## House File 805 - Introduced

HOUSE FILE BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 105)

Passed	House,	Date	Passed	Senate,	Date	
Vote:	Ayes	Nays	Vote:	Ayes	Nays	
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## A BILL FOR

1 An Act relating to campaign finance by requiring electronic filing of certain reports and by establishing a voter-owned Iowa clean elections Act, providing for funding of the Act, including an income tax checkoff, and providing an income tax 4 5 exemption, penalties, and effective dates. 6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA: 7 TLSB 1668HV 82 jr/gg/14

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Section 1. <u>NEW SECTION</u>. 68A.401A ELECTRONIC FILING.
           Reports filed with the board pursuant to the requirements
    3 of section 68A.401 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
       in excess of twenty thousand dollars in the aggregate, or incurs indebtedness in excess of twenty thousand dollars in
   8 the aggregate. The board shall establish a system to verify 9 the identity of the person filing the report.

10 Sec. 2. Section 68A.403, subsection 1, Code 2007, is
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1 11 amended to read as follows:
       1. A Unless filed in an electronic format according to section 68A.401A, a report or statement required to be filed
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- 1 14 under this chapter shall be signed by the person filing the 1 15 report.
- 1 16 Sec. 3. Section 68A.603, Code 2007, is amended to read as 1 17 follows:
  - 68A.603 RULES PROMULGATED.
- 1 19 The ethics and campaign disclosure board shall administer 1 20 the provisions of sections 68A.601 through 68A.609, 68A.602, 21 and 68A.604 through 68A.610 and shall promulgate all necessary 22 rules in accordance with chapter 17A.
  23 Sec. 4. NEW SECTION. 68A.610 CHECKOFF == INCOME TAX ==
- 1 23 1 24 VOTER=OWNED IOWA CLEAN ELECTIONS.
- 1 25 A person whose state income tax liability for any taxable 1 26 year is five dollars or more may direct that five dollars of 1 27 that liability be paid over to the voter=owned Iowa clean 1 28 elections fund, as established in section 68A.823, when 29 submitting the person's state income tax return to the 30 department of revenue. In the case of a joint return of 1 31 husband and wife having a state income tax liability of ten 32 dollars or more, each spouse may direct that five dollars be 33 paid to the fund. The director of revenue shall provide space 34 for the voter=owned Iowa clean elections fund income tax 35 checkoff on the income tax form. An explanation shall be 1 included which clearly states that this checkoff does not 2 constitute an additional tax liability. The action taken 2 2 The action taken by a 3 person for the checkoff is irrevocable.
  - Sec. 5. <u>NEW SECTION</u>. 68A.801 DEFINITIONS. For the purposes of this subchapter:

  - "Allowable contribution" means a qualifying contribution or a seed money contribution.
  - "Board" means the Iowa ethics and campaign disclosure board established under section 68B.32.
- 3. "Clean election qualifying period" means the period 10 11 during which candidates are permitted to collect qualifying 2 12 contributions in order to qualify for clean money campaign 2 13 funding. The period begins ninety days before the beginning 2 14 of the primary election campaign period and ends thirty days

2 15 before the beginning of the primary election campaign period.

"Coordination" means a payment made for a communication 4. 2 17 or anything of value that is for the purpose of influencing 2 18 the outcome of an election and that is made by a person 2 19 according to at least one of the following:

- 2 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 committee, or an 2 23 agent acting on behalf of a candidate or candidate's 2 24 committee.
- For the dissemination, distribution, or republication, 2 26 in whole or in part, of any broadcast or any written, graphic, 2 27 or other form of campaign material prepared by a candidate, a 28 candidate's committee, or an agent of a candidate or 2 29 candidate's committee.
- 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 2 33 the information with a view toward having the payment made.

