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SENATE FILE 427
BY HOLVECK, HAMMOND, BOLKCOM,
and KIBBIE

(COMPANION TO LSB 1574HH
BY JOCHUM)

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

A BILL FOR

1 An Act relating to the Iowa clean elections Act and providing an
2 effective date.

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

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SF 427 STATE GOVERNMENT

1 Section 1. NEW SECTION. 56.6A ELECTRONIC FILING.

2 Reports filed with the board pursuant to the requirements
3 of section 56.6 shall be filed in an electronic format if a
4 candidate or committee accepts contributions in excess of
5 twenty thousand dollars in the aggregate, makes expenditures
6 in excess of twenty thousand dollars in the aggregate, or
7 incurs indebtedness in excess of twenty thousand dollars in
8 the aggregate.

9 Sec. 2. NEW SECTION. 56.13A MEDIA REPORTS.

10 1. a. Publishers of print and electronic media shall
11 record all purchases of print space and electronic media time
12 or space related to advertisements that expressly advocate the
13 election or defeat of a clearly identified candidate or the
14 passage or defeat of a ballot issue.

15 b. Publishers shall file monthly reports of activity
16 covered by this section with the board, due at the board or
17 postmarked by the fifth day of each month following any month
18 in which media space or time has been purchased related to
19 advertisements that expressly advocate the election or defeat
20 of a clearly identified candidate or the passage or defeat of
21 a ballot issue.

22 c. The reports shall contain a detailed listing of at
23 least the following information:

24 (1) Identification of the persons buying the media space
25 or time.

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

28 (3) Description of the position advocated by the persons
29 buying the media space or time with regard to the clearly
30 identified candidate or ballot issue.

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

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

34 2. The filing requirements of this section shall apply in
35 addition to any other applicable filing requirements under

1 this chapter.

2 3. The board shall develop, prescribe, furnish, and
3 distribute forms for the media reports.

4 Sec. 3. NEW SECTION. 56.100 DEFINITIONS.

5 For the purposes of this subchapter:

6 1. "Allowable contribution" means a qualifying
7 contribution or a seed money contribution.

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

10 3. "Clean money qualifying period" means the period during
11 which candidates are permitted to collect qualifying
12 contributions in order to qualify for clean money funding.
13 The period begins ninety days before the beginning of the
14 primary election campaign period and ends thirty days before
15 the beginning of the primary election campaign period.

16 4. "Coordination" means a payment made for a communication
17 or anything of value that is for the purpose of influencing
18 the outcome of an election and that is made by a person
19 according to at least one of the following:

20 a. In cooperation, consultation, or concert with, at the
21 request or suggestion of, or pursuant to, a particular
22 understanding with a candidate, a candidate's authorized
23 committee, or an agent acting on behalf of a candidate or
24 authorized committee.

25 b. For the dissemination, distribution, or republication,
26 in whole or in part, of any broadcast or any written, graphic,
27 or other form of campaign material prepared by a candidate, a
28 candidate's committee, or an agent of a candidate or
29 candidate's committee.

30 c. Based on specific information about the candidate's
31 plans, projects, or needs provided to the person making the
32 payment by the candidate or the candidate's agent who provides
33 the information with a view toward having the payment made.

34 d. If, in the same election cycle in which the payment is
35 made, the person making the payment is serving or has served

1 as a member, employee, fund-raiser, or agent of the
2 candidate's committee in an executive or policymaking
3 position.

4 e. If the person making the payment has served in any
5 formal policy or advisory position with the candidate's
6 campaign or has participated in strategic or policymaking
7 discussions with the candidate's campaign relating to the
8 candidate's pursuit of nomination for election, or election,
9 to office, in the same election cycle as the election cycle in
10 which the payment is made.

11 f. If the person making the payment retains the
12 professional services of an individual or person who, in a
13 nonministerial capacity, has provided or is providing
14 campaign-related services in the same election cycle to a
15 candidate who is pursuing the same nomination or election as
16 any of the candidates to whom the communication refers. For
17 purposes of this section, "professional services" includes
18 services in support of a candidate's pursuit of nomination for
19 election or election to office such as polling, media advice,
20 direct mail, fund-raising, or campaign research.

21 5. "Excess expenditure amount" means the amount of money
22 spent or obligated to be spent by a nonparticipating candidate
23 in excess of the clean money amount available to a
24 participating candidate running for the same office.

25 6. "Express advocacy" means the same as defined in section
26 56.2.

27 7. "General election campaign period" means the period
28 beginning the day after the primary election and ending on the
29 day of the general election.

30 8. "Independent candidate" means a candidate who does not
31 represent a political party that has been granted ballot
32 status and holds a primary election to choose its nominee for
33 the general election.

34 9. "Independent expenditure" means an expenditure made by
35 a person or group of persons other than a candidate or

1 candidate's committee that meets both of the following
2 conditions:

3 a. The expenditure is made for a communication that
4 contains express advocacy.

5 b. The expenditure is made without the participation or
6 cooperation of and without coordination with a candidate or a
7 candidate's committee.

8 10. "Issue advertisement" means a communication through a
9 broadcasting station, newspaper, magazine, outdoor advertising
10 facility, mailing, or any other type of general public
11 political advertising that has all of the following
12 characteristics:

13 a. The purchase does not constitute an independent
14 expenditure or a contribution.

15 b. The cost, in the aggregate, is at least five hundred
16 dollars.

17 c. The communication contains the name or likeness of one
18 or more candidates.

