

House Study Bill 247

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

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

A BILL FOR

1 An Act relating to campaign finance, including political party
2 committees, campaign disclosure reports, independent
3 expenditures, and income tax checkoff provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1162DP 80
6 jj/cf/24

PAG LIN

1 1 Section 1. Section 56.3, subsection 1, Code 2003, is
1 2 amended to read as follows:
1 3 1. a. Every candidate's committee shall appoint a
1 4 treasurer who shall be an Iowa resident who has reached the
1 5 age of majority. Every political committee, state statutory
1 6 political committee, and county statutory political committee
1 7 shall appoint both a treasurer and a chairperson, each of whom
1 8 shall have reached the age of majority.
1 9 b. Every candidate's committee shall maintain all of the
1 10 committee's funds in bank accounts in a financial institution
1 11 located in Iowa. Every political committee, state statutory
1 12 political committee, and county statutory political committee
1 13 shall either have an Iowa resident as treasurer or maintain
1 14 all of the committee's funds in bank accounts in a financial
1 15 institution located in Iowa.
1 16 c. An expenditure shall not be made by the treasurer or
1 17 treasurer's designee for or on behalf of a committee without
1 18 the approval of the chairperson of the committee, or the
1 19 candidate. Expenditures shall be remitted to the designated
1 20 recipient within fifteen days of the date of the issuance of
1 21 the payment.
1 22 Sec. 2. Section 56.5, subsection 2, paragraph d, Code
1 23 2003, is amended by striking the subsection.
1 24 Sec. 3. Section 56.6, subsections 2 and 5, Code 2003, are
1 25 amended to read as follows:
1 26 2. If any committee, after having filed a statement of
1 27 organization or one or more disclosure reports, dissolves or
1 28 determines that it shall no longer receive contributions or
1 29 make disbursements, ~~the treasurer of the committee shall~~
1 30 notify the board within thirty days following such dissolution
1 31 by filing a dissolution report on forms prescribed by the
1 32 board. Moneys refunded in accordance with ~~a dissolution~~
1 33 ~~statement sections 56.41 and 56.42~~ shall be considered a
1 34 disbursement or expense but the names of persons receiving
1 35 refunds need not be released or reported unless the
2 1 contributors' names were required to be reported when the
2 2 contribution was received.
2 3 5. a. A committee shall not dissolve until all loans,
2 4 debts and obligations are paid, forgiven, or transferred and
2 5 the remaining money in the account is distributed according to
2 6 ~~the organization statement sections 56.41 and 56.42.~~ If a
2 7 loan is transferred or forgiven, the amount of the transferred
2 8 or forgiven loan must be reported as an in-kind contribution
2 9 and deducted from the loans payable balance on the disclosure
2 10 form. If, upon review of a committee's statement of
2 11 dissolution and final report, the board determines that the
2 12 requirements for dissolution have been satisfied, the
2 13 dissolution shall be certified and the committee relieved of
2 14 further filing requirements.
2 15 b. A statutory political committee is prohibited from
2 16 dissolving, but may be placed in an inactive status upon the
2 17 approval of the board. Inactive status may be requested for a
2 18 statutory political committee when no officers exist and the
2 19 statutory political committee has ceased to function. The
2 20 request shall be made by the previous treasurer or chairperson
2 21 of the committee and by the appropriate state statutory

2 22 political committee. A statutory political committee granted
2 23 inactive status shall not solicit or expend funds in its name
2 24 until the committee reorganizes and fulfills the requirements
2 25 of a political committee under this chapter.

2 26 Sec. 4. Section 56.13, Code 2003, is amended by striking
2 27 the section and inserting in lieu thereof the following:

2 28 56.13 INDEPENDENT EXPENDITURES.

2 29 The board shall adopt rules pursuant to chapter 17A
2 30 defining independent expenditures and relating to the
2 31 reporting of independent expenditures.

2 32 Sec. 5. Section 56.20, Code 2003, is amended to read as
2 33 follows:

2 34 56.20 RULES PROMULGATED.

2 35 ~~The director of revenue and finance, in co-operation with~~
3 1 ~~the director of the department of management and the ethics~~
3 2 ~~and campaign disclosure board,~~ shall administer the provisions
3 3 of sections 56.18 to 56.26 and ~~they~~ shall promulgate all
3 4 necessary rules in accordance with chapter 17A.