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- 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, fundraiser, or agent of the candidate 2 or candidate's committee in an executive or policymaking 3 position.
- 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 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
- 3 12 professional services of an individual or person who, in a 3 13 nonministerial capacity, has provided or is providing 3 14 campaign=related services in the same election cycle to a 3 15 candidate who is pursuing the same nomination or election as 3 16 any of the candidates to whom the communication refers. For 17 purposes of this section, "professional services" includes 3 18 services in support of a candidate's pursuit of nomination for 3 19 election or election to office such as polling, media advice, 20 direct mail, fundraising, or campaign research services.
  21 5. "Electioneering communication" means any communication
- 3 22 that refers to a clearly identified candidate for elected 23 public office, if the communication has the effect of 24 encouraging or discouraging a vote for the candidate, 3 25 regardless of whether the communication expressly advocates a 3 26 vote for or against the candidate.
- 3 27 6. "Excess expenditure amount" means the amount of money 3 28 spent or obligated to be spent by a nonparticipating candidate 3 29 in excess of the clean money amount available to a
- 3 30 participating candidate running for the same office.
  3 31 7. "Express advocacy" means the same as defined in section 3 32 68A.102.
- 8. "General election campaign period" means the period 33 34 beginning the day after the primary election and ending on the 3 35 day of the general election.
  - 9. "Independent candidate" means a candidate who does not represent a political party that has been granted ballot status and that holds a primary election to choose its nominee 4 for the general election.
    - 10. "Independent expenditure" means an expenditure made by a person or group of persons other than a candidate or candidate's committee that meets both of the following conditions:
- a. The expenditure is made for a communication that 4 10 contains express advocacy.
- b. The expenditure is made without the participation or 4 12 cooperation of and without coordination with a candidate or a candidate's committee.
- "Nonparticipating candidate" means a candidate who is 4 15 on the ballot but has chosen not to apply for clean election 4 16 campaign funding, or a candidate who is on the ballot and has 4 17 applied for but has not satisfied the requirements for 4 18 receiving clean election campaign funding.
- "Participating candidate" means a candidate who 4 20 qualifies for clean election campaign funding. 4 21 candidates are eligible to receive clean election campaign
- 4 22 funding during primary or general election campaign periods. 4 23 13. "Party candidate" means a candidate who represents a 4 24 political party as defined by section 43.2.
  - "Primary election campaign period" means the period

4 26 beginning ninety days before the primary election and ending 4 27 on the day of the primary election.

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- "Qualifying contribution" means a contribution of five 15. 4 29 dollars that is received during the designated clean election 4 30 qualifying period by a candidate seeking to become eligible 4 31 for clean election campaign funding and that is acknowledged 32 by a written receipt identifying the contributor. However, if 33 the annual median household income of a legislative district 34 is at or below one hundred percent of the most recent federal 35 poverty guideline based on United States census bureau data, the qualifying contribution is one dollar.
  - 16. "Seed money contribution" means a contribution of no 3 more than one hundred dollars made by an individual adult 4 during the seed money period, but specifically excludes all of the following:
    - Payments by a membership organization for the costs of communications to its members.
    - b. Payments by a membership organization for the purpose of facilitating the making of qualifying contributions.
  - c. The cash value of volunteer activity, including the 11 payment of incidental expenses of volunteers.
- "Seed money period" means the period beginning the day 17. 5 13 following the previous general election for that office and 14 ending on the last day of the clean election qualifying 5 15 period. This is the exploratory period during which 5 16 candidates who wish to become eliqible for clean election 17 campaign funding for the next elections are permitted to raise 18 and spend a limited amount of private seed money, from 5 19 contributions of up to one hundred dollars per individual, for 5 20 the purpose of determining whether to become a candidate and
  - 21 fulfilling the clean election eligibility requirements. 22 Sec. 6. <u>NEW SECTION</u>. 68A.802 ELIGIBILITY FOR PARTY 23 CANDIDATES.
- 1. A party candidate qualifies as a participating 25 candidate for the primary election campaign period if the 5 26 candidate does both of the following:
- The candidate files a declaration with the board that 28 the candidate has complied and will comply with all of the 5 29 requirements of this subchapter, including the requirement 30 that during the seed money period and the clean election 31 qualifying period the candidate not accept or spend private 32 contributions from any source other than seed money 5 33 contributions and clean election qualifying contributions, 34 unless the provisions of section 68A.804 apply.
  - The candidate meets both of the following qualifying contribution requirements before the close of the clean 2 election qualifying period:
  - (1) A party candidate must collect both qualifying 4 contributions and signatures as follows:
    - (a) For the office of governor, from five hundred registered voters in each congressional district.
  - (b) For statewide office other than governor, from two hundred fifty registered voters in each congressional 9 district.
- For the Iowa senate, from two hundred registered (C) 6 11 voters in the senate candidate's electoral district.
- (d) For the Iowa house of representatives, from one 6 13 hundred registered voters in the house candidate's electoral 6 14 district
- (2) Each qualifying contribution must meet all 6 16 requirements of this section.
- Contributors shall be registered voters who reside 6 18 within the candidate's electoral district and who are 6 19 therefore eligible to vote for that candidate.
  - 3. Qualifying contributions shall be:
- 6 20 6 21 Made in cash, check, money order, or credit or debit a. 6 22 card.
  - Gathered by the candidate personally or by volunteers b. 24 who do not receive compensation.
- c. Acknowledged by a receipt to the contributor, with a 26 copy to be kept by the candidate and a third copy to be 27 submitted to the board. The receipt shall include a signed 6 28 statement that the contributor understands that the purpose of 6 29 the contribution is to help the candidate qualify for campaign 30 funding and that the contribution is made without coercion or 31 reimbursement. The receipt shall include the contributor's 31 reimbursement. 6 32 signature, printed name, home address, and telephone number, 33 and the name of the candidate on whose behalf the contribution 34 is made.
  - 35 d. Turned over to the board for deposit in the voter-owned 1 Iowa clean elections fund established under section 68A.823,

2 with the signed and completed receipt, according to a schedule 3 and procedure to be determined by the board. A contribution 4 submitted as a qualifying contribution that does not include 5 the signed and completed receipt shall not be counted as a 6 qualifying contribution.