19 d. The communication was made during a primary or general
20 election period.

21 e. The communication recommends a position on a political
22 issue.

23 11. "Nonparticipating candidate" means a candidate who is
24 on the ballot but has chosen not to apply for clean money
25 campaign funding, or a candidate who is on the ballot and has
26 applied for but has not satisfied the requirements for
27 receiving clean money funding.

28 12. "Participating candidate" means a candidate who
29 qualifies for clean money campaign funding. Such candidates
30 are eligible to receive clean money funding during primary or
31 general election campaign periods.

32 13. "Party candidate" means a candidate who represents a
33 political party as defined by section 43.2.

34 14. "Primary election campaign period" means the period
35 beginning ninety days before the primary election and ending

1 on the day of the primary election.

2 15. "Qualifying contribution" means a contribution of five
3 dollars that is received during the designated clean money
4 qualifying period by a candidate seeking to become eligible
5 for clean money campaign funding and that is acknowledged by a
6 written receipt identifying the contributor.

7 16. "Seed money contribution" means a contribution of no
8 more than one hundred dollars made by an individual adult
9 during the seed money period, but specifically excludes all of
10 the following:

11 a. Payments by a membership organization for the costs of
12 communications to its members.

13 b. Payments by a membership organization for the purpose
14 of facilitating the making of qualifying contributions.

15 c. Volunteer activity, including the payment of incidental
16 expenses by volunteers.

17 17. "Seed money period" means the period beginning the day
18 following the previous general election for that office and
19 ending on the last day of the clean money qualifying period.
20 This is the exploratory period during which candidates who
21 wish to become eligible for clean money funding for the next
22 elections are permitted to raise and spend a limited amount of
23 private seed money, from contributions of up to one hundred
24 dollars per individual, for the purpose of determining whether
25 to become a candidate and fulfilling the clean money
26 eligibility requirements.

27 Sec. 4. NEW SECTION. 56.101 ELIGIBILITY FOR PARTY
28 CANDIDATES.

29 1. A party candidate qualifies as a participating
30 candidate for the primary election campaign period if the
31 candidate does both of the following:

32 a. The candidate files a declaration with the board that
33 the candidate has complied and will comply with all of the
34 requirements of this subchapter, including the requirement
35 that during the seed money period and the clean money

1 qualifying period the candidate not accept or spend private
2 contributions from any source other than seed money
3 contributions and clean money qualifying contributions, unless
4 the provisions of section 56.103 apply.

5 b. The candidate meets both of the following qualifying
6 contribution requirements before the close of the clean money
7 qualifying period:

8 (1) A party candidate must collect both qualifying
9 contributions and signatures as follows:

10 (a) For the office of governor, from five hundred
11 registered voters in each congressional district.

12 (b) For statewide office other than governor, from two
13 hundred fifty registered voters in each congressional
14 district.

15 (c) For the Iowa senate, from two hundred registered
16 voters in the senate candidate's electoral district.

17 (d) For the Iowa house of representatives from one hundred
18 registered voters in the house candidate's electoral district.

19 (2) Each qualifying contribution must meet all
20 requirements of this section.

21 2. Contributors shall be registered voters who reside
22 within the candidate's electoral district and who are
23 therefore eligible to vote for that candidate.

24 3. Qualifying contributions shall be:

25 a. Made in cash or by check or money order.

26 b. Gathered by candidates themselves or by volunteers who
27 do not receive compensation.

28 c. Acknowledged by a receipt to the contributor, with a
29 copy to be kept by the candidate and a third copy to be
30 submitted to the board. The receipt shall indicate, by the
31 contributor's signature, that the contributor understands that
32 the purpose of the contribution is to help the candidate
33 qualify for clean money campaign funding, and shall include a
34 signed statement indicating that the contribution is made
35 without coercion or reimbursement. The receipt shall include

1 the contributor's signature, printed name, home address, and
2 telephone number, and the name of the candidate on whose
3 behalf the contribution is made.

4 d. Turned over to the board for deposit in the clean money
5 fund established under section 56.122, with the signed and
6 completed receipt, according to a schedule and procedure to be
7 determined by the board. A contribution submitted as a
8 qualifying contribution that does not include the signed and
9 completed receipt shall not be counted as a qualifying
10 contribution.

11 4. A party candidate qualifies as a participating
12 candidate for the general election campaign period when the
13 candidate does both of the following:

14 a. The candidate has met all of the applicable
15 requirements and filed a declaration with the board that the
16 candidate has fulfilled and will fulfill all of the
17 requirements of a participating candidate as stated in this
18 subchapter.

19 b. As a participating candidate during the primary
20 election campaign period, the candidate had the highest number
21 of votes of the candidates contesting the primary election
22 from the candidate's respective party and won the party's
23 nomination.

24 Sec. 5. NEW SECTION. 56.102 ELIGIBILITY FOR INDEPENDENT
25 CANDIDATES.

26 1. An independent candidate qualifies as a participating
27 candidate for the primary election campaign period if the
28 candidates does both of the following:

29 a. The candidate files a declaration with the board that
30 the candidate has complied and will comply with all of the
31 requirements of this subchapter, including the requirement
32 that during the seed money period and the clean money
33 qualifying period the candidate not accept or spend private
34 contributions from any source other than seed money
35 contributions and clean money qualifying contributions, unless

1 the provisions of section 56.103 apply.

