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SENATE FILE 2224

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KIBBIE, McCOY, SHEARER, SOUKUP,
GRONSTAL, and SZYMONIAK

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

A BILL FOR

1 An Act relating to campaign finance law, including electronic
2 filing by candidates for statewide office, disclosures in
3 relation to certain political telephone calls, filing
4 requirements in relation to certain political advertisements
5 and penalties for false advertisement, and to public financing
6 of campaigns for governor and lieutenant governor, making
7 certain appropriations, providing penalties, and providing for
8 the Act's applicability.

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

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SF 2224
STATE GOVERNMENT

1 Section 1. Section 56.2, Code Supplement 1999, is amended
2 by adding the following new subsections:

3 NEW SUBSECTION. 13A. "Electronic filing" means data in a
4 form that is readable by a computer, including its software
5 programs, and transmitted via computer disk, modem, or the
6 internet.

7 NEW SUBSECTION. 15A. "Internet" means the federated
8 system of allied computer networks linked by telecommunication
9 channels that is the international network that connects
10 educational, scientific, and commercial institutions, and that
11 may also be accessed by individuals.

12 Sec. 2. NEW SECTION. 56.4A FALSE MATERIAL STATEMENTS.

13 A person shall not knowingly or willfully make a false
14 material statement in any report, form, or statement filed
15 with the board, or with a county commissioner of elections.

16 Sec. 3. Section 56.6, subsection 1, paragraph b, Code
17 Supplement 1999, is amended by striking the paragraph.

18 Sec. 4. Section 56.6, subsection 1, Code Supplement 1999,
19 is amended by adding the following new paragraph:

20 NEW PARAGRAPH. f. A candidate's committee of a candidate
21 for statewide office or the general assembly shall file daily
22 reports electronically as follows in a year in which a
23 primary, general, or special election for that office is held:

- 24 (1) From May 16 through general election day.
25 (2) From October 16 through primary election day.
26 (3) During the thirty days prior to and including any
27 special election day.

28 Sec. 5. NEW SECTION. 56.14A DISCLOSURES RELATED TO
29 POLITICAL TELEPHONE CALLS.

30 1. The general assembly finds that political telephone
31 communication is increasingly used in political campaigns in
32 this state in a deceptive manner, including but not limited to
33 the use of the push-polling technique, where an anonymous
34 telephone communication is designed to appear as a legitimate
35 opinion poll, but is in fact used as a vehicle to sway opinion

1 through innuendo, by the communication of certain negative
2 information related to a candidate or ballot issue in a manner
3 designed to suggest that such information may be true. The
4 general assembly declares that a compelling public interest
5 exists to identify the source of funding of telephonic
6 communications related to elections, in order to prevent
7 corruption and deceit at the expense of the electorate and to
8 preserve accountability for expenses made in connection with
9 political campaigns.

10 2. A person who engages in a telephone communication
11 related to the nomination, election, or defeat of a clearly
12 identified candidate for public office or the passage or
13 defeat of a clearly identified constitutional amendment or
14 ballot issue, shall disclose all of the following at or before
15 the end of the telephone call:

16 a. The name of the individual who is calling and the
17 entity with which the individual is affiliated, if any.

18 b. The individual or entity that paid for the telephone
19 communication, if any. If a registered committee has paid for
20 or authorized the telephone communication, the name of the
21 committee shall be disclosed. If any person other than the
22 candidate or candidate's committee intended to benefit from
23 the communication has paid for the telephone communication,
24 the communication shall also state whether or not the
25 communication has been authorized by the candidate intended to
26 benefit from the communication.

27 c. The name, telephone number, and address of an
28 individual whom the call recipient can contact for further
29 information regarding the telephone communication.

30 3. This section shall not apply to political telephone
31 communications made by an individual who is acting
32 independently and not at the direction of or in cooperation
33 with any candidate, candidate's committee, political
34 committee, or other person.

35 Sec. 6. NEW SECTION. 56.14B POLITICAL ADVERTISEMENTS --

1 DOCUMENTATION AND AFFIDAVITS -- MEDIA REPORTS -- FALSE

2 ADVERTISEMENTS -- PENALTIES FOR FALSE STATEMENTS.

3 1. Candidates, candidate's committees, and political
4 committees that purchase space or time for advertisement in
5 any print or electronic media that expressly advocates the
6 nomination, election, or defeat of a clearly identified
7 candidate for office, or expressly advocates the passage or
8 defeat of a clearly identified constitutional amendment or
9 ballot issue, shall file the following information with the
10 print or electronic media publisher of the advertisement prior
11 to the publication of such advertisement:

12 a. A copy of the advertisement.

