

SENATE FILE 520
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SF 144)

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

A BILL FOR

1 An Act relating to campaign finance by setting limits for
2 contributions by political committees to certain political
3 campaigns, establishing voluntary expenditure and contribution
4 limits for political campaigns for candidates for the general
5 assembly and a tax credit for qualified contributions,
6 prohibiting the publication of false or misleading information
7 in political advertisements, permitting the transfer of
8 campaign funds after a candidate has not served in public
9 office for a number of years, forming a bipartisan commission
10 to recommend reforms in the laws relating to the financing of
11 political campaigns, and making penalties applicable.

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

13
14
15
16
17
18
19
20
21
22
23
24

S.F. 520

1 Section 1. NEW SECTION. 56.5B LIMITATIONS ON
2 CONTRIBUTIONS.

3 1. A political committee shall not make contributions
4 that, during any election campaign cycle, in the aggregate
5 exceed the following:

6 a. Two thousand dollars to any candidate or candidate's
7 committee for a statewide office.

8 b. Five hundred dollars to any candidate or candidate's
9 committee for the Iowa senate.

10 c. Two hundred fifty dollars to any candidate or
11 candidate's committee for the Iowa house of representatives.

12 2. A candidate or candidate's committee shall not
13 knowingly accept any contribution in violation of this
14 section.

15 3. For purposes of this section:

16 a. "Political committee" shall not include a state
17 statutory political committee, county statutory political
18 committee, city statutory political committee, or national
19 political party.

20 b. "Election campaign cycle" means the period of time
21 between any general or special election commencing on the day
22 following the previous election for that office and continuing
23 through election day.

24 c. "Statewide office" means the office of any of the state
25 officers listed in section 39.9.

26 4. This section shall not apply to the following:

27 a. Contributions to Iowa candidates for the United States
28 senate or house of representatives, or to any other candidate
29 for federal office.

30 b. Transfers of campaign funds made pursuant to section
31 56.42.

32 Sec. 2. NEW SECTION. 56.6A VOLUNTARY LIMITS ON
33 CONTRIBUTIONS AND EXPENDITURES.

34 1. A candidate for the general assembly may file a
35 declaration of limitation on expenditures pursuant to section

1 56.6B, certifying that the candidate and the candidate's
2 committee will not do any of the following:

3 a. Make expenditures during an election campaign cycle
4 exceeding the following amounts:

5 (1) Fifty thousand dollars for a candidate for the senate.

6 (2) Twenty-five thousand dollars for a candidate for the
7 house of representatives.

8 b. Accept direct contributions from a state, county, or
9 city statutory political committee or a national political
10 party.

11 2. A candidate who has filed a declaration of limitation
12 on expenditures pursuant to section 56.6B shall not be bound
13 by the declaration if any opposing candidate for the same
14 office has not filed a declaration of limitation on
15 expenditures pursuant to section 56.6B, or has filed a
16 declaration but has made expenditures exceeding the applicable
17 limit.

18 3. For the purposes of this section and sections 56.6B and
19 56.6C:

20 a. "Expenditures" shall include all amounts reported in
21 disclosure reports pursuant to section 56.6, subsection 3,
22 paragraph "g", as well as any amounts attributed to a
23 candidate pursuant to section 56.13.

24 b. "Election campaign cycle" means the period of time
25 between any general or special election commencing on the day
26 following the previous election for that office, and
27 continuing through election day.

28 Sec. 3. NEW SECTION. 56.6B DECLARATION OF LIMITATION ON
29 EXPENDITURES.

30 1. A declaration of limitation on expenditures shall meet
31 the requirements of section 56.6A, subsection 1, and shall
32 include the signature of the candidate.

33 2. A declaration of limitation on expenditures shall be
34 filed with the board no later than the date upon which the
35 candidate makes a filing pursuant to section 43.11, 44.1, or

1 45.4 to have the candidate's name placed on a ballot for
2 election to public office.