2 b. The candidate meets the following qualifying
3 contribution requirements before the close of the clean money
4 qualifying period:

5 (1) An independent candidate shall collect the same number
6 of qualifying contributions as required of a party candidate
7 for the same office under section 56.101.

8 (2) Each qualifying contribution must meet all
9 requirements of this section.

10 2. Contributors shall be registered voters who reside
11 within the candidate's electoral district and who are
12 therefore eligible to vote for that candidate.

13 3. Qualifying contributions shall be:

14 a. Made in cash or by check or money order.

15 b. Gathered by candidates themselves or by volunteers who
16 do not receive compensation.

17 c. Acknowledged by a receipt to the contributor, with a
18 copy to be kept by the candidate and a third copy to be
19 submitted to the board. The receipt shall indicate, by the
20 contributor's signature, that the contributor understands that
21 the purpose of the contribution is to help the candidate
22 qualify for clean money campaign funding, and shall include a
23 signed statement indicating that the contribution is made
24 without coercion or reimbursement. The receipt shall include
25 the contributor's signature, printed name, home address, and
26 telephone number, and the name of the candidate on whose
27 behalf the contribution is made.

28 d. Turned over to the board for deposit in the clean money
29 fund established under section 56.122, with the signed and
30 completed receipt, according to a schedule and procedure to be
31 determined by the board. A contribution submitted as a
32 qualifying contribution that does not include the signed and
33 completed receipt shall not be counted as a qualifying
34 contribution.

35 4. An independent candidate qualifies as a participating

1 candidate for the general election campaign period when the
2 candidate does both of the following:

3 a. If, prior to the primary election, the candidate has
4 met all of the applicable requirements of this subchapter and
5 filed a declaration with the board that the candidate has
6 fulfilled and will fulfill all of the requirements of a
7 participating candidate as stated in this subchapter.

8 b. If, during the primary election campaign period, the
9 candidate has fulfilled all the requirements of a
10 participating candidate as stated in this subchapter.

11 Sec. 6. NEW SECTION. 56.103 TRANSITION RULE FOR CURRENT
12 ELECTION CYCLE.

13 During the election cycle in effect on the date of
14 enactment of this subchapter, a candidate may be certified as
15 a participating candidate, notwithstanding the acceptance of
16 contributions or making of expenditures from private funds
17 before the date of enactment that would, absent this section,
18 disqualify the candidate as a participating candidate,
19 provided that any private funds accepted but not expended
20 before the date of enactment of this subchapter shall either
21 be returned to the contributor or submitted to the board for
22 deposit in the clean money fund established under section
23 56.122.

24 Sec. 7. NEW SECTION. 56.104 CONTINUING OBLIGATION TO
25 COMPLY.

26 A participating candidate who accepts any benefits under
27 section 56.111 during the primary election campaign period
28 shall comply with all the requirements of this subchapter
29 through any remaining time during the primary election
30 campaign period as well as through the general election
31 campaign period whether or not the candidate continues to
32 accept benefits.

33 Sec. 8. NEW SECTION. 56.105 CONTRIBUTIONS AND
34 EXPENDITURES.

35 1. During the primary and general election campaign

1 periods, a participating candidate who has voluntarily agreed
2 to participate in clean money financing shall not accept
3 private contributions from any source other than the
4 candidate's political party as specified in section 56.106.

5 2. Notwithstanding section 56.12, a person shall not make
6 a contribution in the name of another person. A participating
7 candidate who receives a qualifying contribution or a seed
8 money contribution that is not from the person listed on the
9 receipt as required by this subchapter shall be liable to pay
10 to the board for deposit in the clean money fund established
11 under section 56.122 the entire amount of such contribution,
12 in addition to any penalties.

13 3. During the primary and general election campaign
14 periods, a participating candidate shall pay by means of the
15 board's clean money debit card.

16 4. Eligible candidates shall furnish complete campaign
17 records, including all records of seed money contributions and
18 qualifying contributions, to the board at regular filing
19 times, or on request by the board. Candidates must cooperate
20 with any audit or examination conducted or ordered by the
21 board.

22 Sec. 9. NEW SECTION. 56.105A NONPARTICIPATING CANDIDATES
23 -- CONTRIBUTION LIMITS.

24 Nonparticipating candidates shall be subject to the
25 following contribution limits:

26 1. Candidates for statewide office:

27 a. One thousand dollars in the aggregate per individual
28 contribution.

29 b. Five thousand dollars in the aggregate per political
30 committee contribution.

31 2. Candidates for the Iowa senate and house of
32 representatives:

33 a. Five hundred dollars in the aggregate per individual
34 contribution.

35 b. One thousand dollars in the aggregate per political

1 committee contribution.

2 Sec. 10. NEW SECTION. 56.106 POLITICAL PARTY

3 CONTRIBUTIONS AND EXPENDITURES.

4 1. Participating candidates may accept monetary or in-kind
5 contributions from political parties provided that the
6 aggregate amount of such contributions from all political
7 party committees combined does not exceed the equivalent of
8 five percent of the clean money financing amount for that
9 office.

10 2. In-kind contributions made during a general election
11 campaign period on behalf of a group of the party's candidates
12 shall not be considered a prohibited party contribution or
13 count against the five percent limit established in subsection
14 1 if such group includes at least fifty-one percent of the
15 candidates whose names will appear on the general election
16 ballot in the political subdivision represented by the party
17 committee making such in-kind contributions.

18 3. Contributions made to, and expenditures made by,
19 political parties during primary and general campaign periods
20 shall be reported to the board on the same basis as
21 contributions and expenditures made to or by candidates.