13 b. Factual documentation supporting any facts claimed in
14 the advertisement, including any related voting records and
15 legislation text.

16 c. An affidavit, signed by the candidate, subject to the
17 penalties of this section, that the substance of the
18 advertisement is true.

19 2. Copies of documents filed with the print or electronic
20 media publisher under subsection 1 shall be filed with the
21 board within twenty-four hours after the advertisement's first
22 appearance in the print or electronic media, by hand-delivery
23 or overnight delivery service. If the same advertisement in
24 the same print or electronic format appears in more than one
25 medium, only one set of copies pursuant to subsection 1 shall
26 be filed with the board along with a list of media publishers
27 of the advertisement.

28 3. a. Publishers in print and electronic media shall
29 record all purchases of print space and electronic media time
30 or space related to advertisements covered by this section,
31 and shall file monthly reports of activity covered by this
32 section with the board, due at the board's office, or
33 postmarked by the fifth day of each month following any month
34 in which applicable media space or time has been purchased.

35 b. The reports shall contain a detailed listing of at

1 through innuendo, by the communication of certain negative
2 information related to a candidate or ballot issue in a manner
3 designed to suggest that such information may be true. The
4 general assembly declares that a compelling public interest
5 exists to identify the source of funding of telephonic
6 communications related to elections, in order to prevent
7 corruption and deceit at the expense of the electorate and to
8 preserve accountability for expenses made in connection with
9 political campaigns.

10 2. A person who engages in a telephone communication
11 related to the nomination, election, or defeat of a clearly
12 identified candidate for public office or the passage or
13 defeat of a clearly identified constitutional amendment or
14 ballot issue, shall disclose all of the following at or before
15 the end of the telephone call:

16 a. The name of the individual who is calling and the
17 entity with which the individual is affiliated, if any.

18 b. The individual or entity that paid for the telephone
19 communication, if any. If a registered committee has paid for
20 or authorized the telephone communication, the name of the
21 committee shall be disclosed. If any person other than the
22 candidate or candidate's committee intended to benefit from
23 the communication has paid for the telephone communication,
24 the communication shall also state whether or not the
25 communication has been authorized by the candidate intended to
26 benefit from the communication.

27 c. The name, telephone number, and address of an
28 individual whom the call recipient can contact for further
29 information regarding the telephone communication.

30 3. This section shall not apply to political telephone
31 communications made by an individual who is acting
32 independently and not at the direction of or in cooperation
33 with any candidate, candidate's committee, political
34 committee, or other person.

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6 nomination, election, or defeat of a clearly identified
7 candidate for office, or expressly advocates the passage or
8 defeat of a clearly identified constitutional amendment or
9 ballot issue, shall file the following information with the
10 print or electronic media publisher of the advertisement prior
11 to the publication of such advertisement:

12 a. A copy of the advertisement.

13 b. Factual documentation supporting any facts claimed in
14 the advertisement, including any related voting records and
15 legislation text.

16 c. An affidavit, signed by the candidate, subject to the
17 penalties of this section, that the substance of the
18 advertisement is true.

19 2. Copies of documents filed with the print or electronic
20 media publisher under subsection 1 shall be filed with the
21 board within twenty-four hours after the advertisement's first
22 appearance in the print or electronic media, by hand-delivery
23 or overnight delivery service. If the same advertisement in
24 the same print or electronic format appears in more than one
25 medium, only one set of copies pursuant to subsection 1 shall
26 be filed with the board along with a list of media publishers
27 of the advertisement.

28 3. a. Publishers in print and electronic media shall
29 record all purchases of print space and electronic media time
30 or space related to advertisements covered by this section,
31 and shall file monthly reports of activity covered by this
32 section with the board, due at the board's office, or
33 postmarked by the fifth day of each month following any month
34 in which applicable media space or time has been purchased.

35 b. The reports shall contain a detailed listing of at

1 least the following information:

2 (1) Identification of the persons buying the media space
3 or time.

4 (2) Identification of the candidate or ballot issue that
5 is clearly identified in the advertisement.

6 (3) Description of the position advocated by the persons
7 with regard to the clearly identified candidate or ballot
8 issue.

9 (4) The dates on which the purchase took place and the
10 dates for which the media space or time was purchased.

11 (5) The cost of the media space or time.

12 4. An advertisement under this section shall be deemed to
13 be false when the advertisement is found to have the tendency
14 or capacity to mislead a substantial number of members of the
15 public as to a material fact or facts. A false advertisement
16 is punishable as perjury according to section 720.2.

