commission or board of a regulatory agency or as a deputy  
19 thereof, shall not, within a period of two years after the  
20 termination of such service ~~accept~~, do any of the following:

21 a. Accept employment with that commission, board, or  
22 agency ~~or-receive~~.

23 b. Receive compensation for any services rendered on  
24 behalf of any person, firm, corporation, or association in any  
25 case, proceedings, or application before the department with  
26 which the person so served wherein the person's compensation  
27 is to be dependent or contingent upon any action by such  
28 agency with respect to any license, contract, certificate,  
29 ruling, decision, opinion, rate schedule, franchise, or other  
30 benefit, ~~or-in-promoting-or-opposing, directly-or-indirectly,~~  
31 ~~the-passage-of-bills-or-resolutions-before-either-house-of-the~~  
32 ~~general-assembly.~~

33 Sec. 17. Section 68B.32A, subsection 3, Code Supplement  
34 1995, is amended to read as follows:

35 3. Review the contents of all campaign finance disclosure

1 reports and statements filed with the board and promptly  
2 advise each person or committee of errors found.

3 a. The board may verify information contained in the  
4 reports with other parties to assure accurate disclosure.  
5 Information may be sought from a third party after notice to  
6 the committee which is the subject of the review. However, if  
7 the chairperson of the board concludes that notification to  
8 the committee would have the potential of jeopardizing the  
9 validity of the information sought, prior notice to the  
10 committee which is the subject of the review is not required.

11 The board may also verify information by requesting that a  
12 candidate or committee produce copies of receipts, bills,  
13 logbooks, or other memoranda of reimbursements of expenses to  
14 a candidate for expenses incurred during a campaign.

15 b. For the purposes of obtaining verifying information,  
16 the board may issue administrative subpoenas for the requested  
17 information, which may be served upon the candidate,  
18 committee, or third party by restricted certified mail or by  
19 personal service as in civil actions.

20 c. The board, upon its own motion, may initiate action and  
21 conduct a hearing relating to requirements under chapter 56.

22 d. The board may require a county commissioner of  
23 elections to periodically file summary reports with the board.

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

26 NEW SUBSECTION. 15. Establish fees to cover the costs  
27 associated with creating, maintaining, and providing access to  
28 an electronic database of campaign finance disclosure  
29 information. Payments received for these costs shall be  
30 considered repayment receipts as defined in section 8.2.

31 NEW SUBSECTION. 16. Adopt rules regarding the collection  
32 and reporting of contributions received from group  
33 collections.

34 Sec. 19. Section 68B.32B, subsections 2, 4, and 5, Code  
35 1995, are amended to read as follows:

1 2. The board staff shall review the complaint to determine  
2 if the complaint is sufficient as to form.

3 a. If the complaint is deficient as to form, the complaint  
4 shall be returned to the complainant with a statement of the  
5 deficiency and an explanation describing how the deficiency  
6 may be cured.

7 b. If the complaint is sufficient as to form, the  
8 complaint shall be referred to the board chairperson for legal  
9 review.

10 ~~4. Upon completion of legal review, the chairperson of the~~  
11 ~~board shall be advised whether, in the opinion of the legal~~  
12 ~~adviser, The board shall review the complaint and determine~~  
13 ~~whether the complaint states an allegation which is legally~~  
14 ~~sufficient. A legally sufficient allegation must allege all~~  
15 ~~of the following:~~

16 a. Facts that would establish a violation of a provision  
17 of this chapter, chapter 56, or rules adopted by the board.

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

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

23 ~~5. After receiving an evaluation of the legal sufficiency~~  
24 ~~of the complaint, the chairperson shall refer the complaint to~~  
25 ~~the board for a formal determination by the board of the legal~~  
26 ~~sufficiency of the allegations contained in the complaint.~~

27 Sec. 20. EFFECTIVE DATE. Sections 1, 2, 3, 5, 9, and 14  
28 take effect January 1, 1997.

29 EXPLANATION

30 Section 1 of the bill adds a new definition for donations  
31 received from "group collections", which are obtained either  
32 from a source such as a donation can in a group setting. The  
33 definition restricts such anonymous donations to \$10 or less  
34 from each individual. The board is authorized, in section 18  
35 of the bill, to adopt rules related to the collection and

1 reporting of such proceeds. This definition is utilized in  
2 sections 2, 5, 9, and 14 of the bill, regarding the reporting  
3 of funds received from such sources.