22 4. This section and this subchapter shall not prevent
23 political party funds from being used for any of the
24 following:

25 a. General operating expenses of the party.

26 b. Conventions.

27 c. Nominating and endorsing candidates.

28 d. Identifying, researching, and developing the party's
29 positions on issues.

30 e. Party platform activities.

31 f. Non-candidate-specific voter registration.

32 g. Non-candidate-specific get-out-the-vote drives.

33 h. Travel expenses for noncandidate party leaders and
34 staff.

35 i. Other non-candidate-specific party-building activities,

1 as defined by rule of the board.

2 Sec. 11. NEW SECTION. 56.107 USE OF PERSONAL FUNDS.

3 1. Personal funds contributed as seed money by a candidate
4 seeking to become eligible as a participating candidate or by
5 the candidate's spouse shall not exceed one hundred dollars
6 per contributor.

7 2. Personal funds shall not be used to meet the qualifying
8 contribution requirement except for one five dollar
9 contribution from the candidate and one five dollar
10 contribution from the candidate's spouse.

11 Sec. 12. NEW SECTION. 56.108 SEED MONEY.

12 1. The only private contributions a candidate seeking to
13 become eligible for clean money funding shall accept, other
14 than qualifying contributions, are seed money contributions
15 contributed by individual adults prior to the end of the clean
16 money qualifying period.

17 2. A seed money contribution shall not exceed one hundred
18 dollars, and the aggregate amount of seed money contributions
19 accepted by a candidate seeking to become eligible for clean
20 money funding shall not exceed the relevant limit, as follows:

21 a. Twenty-five thousand dollars for a candidate team
22 running for governor and lieutenant governor.

23 b. Fifteen thousand dollars for a candidate team running
24 for statewide office other than governor or lieutenant
25 governor.

26 c. Two thousand dollars for a candidate running for the
27 Iowa senate.

28 d. One thousand dollars for a candidate running for the
29 Iowa house of representatives.

30 3. Receipts for seed money contributions shall include the
31 contributor's signature, printed name, street address and zip
32 code, telephone number, occupation, and name of employer.
33 Contributions shall not be accepted if the required disclosure
34 information is not received.

35 4. Seed money shall be spent only during the clean money

1 qualifying period. Seed money shall not be spent during the
2 primary or general election campaign periods.

3 5. Within forty-eight hours after the close of the clean
4 money qualifying period, candidates seeking to become eligible
5 for clean money funding shall do both of the following:

6 a. Fully disclose all seed money contributions and
7 expenditures to the board.

8 b. Turn over to the board for deposit in the clean money
9 fund any seed money the candidate has raised during the
10 designated seed money period that exceeds the aggregate seed
11 money limit.

12 Sec. 13. NEW SECTION. 56.109 PARTICIPATION IN DEBATES.

13 1. Participating candidates in contested races shall
14 participate in all of the following:

15 a. For the offices of governor and lieutenant governor:

16 (1) One one-hour debate during a contested primary
17 election.

18 (2) Two one-hour debates during a contested general
19 election.

20 b. For all other offices:

21 (1) One one-hour debate during a contested primary
22 election.

23 (2) One one-hour debate during a contested general
24 election.

25 2. Licensed broadcasters who receive any state funds shall
26 be required to publicly broadcast the debates held pursuant to
27 this section and section 56.120.

28 3. Nonparticipating candidates for the same office whose
29 names will appear on the ballot shall be invited to join the
30 debates.

31 Sec. 14. NEW SECTION. 56.110 CERTIFICATION.

32 1. No more than five days after a candidate applies for
33 clean money benefits, the board shall certify that the
34 candidate is or is not eligible.

35 2. Eligibility can be revoked if the candidate violates

1 the requirements of this subchapter, in which case all clean
2 money funds shall be repaid.

3 3. The candidate's request for certification shall be
4 signed by the candidate and the treasurer of the candidate's
5 committee under penalty of perjury.

6 4. The board's determination is final except that it is
7 subject to examination and audit by an outside agency
8 according to rule and to prompt judicial review according to
9 rule and chapter 17A.

10 Sec. 15. NEW SECTION. 56.111 BENEFITS PROVIDED TO
11 CANDIDATES ELIGIBLE TO RECEIVE CLEAN MONEY.

12 1. Candidates who qualify for clean money funding for
13 primary and general elections shall receive all of the
14 following:

15 a. Clean money funding from the board for each election,
16 the amount of which is specified in section 56.113. This
17 funding may be used to finance any and all campaign expenses
18 during the particular campaign period for which it was
19 received.

20 b. Media benefits as provided for in section 56.120.

21 c. Indication on the ballot of participation in the public
22 funding program as provided in section 56.121.

23 d. Additional clean money funding to match any excess
24 expenditure amount spent by a nonparticipating candidate, as
25 specified in section 56.115.

26 e. Additional clean money funding to match any independent
27 expenditure made in opposition to their candidacies or on
28 behalf of their opponents' candidacies, as specified in
29 section 56.117.

30 f. Additional clean money funding to match any issue
31 advertisement expenditure, as specified in section 56.118.

32 2. The maximum aggregate amount of additional funding a
33 participating candidate shall receive to match independent
34 expenditures and the excess expenditures of nonparticipating
35 candidates shall be two hundred percent of the full amount of

1 clean money funding allocated to a participating candidate for
2 a particular primary or general election campaign period.