17 5. a. When an advertisement is alleged to be a false
18 advertisement under this section, a hearing before the board
19 shall be commenced within three days of the written filing of
20 the allegation, unless the county attorney in any county where
21 the advertisement was published files criminal charges prior
22 to that time.

23 b. If a hearing results in a determination that the
24 advertisement is false, the matter shall be immediately
25 referred for criminal prosecution to the county attorney in
26 any county where the advertisement was published, or to the
27 attorney general, according to the circumstances of the case.

28 c. Once criminal proceedings are initiated, the matter
29 shall take precedence on the court docket, and judgment shall
30 be made in the matter no more than sixty days from the filing
31 of the criminal complaint. The judge shall also address the
32 impact of the judgment, if any, upon the defendant's ability
33 to hold office, and shall issue an appropriate order.

34 Sec. 7. NEW SECTION. 56.50 DEFINITIONS.

35 As used in this division:

1 1. "Candidate team" means the candidates for governor and
2 lieutenant governor running together on behalf of the same
3 party.

4 2. "Qualifying amount" means the funding that must be
5 raised by the candidate team in order to qualify for public
6 funding under section 56.52.

7 Sec. 8. NEW SECTION. 56.51 VOLUNTARY LIMITS ON CAMPAIGN
8 EXPENDITURES.

9 1. A candidate team for governor and lieutenant governor
10 may voluntarily agree to limit the candidate team's
11 expenditures in a campaign at any time after the primary
12 election.

13 2. The expenditure limitation shall be equal to two
14 dollars per registered voter for the general election, as
15 determined by the total number of registered voters as of June
16 30 of the calendar year of the general election for governor
17 and lieutenant governor.

18 3. A candidate team voluntarily agreeing to limit
19 expenditures shall do so by means of a signed agreement, filed
20 with the board, that states the conditions of the agreement.

21 4. A candidate team that violates the expenditure limit
22 shall repay to the state any public funding received under
23 section 56.52.

24 5. The board shall create and distribute a form of
25 agreement that complies with this division.

26 Sec. 9. NEW SECTION. 56.52 PUBLIC FUNDING.

27 1. A candidate team that completes a signed agreement to
28 voluntarily limit the candidate team's expenditures under
29 section 56.51 shall be eligible for public funding if all of
30 the following are satisfied:

31 a. If the political party of the candidate team received
32 at least fifteen percent of the vote in the previous general
33 election for governor and lieutenant governor.

34 b. If the candidate team raises monetary contributions
35 equal to one-fourth of the number of registered voters, as

1 determined by the total number of registered voters as of June
2 30 of the calendar year of the general election for governor
3 and lieutenant governor, with a maximum credit toward the
4 qualifying amount of two hundred fifty dollars per individual
5 donation.

6 2. A candidate team that satisfies the conditions in
7 subsection 1 shall be eligible for matching funds equal to one
8 dollar per registered voter, as determined in subsection 1, in
9 public funding after June 30 of the calendar year of the
10 general election for governor and lieutenant governor.

11 3. All monetary contributions raised by the candidate
12 team, including that raised prior to the primary, counts
13 toward the qualifying amount.

14 4. The source for the public funding under this section
15 shall be the fund created in section 56.53.

16 Sec. 10. NEW SECTION. 56.53 PUBLIC CAMPAIGN FUND.

17 1. A public campaign fund is created in the state treasury
18 under the control of the ethics and campaign disclosure board.
19 The treasurer of state shall manage the fund.

20 2. The fund shall be derived from interest earned on state
21 investments on moneys that is credited to the general fund of
22 the state pursuant to section 12C.7, not including specific
23 funds for which investments are otherwise provided by law,
24 constitutional funds, or funds that are legally diverted to
25 the state sinking fund for public deposits; and other moneys
26 appropriated to the fund by the general assembly. Deposits to
27 the fund, from the interest earned each fiscal year on state
28 investments, shall be made annually after June 30, in an
29 amount equal to fifty cents per registered voter, according to
30 the number of registered voters on June 30 of that calendar
31 year. However, in the calendar year of the general election
32 for governor and lieutenant governor, the deposit may be
33 increased as necessary so that the fund has a minimum total
34 amount of two dollars per registered voter, according to the
35 number of registered voters on June 30 of that calendar year

1 of the general election for governor and lieutenant governor.

2 3. Moneys in the fund are subject to an annual audit by
3 the auditor of state. The fund is subject to warrants written
4 by the director of revenue and finance drawn upon the written
5 requisition of the board.

6 4. The fund shall be used to provide public funding for
7 candidates as provided in this division.

8 5. The board may adopt rules pursuant to chapter 17A to
9 administer this section.