A party candidate qualifies as a participating 8 candidate for the general election campaign period when the candidate does both of the following:

a. The candidate has met all of the applicable

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11 requirements of this subchapter and filed a declaration with the board that the candidate has fulfilled and will fulfill 7 13 all of the requirements of a participating candidate as stated 7 14 in this subchapter.

7 15 b. As a participating candidate during the primary 7 16 election campaign period, the candidate had the highest number 7 17 of votes of the candidates contesting the primary election 18 from the candidate's respective party and won the party's 7 19 nomination.

Sec. 7. NEW SECTION. 68A.803 ELIGIBILITY FOR INDEPENDENT 7 21 CANDIDATES.

- 1. An independent candidate qualifies as a participating 7 23 candidate for the primary election campaign period if the 7 24 candidate does both of the following:
- a. The candidate files a declaration with the board that 26 the candidate has complied and will comply with all of the 27 requirements of this subchapter, including the requirement 28 that during the seed money period and the clean election 29 qualifying period the candidate not accept or spend private 7 30 contributions from any source other than seed money 7 31 contributions and clean election qualifying contributions, 32 unless the provisions of section 68A.804 apply.

The candidate meets the following qualifying 34 contribution requirements before the close of the clean 35 election qualifying period:

- (1)An independent candidate shall collect the same number of qualifying contributions as required of a party candidate 3 for the same office under section 68A.802.
  - Each qualifying contribution must meet all requirements of this section.
  - 2. Contributors shall be registered voters who reside within the candidate's electoral district and who are therefore eligible to vote for that candidate.
    - 3. Qualifying contributions shall be:
  - Made in cash, check, money order, or credit or debit card.
- Gathered by the candidate personally or by volunteers b. 8 13 who do not receive compensation.
- 8 14 c. Acknowledged by a receipt to the contributor, with a 8 15 copy to be kept by the candidate and a third copy to be 8 16 submitted to the board. The receipt shall include a signed 8 17 statement that the contributor understands that the purpose of 8 18 the contribution is to help the candidate qualify for clean 8 19 election campaign funding and that the contribution is made 8 20 without coercion or reimbursement. The receipt shall include 21 the contributor's signature, printed name, home address, and 8 22 telephone number, and the name of the candidate on whose 8 23 behalf the contribution is made.
- 8 24 d. Turned over to the board for deposit in the voter=owned 8 25 Iowa clean elections fund established under section 68A.823, 8 26 with the signed and completed receipt, according to a schedule 27 and procedure to be determined by the board. A contribution 28 submitted as a qualifying contribution that does not include 8 29 the signed and completed receipt shall not be counted as a 8 30 qualifying contribution.
- An independent candidate qualifies as a participating 8 32 candidate for the general election campaign period when the 8 33 candidate does both of the following:
  - 34 a. If, prior to the primary election, the candidate has 35 met all of the applicable requirements of this subchapter and filed a declaration with the board that the candidate has 2 fulfilled and will fulfill all of the requirements of a 3 participating candidate as stated in this subchapter.
    - b. If, during the primary election campaign period, the 5 candidate has fulfilled all the requirements of a
    - participating candidate as stated in this subchapter.

      Sec. 8. NEW SECTION. 68A.804 TRANSITION RULE FOR CURRENT ELECTION CYCLE.

During the election cycle in effect on the date of 10 enactment of this subchapter, a candidate may be certified as 11 a participating candidate, notwithstanding the acceptance of 9 12 contributions or making of expenditures from private funds

9 13 before the date of enactment that would, absent this section, 9 14 disqualify the candidate as a participating candidate, 9 15 provided that any private funds accepted but not expended 9 16 before the date of enactment of this subchapter shall either 9 17 be returned to the contributor or submitted to the board for 9 18 deposit in the voter=owned Iowa clean elections fund 9 19 established under section 68A.823.

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Sec. 9. NEW SECTION. 68A.805 CONTINUING OBLIGATION TO 21 COMPLY.

A participating candidate who accepts any benefits under 9 23 section 68A.813 during the primary election campaign period 9 24 shall comply with all the requirements of this subchapter 25 through any remaining time during the primary election 9 26 campaign period as well as through the general election 9 27 campaign period whether or not the candidate continues to 9 28 accept benefits.

NEW SECTION. 68A.806 CONTRIBUTIONS AND Sec. 10. 9 30 EXPENDITURES.