3 5 Sec. 6. Section 56.22, subsection 2, Code 2003, is amended
3 6 to read as follows:

3 7 2. Funds distributed to statutory political committees
3 8 pursuant to this chapter shall not be used to expressly
3 9 advocate the nomination, election, or defeat of any candidate
3 10 during the primary election. Nothing in this subsection shall
3 11 be construed to prohibit a statutory political committee from
3 12 using such funds to pay expenses incurred in arranging and
3 13 holding a nominating convention.

3 14 Sec. 7. Section 56.23, Code 2003, is amended to read as
3 15 follows:

3 16 56.23 FUNDS == CAMPAIGN EXPENSES ONLY.

3 17 1. The chairperson of the state statutory political
3 18 committee shall produce evidence to ~~the director of revenue~~
3 19 ~~and finance and the ethics and campaign disclosure board~~ not
3 20 later than the twenty-fifth day of January each year, that all
3 21 income tax checkoff funds expended for campaign expenses have
3 22 been utilized exclusively for campaign expenses.

3 23 2. The ethics and campaign disclosure board shall issue,
3 24 prior to the payment of any money, guidelines ~~which that~~
3 25 explain which expenses and evidence thereof qualify as
3 26 acceptable campaign expenses.

3 27 3. Should the ethics and campaign disclosure board ~~and the~~
3 28 ~~director of revenue and finance~~ determine that any part of the
3 29 funds have been used for noncampaign or improper expenses,
3 30 they the board may order the political party or the candidate
3 31 to return all or any part of the total funds paid to that
3 32 political party for that election. When such funds are
3 33 returned, they shall be deposited in the general fund of the
3 34 state.

3 35 Sec. 8. Section 56.43, subsection 1, Code 2003, is amended
4 1 to read as follows:

4 2 1. a. Equipment, supplies, or other materials purchased
4 3 with campaign funds or received in-kind are campaign property.

4 4 b. Campaign property belongs to the candidate's committee
4 5 and not to the candidate.

4 6 c. Campaign property ~~which that~~ has a value of five
4 7 hundred dollars or more at the time it is acquired by the
4 8 committee shall be separately disclosed as committee inventory
4 9 on reports filed pursuant to section 56.6, including a
4 10 declaration of the approximate current value of the property.

4 11 ~~Such~~ The campaign property shall continue to be reported as
4 12 committee inventory until it is disposed of by the committee
4 13 or until the property has been reported once as having a
4 14 residual value of less than one hundred dollars. ~~However,~~
4 15 ~~consumable~~

4 16 d. Consumable campaign property is not required to be
4 17 reported as committee inventory, regardless of the initial
4 18 value of the consumable campaign property. "Consumable
4 19 campaign property", for purposes of this section, means
4 20 stationery, yard signs, and other campaign materials ~~which~~
4 21 that have been permanently imprinted to be specific to a
4 22 candidate or election.

4 23 Sec. 9. CODE EDITOR DIRECTIVE. The Code editor shall move
4 24 and renumber chapter 56 as chapter 68A, and shall change all
4 25 references to chapter 56 appropriately throughout the Code.

4 26 EXPLANATION

4 27 This bill makes changes to various provisions in Code
4 28 chapter 56, relating to campaign finance.

4 29 The statutory political committees, more commonly known as
4 30 party committees, are expressly directed to appoint a chair
4 31 and treasurer, and maintain campaign funds in a financial
4 32 institution via changes to Code section 56.3.

4 33 Elimination of a paragraph in Code section 56.5 removes the
4 34 requirement for committees to declare on an initial statement
4 35 of organization how residual campaign funds will be disbursed.
5 1 A related change is made to Code section 56.6 to remove a
5 2 reference to the organization statement, and to refer to the
5 3 Code sections that provide specific options for disbursing
5 4 residual funds.
5 5 The bill strikes current Code section 56.13 relating to
5 6 independent expenditures, and replaces it with a provision
5 7 allowing the Iowa ethics and campaign disclosure board to
5 8 adopt rules defining independent expenditures and providing
5 9 for reporting.
5 10 The bill makes several changes to Code sections pertaining
5 11 to the Iowa election campaign fund income tax checkoff,
5 12 including placing all administrative responsibility for rules
5 13 and enforcement for the checkoff with the board.
5 14 The bill amends Code section 56.43 expressly to provide
5 15 that campaign property having a value of less than \$100 need
5 16 only be reported once.
5 17 The bill also contains a directive to the Code editor to
5 18 designate Code chapter 56 as 68A, placing it numerically next
5 19 to the government ethics and lobbying chapter.
5 20 LSB 1162DP 80
5 21 jj/cf/24