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STATE GOVERNMENT

HOUSE FILE 443
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CONNORS, MERTZ, QUIRK, and
DOTZLER

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

A BILL FOR

1 An Act relating to campaign finance law, including electronic
2 filing of disclosure reports by certain candidates, requiring
3 certain supplemental reports, providing for disclosures in
4 relation to certain political telephone communications,
5 requiring disclosure of certain information in conjunction
6 with certain contributions, providing an effective date, and
7 applying a penalty.

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

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HF 443

1 Section 1. Section 56.2, Code 2001, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 8A. "Computer" means an electronic device
4 that performs logical, arithmetical, and memory functions by
5 manipulations of electronic or magnetic impulses, and includes
6 all functions, connections, and connected and related devices
7 that assist in input, output, processing, storage, computer
8 programs, computer applications, and communication.

9 NEW SUBSECTION. 13A. "Electronic format" means data in a
10 form that is readable by a computer and the computer's
11 software programs, and is either entered directly into a
12 computer or transmitted via computer disk, modem, or internet.

13 NEW SUBSECTION. 15A. "General election cycle" means the
14 period of time between the general election for a particular
15 office, and the next general election for that office.

16 NEW SUBSECTION. 15B. "Internet" means the federated
17 system of allied computer networks linked by telecommunication
18 channels that is the international network of the network that
19 connects educational, scientific, and commercial institutions,
20 and that may also be accessed by individuals.

21 Sec. 2. Section 56.6, subsection 1, paragraph b, Code
22 2001, is amended by striking the paragraph and inserting in
23 lieu thereof the following:

24 b. (1) All candidate's committees shall file a
25 supplemental report seven days before any election. If a
26 committee is required to file electronically pursuant to
27 section 56.6A, then the supplemental report must be filed
28 electronically by 5 p.m. of the day the report is due. If a
29 committee is not required to file electronically, then its
30 report shall be filed on the day the report is due, or filed
31 by mail, bearing a United States postal service postmark date
32 of at least seven days before the election.

33 (2) Any candidate's committee that receives one or more
34 contributions of one thousand dollars or more during the last
35 seven days before any election shall file a supplemental

1 report within twenty-four hours of receiving each such
2 contribution by sending a list of all such contributions
3 received during the preceding twenty-four hours via facsimile
4 or via the internet, by means of electronic mail or other
5 method utilized by the board, by 5 p.m. of the day following
6 receipt of the contributions.

7 (3) All supplemental reports required under this paragraph
8 shall be filed with the entity with whom the committee files
9 disclosure reports under paragraph "a".

10 (4) The information contained in all supplemental reports
11 required under this paragraph shall be made available on the
12 internet the day it is received by the board. However, if the
13 report is received on a Friday, Saturday, or Sunday, the
14 report shall be made available on the internet by 5:00 p.m. on
15 the following Monday.

16 Sec. 3. Section 56.6, subsection 3, paragraph i, Code
17 2001, is amended to read as follows:

18 i. If a person making a contribution to a candidate's
19 committee is listed under paragraph "b", "d", "e", or "f" as
20 making-a-contribution-or-loan-to-or-purchase-from-a
21 candidate's-committee and meets either of the following
22 criteria, the information relating to the person's status
23 shall also be disclosed, as follows:

24 (1) If the person is related to the candidate within the
25 third degree of consanguinity or affinity, the existence of
26 that person's family relationship shall be indicated on the
27 report.

28 (2) If the amount of the contribution to the candidate's
29 committee equals or exceeds two hundred dollars, then the
30 person's occupation and employer shall be indicated on the
31 report. A person who is a student, is retired, or is
32 otherwise not employed outside of the home shall provide a
33 brief description of the person's current function or status
34 as an occupation, and shall indicate that the person presently
35 has no employer.

1 When the treasurer of a candidate's committee shows that
2 best efforts have been used to obtain, maintain, and submit
3 this information, any report of that committee shall be
4 considered in compliance with this section. A committee will
5 only be deemed to have exercised best efforts to obtain,
6 maintain, and report the required information if all written
7 solicitations for contributions include a clear request for
8 the contributor's full name, mailing address, occupation, and
9 name of employer, and include an accurate statement of the law
10 regarding the collection and reporting of individual
11 contributor identifications. For each contribution received
12 that, in the aggregate equals or exceeds two hundred dollars
13 per calendar year that lacks required contributor information,
14 the treasurer shall make at least one effort after the receipt
15 of the contribution to obtain the missing information. The
16 effort shall consist of either a written request sent to the
17 contributor or an oral request to the contributor documented
18 in writing. The written or oral request shall be made no
19 later than thirty days after receipt of the contribution.

20 Sec. 4. NEW SECTION. 56.6A ELECTRONIC FILING AND
21 ACCESSIBILITY OF DISCLOSURE REPORTS.

22 1. Reports filed with the board pursuant to the
23 requirements of section 56.6 shall be filed in an electronic
24 format, according to the following:

25 a. Any candidate or political committee may submit data
26 required by section 56.6 in an electronic format, as
27 prescribed by rule.

28 b. Any candidate, candidate's committee, or political
29 committee that accepts contributions in excess of twenty
30 thousand dollars in the aggregate, makes expenditures in
31 excess of twenty thousand dollars in the aggregate, or incurs
32 indebtedness in excess of twenty thousand dollars in the
33 aggregate in any general election cycle shall submit the data
34 required by section 56.6 in an electronic format, by 5 p.m. of
35 the day the filing is due, as prescribed by rule.

1 2. If any candidate for a particular office submits data
2 in an electronic format, then the data for all other
3 candidates for that office shall be maintained in an
4 electronic format, as prescribed by rule. The data for any
5 candidate for that office that was not voluntarily submitted
6 to the board in an electronic format by the candidate or the
7 candidate's committee shall be entered into the computer
8 database by the board.