3 3. Once a declaration of limitation on expenditures has
4 been filed, a candidate's expenditures may be challenged
5 pursuant to the procedure in section 68B.32B. Notwithstanding
6 the requirements of that section, the board shall, within
7 twenty-four hours of the filing of a complaint, determine
8 whether there is probable cause to believe the existence of
9 facts that would establish an unreported expenditure, an
10 improperly reported expenditure, or aggregate expenditures
11 exceeding the applicable limit. The board shall proceed with
12 the remainder of the complaint procedure only upon a finding
13 of probable cause.

14 4. a. A finding by the board that a candidate has
15 exceeded the applicable expenditure limit shall not subject
16 the candidate to any criminal penalty under this chapter, but
17 shall release the candidate's opponent from any obligation to
18 comply with that candidate's own declaration of limitation of
19 expenditures.

20 b. A finding by the board that the candidate has not
21 reported or has improperly reported an expenditure shall
22 result in appropriate adjustment of the candidate's reported
23 expenditures, and may subject the candidate to penalties
24 pursuant to section 56.16.

25 Sec. 4. NEW SECTION. 56.6C TAX CREDIT FOR QUALIFIED
26 CONTRIBUTIONS.

27 A credit against taxes pursuant to section 422.12,
28 subsection 4, shall be allowed for a contribution to a
29 candidate for an office representing the legislative district
30 in which the contributor permanently resided at the time the
31 contribution was made who has filed a declaration of
32 limitation on expenditures pursuant to section 56.6B, not to
33 exceed one hundred dollars per person per qualified candidate.
34 Upon request by the state, the contributor shall substantiate
35 the claimed credit with an official receipt from the

1 candidate's committee to which a contribution was made.

2 Sec. 5. NEW SECTION. 56.14A FALSE INFORMATION IN
3 POLITICAL MATERIAL.

4 1. A person shall not be a sponsor of any published
5 material on behalf of or in opposition to any candidate or
6 ballot issue that contains any assertion, representation, or
7 statement of fact, including, but not limited to, information
8 concerning a candidate's prior public record, which the
9 sponsor knows to be untrue, deceptive, or misleading.

10 2. For purposes of this section, "published material"
11 means statements or graphic representations made through any
12 public medium which includes, but is not limited to, any of
13 the following:

14 a. Electronic media such as live or prerecorded radio or
15 television broadcasts, broadcasts or transmissions through
16 other publicly available electronic communications, and video
17 or audio tape recordings which are publicly distributed.

18 b. Print media, such as newspapers, pamphlets, folders,
19 display cards, signs, posters, or billboard advertisements.

20 c. Any other methods or mediums designed for publicly
21 advertising or publishing information.

22 3. For purposes of this section, "sponsor" means a person
23 who pays for or approves published material and shall include
24 a candidate or committee which knows and approves of an
25 independent expenditure made by another person under section
26 56.13.

27 Sec. 6. Section 56.42, subsection 2, Code 1997, is amended
28 to read as follows:

29 2. a. If an unexpended balance of campaign funds remains
30 in the committee's account when a candidate's committee
31 dissolves, the unexpended balance shall be transferred
32 pursuant to subsection 1.

33 b. If an unexpended balance of campaign funds remains in
34 the account of a candidate's committee for at least seven
35 years after the candidate's last day of service in a public

1 office, the unexpended balance shall be transferred pursuant
2 to subsection 1, paragraph "b".

3 Sec. 7. Section 422.12, Code 1997, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 4. A tax credit for qualified political
6 contributions pursuant to section 56.6C.

7 Sec. 8. CAMPAIGN FINANCE COMMISSION. The campaign finance
8 commission is established to study the laws relating to the
9 financing of elections for office and to recommend reforms in
10 these laws, according to the following:

11 1. Appointment. The commission shall be composed of seven
12 members, bipartisan and gender-balanced in accordance with
13 sections 69.16 and 69.16A, and appointed as follows:

14 a. Three members shall be the state chairs of each of the
15 political parties, as defined in section 43.2, or their
16 designees.

17 b. Four members shall be jointly appointed by the majority
18 and minority leaders of the house and senate. These members
19 shall be appointed from nonpartisan organizations which have
20 researched, studied, and advocated the issue of political
21 campaign finance reform for fifteen years or more, or who are
22 specially qualified to serve on the commission because of
23 training or experience.

24 c. The commission shall elect a chair and vice-chair at
25 its first meetings.