1. During the primary and general election campaign 32 periods, a participating candidate who has voluntarily agreed 33 to participate in clean election campaign financing shall not 9 34 accept private contributions from any source other than the 9 35 candidate's political party as specified in section 68A.808.

section 68A.502. A participating candidate who receives a 3 qualifying contribution or a seed money contribution that is 4 not from the person listed on the receipt as required by this subchapter shall pay to the board for deposit in the 6 voter=owned Iowa clean elections fund established under section 68A.823 the entire amount of such contribution.

3. The board shall issue each participating candidate a card known as the "clean election campaign debit card", and a 9 10 10 line of debit entitling the candidate to draw clean election 10 11 campaign funds to pay for all campaign costs and expenses up 10 12 to the amount of funding the candidate has received. 10 13 participating candidate shall not pay campaign costs by cash, 10 14 check, money order, loan, or by any other financial means 10 15 other than debit card. During the primary and general 10 16 election campaign periods, a participating candidate shall pay 10 17 by means of the board's clean election campaign debit card.

10 18 4. Eligible candidates shall furnish complete campaign 10 19 records, including all records of seed money contributions and 10 20 qualifying contributions, to the board at regular filing 10 21 times, or on request by the board. Candidates shall cooperate with any audit or examination conducted or ordered by the 10 23 board.

Sec. 11. <u>NEW SECTION</u>. 68A.807 NONPARTICIPATING 10 25 CANDIDATES == CONTRIBUTION LIMITS.

> Nonparticipating candidates shall be subject to the following contribution limits:

1. Candidates for statewide office:

- One thousand dollars in the aggregate per individual 10 30 contribution.
- b. Five thousand dollars in the aggregate per political 10 32 committee contribution.
- 2. Candidates for the Iowa senate and house of 10 34 representatives:
  - a. Five hundred dollars in the aggregate per individual contribution.
  - b. One thousand dollars in the aggregate per political committee contribution.

Sec. 12. <u>NEW SECTION</u>. 68A. CONTRIBUTIONS AND EXPENDITURES. 68A.808 POLITICAL PARTY

- 6 Participating candidates may accept monetary or in=kind contributions from political parties provided that the aggregate amount of such contributions from all political 8 9 party committees combined does not exceed the equivalent of 11 10 five percent of the clean election financing amount for that office. 11 11
- In=kind contributions made during a general election 11 13 campaign period on behalf of a group of the party's candidates 11 14 shall not be considered a prohibited party contribution or 11 15 count against the five percent limit established in subsection 11 16 1 if such group includes at least fifty=one percent of the 11 17 candidates whose names will appear on the general election 11 18 ballot in the political subdivision represented by the party 11 19 committee making such in=kind contributions.
- 11 20 3. Contributions made to, and expenditures made by, 11 21 political parties during primary and general campaign periods 11 22 shall be reported to the board on the same basis as 11 23 contributions and expenditures made to or by candidates.

- 11 24 This section and this subchapter shall not prevent 11 25 political party funds from being used for any of the 11 26 following:
  - a. General operating expenses of the party.
    - b. Conventions.

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- c. Nominating and endorsing candidates.
- 11 29 11 30 d. Identifying, researching, and developing the party's 11 31 positions on issues.
- 11 32 e. Party platform activities.
  - f. Noncandidate=specific voter registration.
  - Noncandidate=specific get=out=the=vote drives. g.
  - Travel expenses for noncandidate party leaders and h. staff.
  - i. Other noncandidate=specific party=building activities, as defined by rule of the board.
  - j. Employing a staff person to provide election services to two or more candidates.
    - Sec. 13. <u>NEW SECTION</u>. 68A.809 USE OF PERSONAL FUNDS
- 1. Personal funds contributed as seed money by a candidate 8 seeking to become eligible as a participating candidate or by the candidate's spouse shall not exceed one hundred dollars 12 10 per contributor.
- Personal funds shall not be used to meet the qualifying 12 12 contribution requirement except for one five=dollar contribution from the candidate and one five=dollar 12 14 contribution from the candidate's spouse.
  - Sec. 14. <u>NEW SECTION</u>. 68A.810 SEED MONEY.
- 12 16 1. The only private contributions a candidate seeking to 12 17 become eligible for clean election campaign funding shall 12 18 accept, other than qualifying contributions, are seed money 12 19 contributions contributed by individual adults prior to the 12 20 end of the clean election qualifying period.
- 2. A seed money contribution shall not exceed one hundred 12 22 dollars, and the aggregate amount of seed money contributions 12 23 accepted by a candidate seeking to become eligible for clean 12 24 money campaign funding shall not exceed the relevant limit, as 12 25 follows:
- a. Twenty=five thousand dollars for a candidate team 12 27 running for governor and lieutenant governor.
- b. Fifteen thousand dollars for a candidate running for 12 29 statewide office other than governor or lieutenant governor.
  - c. Two thousand dollars for a candidate running for the Iowa senate.
  - d. One thousand dollars for a candidate running for the Iowa house of representatives.
- 3. Receipts for seed money contributions shall include the 12 35 contributor's signature, printed name, street address and zip 13 1 code, telephone number, occupation, and name of employer. 13 2 Contributions shall not be accepted if the required disclosure information is not received.
  - 4. Seed money shall be spent only during the clean election qualifying period. Seed money shall not be spent during the primary or general election campaign periods.
- Within forty=eight hours after the close of the clean election qualifying period, candidates seeking to become eligible for clean election campaign funding shall do both of 13 10 the following:
  - a. Fully disclose all seed money contributions and expenditures to the board.
- b. Turn over to the board for deposit in the voter-owned 13 14 Iowa clean elections fund any seed money the candidate has raised during the designated seed money period that exceeds 13 16 the aggregate seed money limit.
  - Sec. 15. <u>NEW SECTION</u>. 68A.811 PARTICIPATION IN DEBATES.
- Participating candidates in contested races shall 13 19 participate in all of the following:
  - a. For the offices of governor and lieutenant governor:
- 13 21 One one=hour debate during a contested primary (1)13 22 election.
  - (2) Two one=hour debates during a contested general election.
    - For all other offices:
- (1) One one=hour debate during a contested primary 13 27 election.
- 13 28 (2) One one=hour debate during a contested general 13 29 election.
- 13 30 2. Nonparticipating candidates for the same office whose 13 31 names will appear on the ballot shall be invited to join the 13 32 debates. 13 33
  - Sec. 16. NEW SECTION. 68A.812 CERTIFICATION.
  - 1. No more than five days after a candidate applies for