3 Sec. 16. NEW SECTION. 56.112 SCHEDULE OF CLEAN MONEY
4 PAYMENTS.

5 1. An eligible candidate shall receive clean money funding
6 for the primary election campaign period on the date on which
7 the board certifies the candidate as a participating
8 candidate. This certification shall take place no later than
9 five days after the candidate has submitted the required
10 number of qualifying contributions and a declaration stating
11 that the candidate has complied with all other requirements
12 for eligibility as a participating candidate, but no earlier
13 than the beginning of the primary election campaign period.

14 2. An eligible candidate shall receive clean money funding
15 for the general election campaign period within forty-eight
16 hours after certification of the primary election results.

17 Sec. 17. NEW SECTION. 56.113 DETERMINATION OF CLEAN
18 MONEY AMOUNTS.

19 1. a. For party candidates, the amount of clean money
20 funding for a contested primary election is as follows:

21 (1) Five hundred thousand dollars for a candidate team
22 running for governor and lieutenant governor.

23 (2) Fifty thousand dollars for a candidate for attorney
24 general.

25 (3) Twenty-five thousand dollars for a candidate for
26 statewide office other than governor, lieutenant governor, or
27 attorney general.

28 (4) Fifteen thousand dollars for a candidate running for
29 the Iowa senate.

30 (5) Ten thousand dollars for a candidate running for the
31 Iowa house of representatives.

32 b. The clean money amount for an eligible party candidate
33 in an uncontested primary election is twenty-five percent of
34 the amount provided in a contested primary election.

35 c. In a contested general election, if an eligible party

1 candidate or all of the candidates of the candidate's party
2 combined received at least twenty percent of the total number
3 of votes cast for all candidates seeking that office in the
4 just-held primary election or in the previous general
5 election, the candidate shall receive the full amount of clean
6 money funding for the general election, as follows:

7 (1) Two million dollars for a candidate team running for
8 governor and lieutenant governor.

9 (2) One hundred thousand dollars for a candidate for
10 attorney general.

11 (3) Seventy-five thousand dollars for a candidate for
12 statewide office other than governor, lieutenant governor, or
13 attorney general.

14 (4) Thirty-five thousand dollars for a candidate running
15 for the Iowa senate.

16 (5) Twenty thousand dollars for a candidate running for
17 the Iowa house of representative.

18 d. The clean money amount for an eligible party candidate
19 in an uncontested general election is ten percent of the
20 amount provided in a contested general election for the same
21 office.

22 2. a. For eligible independent candidates, the clean
23 money amount for a primary election is twenty-five percent of
24 the amount received by a party candidate in a contested
25 primary election.

26 b. The clean money amount for an eligible independent
27 candidate in the general election is the same as the full
28 amount received by a party candidate in the general election.

29 c. After the first cycle of clean money elections, the
30 board shall modify all clean money amounts based on the
31 percentage increase in the consumer price index, for all urban
32 consumers, United States city average, as published in the
33 federal register by the United States department of labor,
34 bureau of labor statistics, that reflects the percentage
35 increase in the consumer price index for the twelve-month

1 period ending December 31 of the previous year.

2 Sec. 18. NEW SECTION. 56.114 EXPENDITURES MADE WITH
3 CLEAN MONEY FUNDS.

4 1. The clean money funding received by a participating
5 candidate shall be used only for the purpose of defraying that
6 candidate's campaign-related expenses during the particular
7 election campaign period for which the clean money funding was
8 received.

9 2. Payments shall not be used for the following:

10 a. Payments that are in violation of the law.

11 b. Payments that repay any personal, family, or business
12 loans, expenditures, or debts.

13 Sec. 19. NEW SECTION. 56.115 DISCLOSURE OF EXCESS
14 SPENDING BY NONPARTICIPATING CANDIDATES.

15 1. If a nonparticipating candidate's total expenditures
16 exceed the amount of clean money funding allocated to the
17 candidate's clean money opponent, the candidate shall declare
18 to the board within forty-eight hours every excess expenditure
19 amount that, in the aggregate, is more than one thousand
20 dollars.

21 2. During the last twenty days before the end of the
22 relevant campaign period, a nonparticipating candidate shall
23 declare to the board each excess expenditure amount over five
24 hundred dollars within twenty-four hours of when the
25 expenditure is made or obligated to be made.

26 3. The board may make its own determination as to whether
27 excess expenditures have been made by nonparticipating
28 candidates.

29 4. Upon receiving an excess expenditure declaration, the
30 board shall immediately release additional clean money funding
31 to the opposing participating candidate or candidates equal to
32 the excess expenditure amount the nonparticipating candidate
33 has spent or intends to spend, subject to the limit set forth
34 in section 56.111.

35 Sec. 20. NEW SECTION. 56.116 CAMPAIGN ADVERTISEMENTS.

1 All broadcast and print advertisements placed by candidates
2 or candidate's committees shall include a clear written or
3 spoken statement indicating that the candidate has approved of
4 the contents of the advertisement.

5 Sec. 21. NEW SECTION. 56.117 DISCLOSURE OF, AND
6 ADDITIONAL CLEAN MONEY TO RESPOND TO, INDEPENDENT
7 EXPENDITURES.

8 1. Any person or group of persons who makes or obligates
9 to make an independent expenditure during a primary or general
10 election campaign period which, in the aggregate, exceeds one
11 thousand dollars shall report each expenditure within forty-
12 eight hours to the board.