26 2. Terms. The members of the commission shall serve for
27 the life of the commission.

28 3. Vacancies. A vacancy in the commission shall be filled
29 in the manner in which the original appointment was made.

30 Sec. 9. POWERS AND DUTIES OF THE COMMISSION.

31 1. Hearings. The commission may hold hearings which shall
32 be open and announced in advance to the public, take
33 testimony, and receive evidence as the commission considers
34 appropriate. Activities of the commission shall be held in
35 accordance with chapter 21.

1 The commission shall hold at least one hearing in each
2 congressional district within the state specifically to obtain
3 public input on the issue of campaign finance reform.

4 2. Quorum. Four members of the commission shall
5 constitute a quorum, but a lesser number may hold hearings.

6 3. Report. Not later than December 15, 1997, the
7 commission shall submit to the general assembly a report of
8 the activities of the commission, together with a draft of
9 legislation recommended by the commission to reform the laws
10 regarding the financing of political campaigns for
11 consideration by the general assembly in 1998 according to the
12 provisions of this Act.

13 4. Matters to be considered. In holding hearings and
14 preparing the report required under subsection 3, the
15 commission shall consider all issues related to campaign
16 finance reform, including, but not limited to expenditure
17 limits, expenditure and contribution disclosure, contribution
18 limits by individuals and committees, soft money, independent
19 expenditures, and negative campaigning. The commission may
20 secure directly from any department or agency such information
21 as the commission considers necessary, and the department or
22 agency shall promptly furnish such information to the
23 commission.

24 5. Staffing. Assistance shall be provided to the
25 commission by the central nonpartisan legislative staff
26 bureaus. The commission may utilize the services of the
27 legislative service bureau in formulating a draft of
28 legislation. The attorney general's office and the ethics and
29 campaign disclosure board shall serve as consultants, and
30 advise the commission as necessary.

31 Sec. 10. FAST-TRACK PROCEDURE.

32 1. The legislation drafted by the commission shall be
33 filed with each chamber on the first day of the 1998
34 legislative session, and immediately assigned to the committee
35 on state government in each chamber.

1 a declaration of limitation on expenditures may claim a tax
2 credit of up to \$100 per qualified candidate. A conforming
3 amendment is made to Code section 422.12 regarding the tax
4 credit. Under new Code section 56.6B expenditures may be
5 challenged pursuant to the procedure in Code section 68B.32B
6 by complaints to the Iowa ethics and campaign disclosure
7 board. A complaint challenging an expenditure must be
8 assessed by the board within 24 hours of the filing of the
9 complaint for probable cause that the expenditure was
10 unreported, improperly reported, or caused the candidate to
11 exceed the applicable limit. A finding that a candidate has
12 exceeded an applicable limit will release the candidate's
13 opponent from an obligation to comply with that candidate's
14 own declaration of limitation on expenditures.

15 New Code section 56.14A is created to prohibit published
16 material, on behalf of or in opposition to any candidate or
17 ballot issue, that contains information that the sponsor knows
18 to be untrue, deceptive, or misleading. "Published material"
19 is defined to include public statements or graphic
20 representations made through various forms of print,
21 electronic, or other mediums. A person who willfully violates
22 any of the requirements or prohibitions contained in chapter
23 56 is guilty of a serious misdemeanor, subject to a penalty of
24 a fine of at least \$250 but not to exceed \$1,500, and may also
25 include imprisonment of not more than one year.

26 Code section 56.42 is amended to permit a transfer of funds
27 remaining in a candidate's account to a national, state, or
28 local political party after the candidate has not served in
29 public office for seven years.

30 Finally, the bill creates a campaign finance commission to
31 review issues related to campaign finance reform, to prepare a
32 report to be submitted to the legislature by December 15,
33 1997, and to prepare draft reform legislation. The members of
34 the commission are composed of the three chairs of the state
35 political parties, and four representatives of nonpartisan

1 organizations that have studied and advocated campaign finance
2 reform. Public hearings shall be held in each congressional
3 district. The bill also provides for fast-track consideration
4 of the draft legislation by the general assembly. Both
5 chambers must debate and vote on the legislation, without any
6 amendment, within 30 days of the start of the 1998 legislative
7 session.

- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35