4 Section 1 also reorganizes and restates the definition of a  
5 political committee.

6 Sections 3 and 9 of the bill delete provisions allowing a  
7 committee treasurer the discretion not to record the detail of  
8 miscellaneous disbursements of \$5 or less. All expenditures  
9 must now be recorded in detail.

10 Section 6 restricts the choice of names that may be used by  
11 a political committee, prohibiting any political committee  
12 from using the name of a candidate or officeholder, other than  
13 one directed toward a judge standing for retention.

14 Section 20 provides for a delayed effective date of January  
15 1, 1997, for these sections concerned with campaign reporting  
16 requirements, which are explained above.

17 Section 7 of the bill provides that ultimate liability for  
18 the accuracy and retention of the financial records rests with  
19 the candidate (for a candidate's committee) or the chairperson  
20 (for a political committee). These individuals must now make  
21 a verified statement with the committee's organization  
22 statement that acknowledges responsibility for complying with  
23 the Code requirements. These individuals are also required to  
24 sign and file the disclosure reports, according to changes  
25 contained in section 10 of the bill. However, section 4 of  
26 the bill contains a new subsection that allows a candidate or  
27 chairperson who demonstrates that best efforts have been made  
28 to comply with the Code requirements to be deemed to be in  
29 compliance with the chapter.

30 Section 8 adds county office special elections to the list  
31 of committees that must file reports at least five days prior  
32 to an election, and addresses reports for certain special  
33 elections for the general assembly, as well. Regular  
34 disclosure rules apply for post-election filings by these  
35 candidates' committees.

1 Section 9 changes the Code to remove the varying reporting  
2 thresholds on disclosure statements according to the type of  
3 candidate or ballot issue. All contributions other than group  
4 collections and events where the ticket price is less than \$10  
5 would be subject to reporting requirements. The provision  
6 requiring disclosure of familial relationships is also  
7 deleted.

8 Section 11 of the bill adds special elections to the  
9 regulations regarding display of yard signs.

10 Section 12 of the bill adds a \$500 value limitation to the  
11 section permitting an individual who is not running for office  
12 to distribute published political material. However, this  
13 exception to the "disclaimer" provision does not apply to  
14 internet publications. Section 1 adds definitions of  
15 "computer" and "internet".

16 Section 13 of the bill permits a corporation, insurance  
17 company, or financial institution to conduct voter awareness  
18 and registration programs without penalty, as long as any  
19 resources directed toward candidates are made equally  
20 available to all candidates.

21 Section 14 of the bill adds a provision permitting moneys  
22 from dissolved committees to be donated to an additional  
23 source, nonparty political organizations.

24 Section 15 of the bill adds a new section setting forth  
25 certain restrictions on fundraising and use of funds by  
26 political committees.

27 Sections 16 through 19 of the bill make changes to the  
28 ethics chapter. Section 16 amends the lobbying restriction  
29 for former state employees, making the restriction expressly  
30 applicable to all state employees, not just agency employees.  
31 Section 18 permits the board to charge fees for access to an  
32 electronic database of campaign finance disclosure  
33 information. Section 17 permits the board to verify  
34 information with third parties, and to issue administrative  
35 subpoenas in its investigations of campaign disclosure

1 requirements. Section 19 eliminates staff legal review of a  
2 formal complaint filed with the board.

3 BACKGROUND STATEMENT

4 SUBMITTED BY THE AGENCY

5 Section 3, together with changes in sections 1, 5, 9, and  
6 14, eliminates the need for a committee to keep two sets of  
7 books, an internal set with a \$10 contribution threshold and,  
8 on the disclosure report, a \$25 contribution threshold. Under  
9 this amendment, all contributions would be disclosed, but a  
10 provision is made for "pass-the-hat" and "can collection"  
11 donations, where contributions of \$10 or less could still be  
12 accepted without detailed donor information. All expenditures  
13 would likewise be shown and reported on the single record.  
14 This is designed to assist volunteer treasurers, who have  
15 experienced difficulty in determining which items should be  
16 maintained on which records. An item in section 9 also  
17 strikes the requirement to disclose a familial relationship,  
18 as this information has not appeared to be relevant in  
19 assessing campaign finance information. Section 20 provides  
20 that the provisions of this bill which change reporting  
21 thresholds shall not become effective until January 1, 1997,  
22 to allow completion of this election cycle.