13 2. The report to the board shall include a statement,
14 under penalty of perjury, by the person or persons making the
15 independent expenditure identifying the candidate whom the
16 independent expenditure is intended to help elect or defeat
17 and affirming that the expenditure is totally independent and
18 involves no cooperation or coordination with a candidate or a
19 political party.

20 a. An individual or organization may file a complaint with
21 the board if the candidate or the organization believes that
22 the statement according to this subsection is false.

23 b. A hearing on a complaint under this subsection shall be
24 held within three business days of filing and a decision
25 issued within seven days of filing.

26 3. Any person or group of persons who makes or obligates
27 to make an independent expenditure during the last twenty days
28 before the end of the relevant campaign period which, in the
29 aggregate, exceeds five hundred dollars shall report each
30 expenditure within twenty-four hours to the board.

31 4. Upon receiving a report that an independent expenditure
32 has been made or obligated to be made, the board shall
33 immediately release additional clean money funding, equal in
34 amount to the cost of the independent expenditure, to all
35 participating candidates whom the independent expenditure is

1 intended to oppose or defeat provided that the maximum
2 aggregate amount of additional funding a participating
3 candidate shall receive to match independent expenditures and
4 the excess expenditures of nonparticipating candidates is no
5 more than two hundred percent of the full amount of clean
6 money funding allocated to a participating candidate in that
7 election.

8 Sec. 22. NEW SECTION. 56.118 DEFINITION AND DISCLOSURE
9 OF, AND ADDITIONAL CLEAN MONEY TO RESPOND TO, ISSUE
10 ADVERTISEMENTS.

11 1. A person who makes or obligates to make a disbursement
12 to purchase an issue advertisement shall file a report with
13 the board not later than forty-eight hours after making or
14 obligating to make the disbursement, containing the following
15 information:

16 a. The amount of the disbursement.

17 b. The name and address of the person making the
18 disbursement.

19 c. The purpose of the issue advertisement.

20 2. Upon receiving a report that an issue advertisement has
21 been made or obligated to be made, and upon determination that
22 the advertisement can reasonably be interpreted as having the
23 effect of promoting the defeat of a participating candidate or
24 the election of that candidate's opponent, the board shall
25 immediately release to that candidate additional clean money
26 funding, equal in amount to the cost of the issue
27 advertisement.

28 Sec. 23. NEW SECTION. 56.119 VOTER INFORMATION PROGRAM.

29 1. The board shall establish and administer a nonpartisan
30 voter information program, including an advisory council
31 consisting of representatives of nonprofit organizations,
32 political parties, the media, and interested citizens.

33 2. The voter information program advisory council shall be
34 authorized to establish a voter information program for the
35 purpose of providing voters with election-related information

1 and fostering political dialogue and debate.

2 3. The voter information program advisory council shall
3 organize the publication and distribution of a voter
4 information guide that includes important information about
5 the following issues:

6 a. Candidates appearing on the ballot, including
7 biographical material submitted by the candidates.

8 b. Whether candidates are funding their campaigns with
9 public money or private money.

10 c. Policy statements by the candidates or their political
11 parties on issues designated by the council and other issues.

12 d. Candidates' voting records.

13 Sec. 24. NEW SECTION. 56.120 BROADCAST DEBATES.

14 1. All public television and radio broadcast stations
15 funded in whole or in part by the state shall make available
16 free coverage for candidate debates in contested primary and
17 general elections. The minimum amount of time that
18 broadcasters shall broadcast, and participating candidates
19 shall participate in, shall be as follows:

20 a. For the office of governor and lieutenant governor:

21 (1) One one-hour debate during a contested primary
22 election.

23 (2) Two one-hour debates during a contested general
24 election.

25 b. For all other offices:

26 (1) One one-hour debate during a contested primary
27 election.

28 (2) One one-hour debate during a contested general
29 election.

30 2. All participating candidates shall participate in the
31 debates and all nonparticipating candidates for the same
32 office whose names will appear on the ballot must be invited
33 to join the debates.

34 Sec. 25. NEW SECTION. 56.121 BALLOT LABEL.

35 The board shall inform voters as to which candidates have

1 qualified for and accepted clean money funding by placing the
2 following sentence below the name of each participating
3 candidate on the ballot:

4 THIS CANDIDATE IS PARTICIPATING IN IOWA'S VOLUNTARY PUBLIC-
5 FINANCING PROGRAM.

6 Sec. 26. NEW SECTION. 56.122 CLEAN MONEY FUND -- NATURE
7 AND PURPOSES.

8 1. A special clean money fund is established as a separate
9 fund within the state treasury, under the control of the
10 board, for the following purposes:

11 a. Providing public financing for the election campaigns
12 of certified participating candidates during primary, general,
13 and runoff campaign periods.

14 b. Paying for the administrative and enforcement costs of
15 the board in relation to this subchapter.

16 2. The fund shall consist of moneys received according to
17 section 56.123. Notwithstanding section 8.33, unencumbered or
18 unobligated moneys and any interest earned on moneys in the
19 fund on June 30 of any fiscal year shall not revert to the
20 general fund of the state but shall remain in the fund and
21 available for expenditure in subsequent years.

22 Sec. 27. NEW SECTION. 56.123 FUNDING.

23 1. In addition to any moneys appropriated by the general
24 assembly to the clean money fund established in section
25 56.122, the following moneys shall be deposited in the fund:

26 a. The qualifying contributions required of candidates
27 seeking to become certified as participating candidates
28 according to section 56.101 and candidates' excess qualifying
29 contributions.