13 35 clean election campaign funding benefits, the board shall 1 certify that the candidate is or is not eligible. 14

- 2. Eligibility can be revoked if the candidate violates the requirements of this subchapter, in which case all clean election campaign funds shall be repaid.
- 3. The candidate's request for certification shall be signed by the candidate and the treasurer of the candidate's committee under penalty of perjury.
- 4. The board's determination is final except that it is 14 9 subject to examination and audit by an outside agency 14 10 according to rule and to prompt judicial review according to 14 11 rule and chapter 17A. 14 12
- Sec. 17. <u>NEW SECTION</u>. 68A.813 BENEFITS PROVIDED TO CANDIDATES ELIGIBLE TO RECEIVE CLEAN ELECTION CAMPAIGN 14 13 14 14 FUNDING.
- 1. Candidates who qualify for clean election campaign 14 16 funding for primary and general elections shall receive all of the following:
- a. Clean election campaign funding from the board for each 14 19 election, the amount of which is specified in section 68A.815. 14 20 This funding may be used to finance any and all campaign expenses during the particular campaign period for which it 14 21 14 22 was received.
  - b. Additional clean election campaign funding to match any excess expenditure amount spent by a nonparticipating candidate, as specified in section 68A.817.
- c. Additional clean election campaign funding to match any independent expenditure made in opposition to their 14 28 candidacies or on behalf of their opponents' candidacies, as specified in section 68A.819.
- 14 29 d. Additional clean election funding to match any 14 31 electioneering communication expenditure, as specified in 14 32 section 68A.820.
- 2. The maximum aggregate amount of additional funding a 34 participating candidate shall receive to match independent 14 35 expenditures and the excess expenditures of nonparticipating candidates shall be two hundred percent of the full amount of clean election campaign funding allocated to a participating 3 candidate for a particular primary or general election 4 campaign period.
  - Sec. 18. <u>NEW SECTION</u>. CAMPAIGN FUNDING PAYMENTS. 68A.814 SCHEDULE OF CLEAN ELECTION
- 1. An eligible candidate shall receive clean election 8 campaign funding for the primary election campaign period on 9 the date on which the board certifies the candidate as a 15 10 participating candidate. This certification shall take place 15 11 no later than five days after the candidate has submitted the 15 12 required number of qualifying contributions and a declaration 15 13 stating that the candidate has complied with all other 15 14 requirements for eligibility as a participating candidate, but 15 15 no earlier than the beginning of the primary election campaign 15 16 period.
- 2. An eligible candidate shall receive clean election 15 18 campaign funding for the general election campaign period within forty=eight hours after certification of the primary 15 20 election results.
- Sec. 19. <u>NEW SECTION</u>. 68A.815 DETERMINATION OF CLEAN 15 22 ELECTION CAMPAIGN FUNDING AMOUNTS. 15 23 1. a. For party candidates.
- 1. a. For party candidates, the amount of clean election 15 24 campaign funding for a contested primary election is as follows:
  - (1) Seven hundred fifty thousand dollars for a candidate team running for governor and lieutenant governor.
- (2) Seventy=five thousand dollars for a candidate for 15 29 statewide office other than governor and lieutenant governor. 15 30 (3) Twenty=two thousand five hundred dollars for a
- 15 31 candidate running for the Iowa senate.
  - (4) Fifteen thousand dollars for a candidate running for the Iowa house of representatives.
- 15 33 15 34 b. The clean election campaign funding amount for an 15 35 eligible party candidate in an uncontested primary election is twenty=five percent of the amount provided in a contested primary election.
- 16 In a contested general election, if an eligible party 16 4 candidate or all of the candidates of the candidate's party 5 combined received at least twenty percent of the total number 16 16 6 of votes cast for all candidates seeking that office in the 16 7 most recent primary election or in the previous general 16 8 election, the candidate shall receive the full amount of clean 16 9 election campaign funding for the general election, as

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16 11 (1)Three million dollars for a candidate team running for 16 12 governor and lieutenant governor.