9 3. All campaign finance data that is submitted to the
10 board in an electronic format or is otherwise entered into the
11 computer database shall be accessible to the public on the
12 internet on the day the data is filed in a database searchable
13 by candidate or committee name, by contribution amount, or by
14 contributor name. However, data that is filed on a Friday,
15 Saturday, or Sunday shall be made available on the internet by
16 5:00 p.m. on the following Monday.

17 4. The board shall provide for appropriate training for
18 candidates, candidate's committee treasurers, and other
19 persons designated by the candidate.

20 Sec. 5. NEW SECTION. 56.14A DISCLOSURES RELATED TO
21 POLITICAL TELEPHONE CALLS.

22 1. The general assembly finds that political telephone
23 communication is increasingly used in political campaigns in
24 this state in a deceptive manner, including but not limited to
25 the use of the push-polling technique, where an anonymous
26 telephone communication is designed to appear as a legitimate
27 opinion poll, but is in fact used as a vehicle to sway opinion
28 through innuendo, by the communication of certain negative
29 information related to a candidate or ballot issue in a manner
30 designed to suggest that such information may be true. The
31 general assembly declares that a compelling public interest
32 exists to identify the source of funding of telephonic
33 communications related to elections, in order to prevent
34 corruption and deceit at the expense of the electorate and to
35 preserve accountability for expenditures made in connection

1 with political campaigns.

2 2. A person who initiates a telephone communication
3 related to the nomination, election, or defeat of a clearly
4 identified candidate for public office or the passage or
5 defeat of a clearly identified constitutional amendment or
6 ballot issue shall disclose all of the following at or before
7 the end of the telephone communication:

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

10 b. The individual or entity that paid for the telephone
11 communication, if any. If a registered committee has paid for
12 or authorized the telephone communication, the name of the
13 committee shall be disclosed. If any person other than the
14 candidate or candidate's committee intended to benefit from
15 the communication has paid for the telephone communication,
16 the communication shall also state whether or not the
17 communication has been authorized by the candidate intended to
18 benefit from the communication.

19 c. Upon request of the call recipient, the name, telephone
20 number, and address of an individual whom the call recipient
21 can contact for further information regarding the telephone
22 communication shall be disclosed.

23 3. This section shall not apply to political telephone
24 communications made by an individual who is acting
25 independently and not at the direction of or in cooperation
26 with any candidate, candidate's committee, political
27 committee, or other person.

28 Sec. 6. EFFECTIVE DATE. Section 4 of this Act, is
29 effective January 1, 2003.

30 EXPLANATION

31 This bill implements new Code section 56.6A, relating to
32 electronic filing and disclosure of campaign finance
33 disclosure reports. Mandatory filing requirements are
34 effective January 1, 2003.

35 Effective January 1, 2003, mandatory filing is instituted

1 for all candidates and committees that reach a \$20,000
2 threshold. The board is directed to provide appropriate
3 training for candidates, treasurers, and other persons
4 designated by the candidate. If any candidate for a
5 particular office submits data in an electronic format, then
6 all data for all other candidates for that office will be
7 maintained in an electronic format. The data for any
8 candidate for that office that was not voluntarily submitted
9 to the board in an electronic format by the candidate or the
10 candidate's committee shall be entered into the computer
11 database by the board. Any candidate or committee may submit
12 their data in electronic format, if desired.

13 Effective January 1, 2003, the bill requires all campaign
14 finance data that is submitted to the board in an electronic
15 format or is otherwise entered into the computer database to
16 be accessible to the public on the internet in a database
17 searchable by candidate or committee name, or by contributor
18 name. Electronic filing shall be made by 5 p.m. on the day
19 the filing is due, and the information shall be made available
20 to the public via the internet on the same day, unless filed
21 on a Friday, Saturday, or Sunday, in which case it shall be
22 made available by 5 p.m. on the following Monday.

23 Definitions are added to Code section 56.2 regarding
24 "computer", "electronic format", "internet", and "general
25 election cycle", to facilitate the new filing requirements.

26 Code section 56.6 is amended to provide for disclosure and
27 reporting of the occupation and employer of contributors of
28 \$200 or more. The amendment includes a "best efforts"
29 requirement for committees to obtain such information,
30 consistent with federal regulations for similar reporting
31 requirements.

32 Code section 56.6 is also amended to provide for
33 supplemental reports by all candidates seven days before any
34 election for the office the candidate is seeking. In
35 addition, all candidates receiving one or more individual

1 contributions of \$1,000 or more during the last seven days
2 before the election shall file a supplemental report by faxing
3 or e-mailing a list of all such contributions received in the
4 preceding 24 hours. The information shall be made available
5 on the internet the same day, unless filed on a Friday,
6 Saturday, or Sunday, in which case it shall be made available
7 by 5 p.m. on the following Monday.

8 New Code section 56.14A requires the disclosure of certain
9 information at the end of political telephone communications
10 that relate to the nomination, election, or defeat of a
11 candidate or passage or defeat of a ballot issue. The name
12 and affiliation of the caller, the individual, committee, or
13 entity that paid for the telephone communications, and whether
14 a candidate who will benefit from the communications has
15 authorized the communications must be disclosed. The name,
16 address, and telephone number of an individual whom the person
17 can contact for further information regarding the
18 communications must also be disclosed upon the request of the
19 call recipient. The requirements do not apply to individuals
20 who are acting independently. Violations of this provision
21 are punishable as a serious misdemeanor under the provisions
22 of Code section 56.16, which applies to all violations of Code
23 chapter 56. Serious misdemeanors are punishable by a penalty
24 of a fine of \$250 to \$1,500, and may also include a sentence
25 of up to one year in jail.

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