23 Section 6 provides that a political committee name cannot  
24 contain the name of a candidate or officeholder. This will  
25 avoid any appearance that a candidate has more than one  
26 committee for the same office, which is prohibited, and will  
27 eliminate the impression that a candidate or officeholder is  
28 responsible for the activities of a committee which might  
29 otherwise bear the candidate's or officeholder's name.  
30 Section 6 also eliminates the need for the treasurer to "sign  
31 off" on the statement of organization, since it is the  
32 candidate or chairperson who is ultimately responsible for the  
33 activities of the committee. This again is to reduce an onus  
34 on treasurers who are often unpaid volunteers.

35 Section 8 imposes a filing deadline on candidates for

1 county office involved in a special election. Currently,  
2 candidates for the general assembly and municipal and school  
3 elective offices in a special election are compelled to file a  
4 pre-election report. Candidates for county office in a  
5 special election frequently never file a pre-election report  
6 because the determination to hold the special election comes  
7 after the regular quarterly filing deadlines, and the next  
8 regularly scheduled report is not required until after the  
9 special election.

10 Similar to the changes in section 6, section 10 makes it  
11 the candidate's or chairperson's responsibility to "sign off"  
12 on the accuracy and propriety of the committee's reports. It  
13 is intended that the attested statement will allow greater  
14 reliance on the contents of the report to allow the board to  
15 focus on significant issues, rather than on verifying minute  
16 information. Misstatements by a candidate or chairperson  
17 would be subject to public challenge and to sanction if a  
18 challenge is substantiated.

19 Section 11 corrects an omission to allow signs to be posted  
20 within the normal time frames for a special election.

21 Section 13 clarifies the application of the restriction on  
22 corporate activity to allow a corporation (and similar  
23 restricted entities) to engage in voter education activities  
24 in relation to a candidate election, as long as it is the  
25 corporation's own resources which are being used, and all  
26 candidates have the same opportunity to avail themselves of  
27 the resources.

28 Section 14 adds a committee representing a nonparty  
29 political organization to the list of permissible recipients  
30 of funds from a candidate's committee. Currently the statute  
31 does not explicitly permit candidates to transfer funds to a  
32 "minority party" which does not meet the definition of a  
33 "political party", but is a "nonparty political organization"  
34 under chapter 44.

35 Section 15 is a new section specifying the appropriate and

1 inappropriate uses for a political committee's funds.  
2 Currently there is no restriction, and there is no provision  
3 that contributions to a political committee must be used for  
4 political purposes at all. The intent of this section is to  
5 reduce the ability of persons to create a political committee  
6 for personal benefit or for fraud.

7 Section 16 makes editorial changes to the Code section, and  
8 removes language regarding a ban on lobbying activity which is  
9 inconsistent with the more recently enacted ban in section  
10 68B.5.

11 Section 17 enhances the board's ability to obtain  
12 information to verify disclosure reports in an economical  
13 manner, by expressly permitting the board to subpoena the  
14 records without requiring personal service of the subpoenas,  
15 but rather allowing certified mail service. To permit  
16 verification to occur without jeopardizing the integrity of  
17 the request, provision is made that prior notice to the  
18 candidate or committee is not required.

19 Section 18 allows the board to assess fees to persons  
20 accessing the campaign finance disclosure computer database in  
21 order to cover and recover costs associated in creating,  
22 maintaining, and providing access to the database.

23 Section 19 streamlines the formal complaint review process,  
24 by having initial substantive review by the board chair, and  
25 with legal sufficiency determined solely by the board.  
26 Concern has been expressed that the current three-step review,  
27 with staff legal review preceding the chair's review, was  
28 unnecessarily cumbersome, and may invest excessive discretion  
29 in board staff.

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