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- (2) Two hundred thousand dollars for a candidate for 16 14 statewide office other than governor and lieutenant governor.
- (3) Forty thousand dollars for a candidate running for the 16 16 Iowa senate.
- 16 17 (4) Thirty thousand dollars for 16 18 the Iowa house of representatives. (4) Thirty thousand dollars for a candidate running for
- 16 19 d. The clean election campaign funding amount for an 16 20 eligible party candidate in an uncontested general election is 16 21 ten percent of the amount provided in a contested general 16 22 election for the same office.
- 2. a. For eligible independent candidates, the clean 16 24 election campaign funding amount for the primary election 16 25 campaign period is twenty=five percent of the amount of clean 16 26 election funding received by a party candidate in a contested
- 16 27 primary election for the same office. 16 28 b. The clean election campaign funding amount for an 16 29 eligible independent candidate in the general election is the 16 30 same as the full amount received by a party candidate in the 16 31 general election for the same office. 16 32 c. After the first cycle of clean election fund elections,
- 16 33 the board shall modify all clean election campaign funding 16 34 amounts based on the percentage increase in the consumer price 16 35 index, for all urban consumers, United States city average, as published in the federal register by the United States department of labor, bureau of labor statistics, that reflects the percentage increase in the consumer price index for the twelve=month period ending December 31 of the previous year.

Sec. 20. <u>NEW SECTION</u>. 68A.816 EXPENDITURES MADE WITH CLEAN ELECTION CAMPAIGN FUNDS.

- The clean election campaign funding received by a 8 participating candidate shall be used only for the purpose of 9 defraying that candidate's campaign=related expenses during 17 10 the particular election campaign period for which the clean 17 11 election campaign funding was received.
  - 2. Payments shall not be used for the following:
  - Payments that are in violation of the law. a.
  - b. Payments that repay any personal, family, or business
- 17 15 loans, expenditures, or debts.
  17 16 Sec. 21. <u>NEW SECTION</u>. 68A.817 DISC
  17 17 SPENDING BY NONPARTICIPATING CANDIDATES. DISCLOSURE OF EXCESS
- 1. If a nonparticipating candidate's total expenditures 17 19 exceed the amount of clean election campaign funding allocated 17 20 to the candidate's clean election opponent, the candidate 17 21 shall declare to the board within forty=eight hours every 17 22 excess expenditure amount that, in the aggregate, is more than 17 23 one thousand dollars.
- 17 24 2. During the last twenty days before the end of the 17 25 relevant campaign period, a nonparticipating candidate shall 17 26 declare to the board each excess expenditure amount over five 17 27 hundred dollars within twenty=four hours of when the 17 28 expenditure is made or obligated to be made.
- 3. The board may make its own determination as to whether 17 30 excess expenditures have been made by nonparticipating 17 31 candidates.
- 4. Upon receiving an excess expenditure declaration, the 17 33 board shall immediately release additional clean election 17 34 campaign funding to the opposing participating candidate or 17 35 candidates equal to the excess expenditure amount the nonparticipating candidate has spent or intends to spend, 1 subject to the limit set forth in section 68A.813.
  - NEW SECTION. 68A.818 CAMPAIGN ADVERTISEMENTS. Sec. 22. All broadcast and print advertisements placed by candidates or candidate's committees shall include a clear written or spoken statement indicating that the candidate has approved of the contents of the advertisement.
  - Sec. 23. <u>NEW SECTION</u>. 68A.819 DISCLOSURE OF INDEPENDE EXPENDITURES == ADDITIONAL CLEAN ELECTION CAMPAIGN FUNDING. DISCLOSURE OF INDEPENDENT
- 1. Any person or group of persons who makes or obligates to make an independent expenditure during a primary or general 18 11 18 12 election campaign period which, in the aggregate, exceeds one 18 13 thousand dollars, shall report each expenditure within forty= 18 14 eight hours to the board.
- 18 15 The report to the board shall include a statement, 2. 18 16 under penalty of perjury, by the person or persons making the 18 17 independent expenditure identifying the candidate whom the 18 18 independent expenditure is intended to help elect or defeat 18 19 and affirming that the expenditure is totally independent and 18 20 involves no coordination with a candidate or a political 18 21 party.