10 6. Section 8.33 shall not apply to moneys in the fund.
11 Notwithstanding section 12C.7, subsection 2, interest or
12 earnings on moneys deposited in the fund shall be credited to
13 the fund.

14 Sec. 11. APPROPRIATION: There is appropriated from the
15 general fund of the state to the ethics and campaign
16 disclosure board for the fiscal year beginning July 1, 2000,
17 and ending June 30, 2001, the following amounts, or so much
18 thereof as are necessary, to be used for the purposes
19 designated:

20	For internet access to the Iowa hub	\$	7,200
21	For the filing of disclosure reports		
22	via the internet.....	\$	3,000
23	For training of candidates and political		
24	committees in the use of electronic disclosure		
25	filing software.....	\$	4,500
26	For the creation of electronic disclosure		
27	filing software in a MacIntosh-compatible format....	\$	12,000

28 Sec. 12. APPLICABILITY. Sections 7 through 10 of this
29 Act, enacting sections 56.50 through 56.53, shall apply
30 beginning with the 2002 election for the offices of governor
31 and lieutenant governor.

32 EXPLANATION

33 This bill amends certain provisions of Code chapter 56
34 relating to campaign finance law.

35 The bill adds definitions for "electronic filing" and

1 "internet" to Code section 56.2.

2 New Code section 56.4A provides that a person shall not
3 knowingly and willfully make a false material statement in a
4 campaign report or form. Violations of this provision are
5 punishable as a serious misdemeanor under Code section 56.16.
6 A serious misdemeanor is punishable by confinement for no more
7 than one year and a fine of at least \$250 but not more than
8 \$1,500.

9 The bill deletes the supplemental reporting requirement for
10 statewide and general assembly office candidates under Code
11 section 56.6, and instead requires daily electronic filing by
12 such candidates for certain periods of time prior to a
13 primary, general, or special election.

14 New Code section 56.14A requires the disclosure of certain
15 information at the end of political telephone calls that
16 relate to the nomination, election, or defeat of a candidate
17 or passage or defeat of a ballot issue. The name and
18 affiliation of the caller, the individual, committee, or
19 entity that paid for the telephone call, whether a candidate
20 who will benefit from the call has authorized the call, and
21 the name, address, and telephone number of an individual whom
22 the person can contact for further information regarding the
23 call must be disclosed. The requirements do not apply to
24 individuals acting independently. Violations of this
25 provision are punishable under Code section 56.16 as a serious
26 misdemeanor, which carries a penalty of a fine of \$250 to
27 \$1,500, and may also include a sentence of up to one year in
28 jail.

29 New Code section 56.14B requires candidates and political
30 committees that purchase advertisements that expressly
31 advocate the nomination, election, or defeat of a clearly
32 identified candidate or the passage or defeat of a clearly
33 identified constitutional amendment or ballot issue to file
34 with media publishers broadcasting or printing the
35 advertisement, a copy of the advertisement, supporting factual

1 documentation, and an affidavit attesting to the truth of the
2 advertisement. Copies must be filed with the board within 24
3 hours of the advertisement's first appearance, either by hand-
4 delivery or overnight delivery. Media publishers are required
5 to submit to the board monthly reports of media time or space
6 purchased for advertisements containing express advocacy.

7 "False advertisement" under new Code section 56.14B is
8 defined as an advertisement having the tendency or capacity to
9 mislead a substantial number of members of the public as to a
10 material fact or facts. False advertisements are punishable
11 according to the penalty for perjury under Code section 720.2,
12 which is a class "D" felony. A class "D" felony is punishable
13 by confinement for no more than five years and a fine of at
14 least \$750 but not more than \$7,500. Expedited administrative
15 and criminal procedures are established for an allegation of a
16 false advertisement.

17 A new division of Code chapter 56 is created for the public
18 funding of campaigns by candidate teams for governor and
19 lieutenant governor. Candidate teams can qualify for public
20 funded matching funds equal to \$1 per registered voter if they
21 execute an agreement voluntarily limiting expenditures to no
22 more than \$2 per registered voter, are running on behalf of a
23 party that received at least 15 percent of the vote in the
24 last general election, and raise a qualifying amount of funds
25 equal to one-fourth of the number of registered voters,
26 according to specific calculations. The funding would be
27 available after June 30 of a general election year, and would
28 be derived from the interest earned on state investments. The
29 public funding would apply beginning with the 2002 election
30 for governor and lieutenant governor.

31 A \$26,700 appropriation to the ethics and campaign
32 disclosure board is made for fiscal year 2000-2001, for
33 certain purposes related to implementation of electronic
34 filing.

35