30 b. The excess seed money contributions of candidates
31 seeking to become certified as participating candidates as
32 defined by section 56.108.

33 c. Moneys distributed to any participating candidate who
34 does not remain a candidate until the primary or general
35 election for which they were distributed.

1 d. Civil penalties levied by the board against candidates
2 for violations of this chapter.

3 e. Voluntary donations made directly to the clean money
4 fund.

5 f. Any other sources of revenue designated by the general
6 assembly.

7 2. The general assembly shall appropriate additional funds
8 as necessary to fully fund clean money payments required under
9 this subchapter.

10 Sec. 28. NEW SECTION. 56.124 POWERS AND PROCEDURES.

11 The board shall have the following powers and procedures,
12 in addition to those granted in this chapter and chapter 68B,
13 when administering this subchapter:

14 1. After every primary and general election, the board may
15 conduct random audits and investigations to ensure compliance
16 with this subchapter.

17 2. The subjects of audits and investigations shall be
18 selected on the basis of impartial criteria established by a
19 vote of at least three members of the board.

20 3. The board may investigate anonymous complaints.

21 4. Complainants may receive whistle blower protection.

22 5. The board may seek injunctions when all of the
23 following conditions are met:

24 a. There is a substantial likelihood that a violation of
25 this subchapter is occurring or is about to occur.

26 b. The failure to act expeditiously will result in
27 irreparable harm to a party affected by the potential
28 violation.

29 c. Expeditious action will not cause undue harm or
30 prejudice to the interests of others.

31 d. The public interest would be best served by the
32 issuance of an injunction.

33 6. The board may levy civil penalties for violations of
34 the law. Civil penalties shall be deposited in the clean
35 money fund.

1 7. The board shall refer criminal violations to the county
2 attorney or attorney general for prosecution.

3 8. The board may participate fully in any actions filed
4 under this section.

5 9. The board shall adopt rules pursuant to chapter 17A as
6 necessary to administer this subchapter, including a program
7 to implement a clean money debit card.

8 Sec. 29. NEW SECTION. 56.125 CIVIL ACTIONS.

9 1. A citizen who believes a candidate has violated the law
10 may pursue a civil action in a court of relevant jurisdiction,
11 provided that both of the following are true:

12 a. The citizen has previously filed a complaint regarding
13 the same alleged violation with the board.

14 b. The board has failed to make a determination within
15 thirty days of the filing of the complaint.

16 2. A party which wins a civil action charging a violation
17 of this subchapter shall be entitled to receive reasonable
18 attorney fees and court costs from the defendant.

19 3. If a court in which a civil action has been filed under
20 subsection 1 finds that the complaint in that action was made
21 frivolously or without cause, the court may require the
22 complainant to pay the costs of the board, the court, and the
23 defendant parties.

24 Sec. 30. NEW SECTION. 56.126 BOARD REPORTS.

25 1. The board shall report fully to the general assembly
26 after each election cycle.

27 2. The report shall include a detailed summary of all seed
28 money contributions, qualifying contributions, and benefits
29 received, and expenditures made, by all participating
30 candidates. The report shall also include a summary and
31 evaluation of the board's activities and recommendations
32 relating to the implementation, administration, and
33 enforcement of this subchapter.

34 Sec. 31. NEW SECTION. 56.127 REPAYMENTS OF EXCESS
35 EXPENDITURES.

1 1. If a participating candidate spends or obligates to
2 spend more than the clean money funding the candidate
3 receives, and if such is determined not to be an amount that
4 had or could have been expected to have a significant impact
5 on the outcome of the election, the candidate shall repay to
6 the clean money fund an amount equal to the excess.

7 2. If a participating candidate spends or obligates to
8 spend more than the clean money funding the candidate
9 receives, and if such is determined to be an amount that had
10 or could have been expected to have a significant impact on
11 the outcome of the election, the candidate shall repay to the
12 clean money fund an amount equal to five times the value of
13 the excess.

14 Sec. 32. NEW SECTION. 56.128 PENALTIES.

15 1. A candidate shall not knowingly accept more benefits
16 than those to which the candidate is entitled, spend more than
17 the amount of clean money funding received, or misuse such
18 benefits or clean money funding.

19 2. If a violation of subsection 1 was intentional and
20 involved an amount that had or could have been expected to
21 have a significant impact on the outcome of the election, the
22 candidate commits an aggravated misdemeanor.

23 3. If it is determined that the violation of subsection 1
24 was intentional and involved an amount that had or could have
25 been expected to have a significant impact on the outcome of
26 the election, and if, in the judgment of the board, the
27 violation is believed to have contributed to the violator
28 winning the election, the board may recommend to the general
29 assembly that the results of the election be nullified and a
30 new election called.

31 4. A person shall not provide false information to the
32 board or conceal or withhold information from the board. A
33 violation of this subsection is an aggravated misdemeanor.

34 Sec. 33. SEVERABILITY. The provisions of this Act are
35 severable as provided in section 4.12.

1 Sec. 34. EFFECTIVE DATE. This Act takes effect January 1,
2 2002.

3 Sec. 35. IMPLEMENTATION OF ACT. Section 25B.2, subsection
4 3, shall not apply to this Act.

5 EXPLANATION

6 This bill amends Code chapter 56, relating to campaign
7 finance law, to add a new subchapter relating to public
8 financing for certain political campaigns.