18 22 a. An individual or organization may file a complaint with 18 23 the board if the candidate or the organization believes that 18 24 the statement according to this subsection is false.

b. A hearing on a complaint under this subsection shall be 18 26 held within three business days of filing and a decision

18 27 issued within seven days of filing. 18 28

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3. Any person or group of persons who makes or obligates to make an independent expenditure during the last twenty days 18 30 before the end of the relevant campaign period which, in the aggregate, exceeds five hundred dollars, shall report each expenditure within twenty=four hours to the board.

- 4. Upon receiving a report that an independent expenditure 18 34 has been made or obligated to be made, the board shall immediately release additional clean election funding, equal in amount to the cost of the independent expenditure, to all 2 participating candidates whom the independent expenditure is 3 intended to oppose or defeat provided that the maximum 4 aggregate amount of additional funding a participating 5 candidate shall receive to match independent expenditures and 6 the excess expenditures of nonparticipating candidates is no more than two hundred percent of the full amount of clean election funding allocated to a participating candidate in that election.
- Sec. 24. NEW SECTION. 68A.820 DEFINITION AND DISCLOSURE OF ELECTIONEERING COMMUNICATIONS == ADDITIONAL CLEAN ELECTION 19 11 19 12 CAMPAIGN FUNDING.
- 1. A person who makes or obligates to make a disbursement 19 14 to purchase an electioneering communication shall file a 19 15 report with the board not later than forty=eight hours after 19 16 making or obligating to make the disbursement, containing the 19 17 following information:
  - The amount of the disbursement. a.
- The name and address of the person making the b. 19 20 disbursement. 19 21 c. The pu
  - The purpose of the electioneering communication.
- Upon receiving a report that an electioneering 19 23 communication has been made or obligated to be made, and upon 19 24 determination that the electioneering communication can 19 25 reasonably be interpreted as having the effect of promoting 19 26 the defeat of a participating candidate or the election of that candidate's opponent, the board shall immediately release 19 28 to that candidate additional clean election funding, equal in 19 29 amount to the cost of the electioneering communication.
- Sec. 25. <u>NEW SECTION</u>. 68A.821 VOTER INFORMATION PROGRAM. 1. The board shall establish and administer a nonpartisan 19 32 voter information program, including an advisory council 19 33 consisting of representatives of nonprofit organizations,
  - 34 political parties, the media, and interested citizens. 35 2. The voter information program advisory council may establish a voter information program for the purpose of providing voters with election=related information and fostering political dialogue and debate.
    - 3. The voter information program advisory council shall organize the publication and distribution of a voter information guide that includes important information about the following issues:
    - a. Candidates appearing on the ballot, including biographical material submitted by the candidates.
    - b. Whether candidates are funding their campaigns with public money or private money.
    - c. Policy statements by the candidates or their political parties on issues designated by the council and other issues.
      - d. Candidates' voting records.
      - Sec. 26. <u>NEW SECTION</u>. DEBATES. 68A.822
- A nonpartisan organization that is involved in 20 17 providing information to the public concerning elections, or a 20 18 nonpartisan organization that has been involved in education 20 19 and the advocacy of open, clean election and campaign laws for 20 20 at least five years, may host and sponsor voter=owned Iowa 20 21 clean election candidate debates in contested primary and 20 22 general elections.
- 20 23 2. All participating candidates shall participate in the 20 24 debates and all nonparticipating candidates for the same 20 25 office whose names will appear on the ballot shall be invited to join the debates. Sec. 27. NEW SEC 20 26
- NEW SECTION. 68A.823 VOTER=OWNED IOWA CLEAN 20 28 ELECTIONS FUND (VOICE) == NATURE AND PURPOSES.
- 20 29 1. An voter=owned Iowa clean elections fund is established 20 30 as a separate fund within the office of the state treasurer, 20 31 under the control of the board, for the following purposes:
  - a. Providing public financing for the election campaigns

20 33 of certified participating candidates during primary election 20 34 and general election campaign periods.

b. Paying for the administrative and enforcement costs of

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the board in relation to this subchapter.
2. The fund shall consist of moneys received according to section 68A.824. Notwithstanding section 8.33, unencumbered or unobligated moneys and any interest earned on moneys in the fund on June 30 of any fiscal year shall not revert to the general fund of the state but shall remain in the fund and be available for expenditure in subsequent years.

Sec. 28. <u>NEW SECTION</u>. 68A.824 FUNDING.