9 The bill enacts a "clean money" model for public financing,
10 and enacts new Code section 56.100, providing definitions for
11 key terms related to a clean money model.

12 New Code section 56.122 establishes a separate,
13 nonreverting fund in the state treasury for the clean money
14 fund, and new Code section 56.123 provides sources of revenue
15 for the fund.

16 New Code sections 56.101 and 56.102 specify eligibility
17 procedures for both party and independent candidates,
18 specifying the number and details for collection of qualifying
19 contributions.

20 New Code section 56.105 prohibits a participating candidate
21 from accepting private funding during the primary and general
22 election campaign periods other than certain permitted party
23 funding. Contributions in the name of another person are
24 prohibited and subject to payment to the board as are any
25 applicable penalties. The use of personal funds for seed
26 money or as qualifying contributions is limited by new Code
27 section 56.107.

28 New Code section 56.106 limits political party
29 contributions and expenditures on behalf of candidates.

30 New Code section 56.108 details the collection of private
31 contributions for use as seed money, limited to \$100 per
32 individual contributor, and also limited in the aggregate in
33 differing amounts for candidates for governor and lieutenant
34 governor, for other statewide candidates, for Iowa senate
35 candidates, and for Iowa house of representatives candidates.

1 Seed money expenditures are limited to the clean money
2 qualifying period and seed money contributions and
3 expenditures must be fully disclosed at the end of the clean
4 money qualifying period.

5 New Code section 56.110 provides for a certification
6 process after a candidate applies for clean money benefits and
7 requires repayment of funds if eligibility is revoked. The
8 bill provides for audit and judicial review of the
9 certification decision.

10 New Code section 56.112 provides for a schedule of payments
11 to participating candidates, and new Code section 56.113
12 specifies differing total amounts for primary and general
13 elections for candidates for governor and lieutenant governor,
14 for other statewide candidates, for Iowa senate candidates,
15 and for Iowa house of representatives candidates. Alternate
16 amounts are provided for uncontested races. Clean money
17 payments must be used only for campaign-related expenses, and
18 cannot be used for payments in violation of law or to repay
19 personal or business loans, expenditures, or debts, pursuant
20 to new Code section 56.114.

21 Nonparticipating candidates must disclose within 48 hours
22 every expenditure in excess of the clean money funding
23 allocated to the candidate's participating opponent, that in
24 the aggregate is more than \$1,000, pursuant to new Code
25 section 56.115. Contributions to nonparticipating candidates
26 are limited in Code section 56.105A. Certain other reporting
27 requirements apply during the last 20 days of a campaign.

28 New Code section 56.111 provides certain benefits for
29 participating candidates, including specified amounts of
30 public funding pursuant to new Code section 56.113, mandatory
31 participation in debates on public television pursuant to new
32 Code sections 56.109 and 56.120, designation on the ballot of
33 participation in the public funding program pursuant to new
34 Code section 56.121, and additional limited public funding to
35 respond to certain excess expenditures by nonparticipating

1 candidates, independent expenditures, and issue advertisement
2 expenditures pursuant to Code sections 56.115, 56.117, and
3 56.118. Any candidate who accepts benefits during the primary
4 campaign must continue to comply with the requirements of the
5 public financing program, even if the candidate stops
6 accepting benefits of the program at any point during the
7 primary or general election according to new Code section
8 56.104.

9 All candidates must include a statement with all
10 advertisements indicating that the candidate has approved of
11 the contents of the advertisement pursuant to new Code section
12 56.116.

13 Public television and radio stations receiving any state
14 funds must offer certain free coverage for candidate debates
15 pursuant to new Code section 56.120.

16 Persons making certain independent expenditures must report
17 such expenditures to the board, along with an affidavit
18 affirming that the expenditure has not been coordinated with
19 the candidate or party, pursuant to new Code section 56.117.
20 Alleged violations of the coordination affirmation are subject
21 to an expedited hearing procedure.

22 Persons making certain issue advertisements must also
23 report to the board pursuant to new Code section 56.118.

24 New Code section 56.119 provides that the board shall
25 administer a voter information program, including an advisory
26 council, to provide voters with election-related information,
27 including a voter guide with candidate biographical material,
28 policy statements, voting records, and whether the candidate
29 funds the campaign with public or private money.

30 New Code section 56.124 provides the board with certain
31 specific enforcement powers in relation to the new subchapter,
32 and new Code section 56.126 provides for an election cycle
33 report to the general assembly on the public funding program.

34 New Code section 56.125 creates a civil right of action for
35 citizens alleging that a candidate has violated the law.

1 Violations of the public funding program are subject to
2 aggravated misdemeanor penalties, pursuant to new Code section
3 56.128. New Code section 56.127 provides for repayment of
4 certain excess expenditures.

5 The bill provides for an effective date of January 1, 2002.
6 New Code section 56.103 also provides guidelines for dealing
7 with money collected by candidates prior to the effective date
8 of the public financing program.

9 The bill also requires in new Code section 56.6A electronic
10 filing by any candidate or committee that reaches a \$20,000
11 threshold, and requires publishers of print and electronic
12 media to file reports of media buys in new Code section
13 56.13A.

14 This bill may include a state mandate as defined in Code
15 section 25B.3. This bill makes inapplicable Code section
16 25B.2, subsection 3, which would relieve a political
17 subdivision from complying with a state mandate if funding for
18 the cost of the state mandate is not provided or specified.
19 Therefore, political subdivisions are required to comply with
20 any state mandate included in this bill.

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