In addition to any moneys appropriated by the general 21 10 assembly to the voter=owned Iowa clean elections fund 21 11 established in section 68A.823, the following moneys shall be 21 12 deposited in the fund: 21 13

- The qualifying contributions required of candidates 21 14 seeking to become certified as participating candidates according to section 68A.802 or 68A.803 and candidates' excess qualifying contributions.
- Moneys deposited with the fund pursuant to section 21 18 68A.610 or section 556.18.
  - 3. The excess seed money contributions of candidates seeking to become certified as participating candidates.
- 21 21 4. Moneys distributed to any participating candidate who 21 22 does not remain a candidate until the primary or general 21 23 election for which they were distributed.
  - 5. Civil penalties levied by the board against candidates for violations of this subchapter.
    - 6. Voluntary donations made directly to the fund.
  - 7. Moneys from unclaimed or abandoned property in the
- 21 28 state's custody pursuant to chapter 556. 21 29 8. Any other sources of revenue designated by the general assembly. 21 30 21 31
  - Sec. 29. 68A.825 POWERS AND PROCEDURES. NEW SECTION.

The board shall have the following powers and procedures 21 33 in addition to those granted in this chapter and chapter 68B, 21 34 when administering this subchapter:

- 1. After every primary and general election, the board may conduct random audits and investigations to ensure compliance 2 with this subchapter.
  - 2. The subjects of audits and investigations shall be selected on the basis of impartial criteria established by a vote of at least four members of the board.
    - The board may investigate anonymous complaints.
- The identity of a complainant may be kept confidential if the complainant states in the complaint that revealing the identity of the complainant could reasonably result in 22 10 disciplinary action or loss of employment.
  - The board may seek injunctions when all of the following conditions are met:
  - a. There is a substantial likelihood that a violation of this subchapter is occurring or is about to occur.
- b. The failure to act expeditiously will result in 22 16 irreparable harm to a party affected by the violation or 22 17 potential violation.
- Expeditious action will not cause undue harm or С. 22 19 prejudice to the interests of others.
  - d. The public interest would be best served by the issuance of an injunction.
- 6. The board may levy civil penalties for violations of 22 23 this subchapter. Civil penalties shall be deposited in the voter=owned Iowa clean elections fund.
  - 7. The board shall refer criminal violations to the county attorney or attorney general for prosecution.
- 8. The board may participate fully in any actions filed 22 28 under this section.
- 9. The board shall adopt rules pursuant to chapter 17A as 22 30 necessary to administer this subchapter.
  - NEW SECTION. 68A.826 CIVIL ACTIONS Sec. 30.
- 1. A citizen who believes a candidate has violated this 22 33 subchapter may pursue a civil action in a court of relevant
  - jurisdiction, provided that both of the following are true:

    a. The citizen has previously filed a complaint regarding the same alleged violation with the board.
  - b. The board has failed to make a determination within thirty days of the filing of the complaint.
  - 2. A complainant who prevails in a civil action charging a violation of this subchapter shall be entitled to receive reasonable attorney fees and court costs from the defendant
  - 3. If a court in which a civil action has been filed under 8 subsection 1 finds that the complaint in that action was made

9 frivolously or without cause, the court may require the 23 10 complainant to pay the costs of the board, the court, and the 23 11 23 12 defendant parties.

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Sec. 31. <u>NEW SECTION</u>. 68A.827 BOARD REPORTS. 1. The board shall report to the general assembly after 23 14 each election cycle.

2. The report shall include a detailed summary of all seed 23 16 money contributions, qualifying contributions, and campaign 23 17 funding benefits received, and expenditures made, by all 23 18 participating candidates. The report shall also include a 23 19 summary and evaluation of the board's activities and 23 20 recommendations relating to the implementation, 23 21 administration, and enforcement of this subchapter.

Sec. 32. NEW SECTION. 68A.828 REPAYMENTS OF EXCESS 23 23 EXPENDITURES.

- 1. If a participating candidate spends or obligates to 23 25 spend more than the clean election funding the candidate 23 26 receives, and if such is determined not to be an amount that 23 27 had or could have been expected to have a significant impact 23 28 on the outcome of the election, the candidate shall personally 23 29 repay to the voter=owned Iowa clean elections fund an amount 23 30 equal to the excess.
- If a participating candidate spends or obligates to 23 32 spend more than the clean election campaign funding the 23 33 candidate receives, and if such is determined to be an amount 23 34 that had or could have been expected to have a significant 23 35 impact on the outcome of the election, the candidate shall personally repay to the voter-owned Iowa clean elections fund 2 an amount equal to five times the value of the excess.

Sec. 33. <u>NEW SECTION</u>. 68A.829 PENALTIES. A candidate shall not knowingly accept more benefits than those to which the candidate is entitled, spend more than the amount of clean election campaign funding received, or misuse such campaign funding benefits or clean election campaign funding.

2. If a violation of subsection 1 was intentional and 24 10 involved an amount that had or could have been expected to 24 11 have a significant impact on the outcome of the election, the 24 12 candidate commits an aggravated misdemeanor.

3. If it is determined that the violation of subsection 1 24 14 was intentional and involved an amount that had or could have 24 15 been expected to have a significant impact on the outcome of 24 16 the election, and if, in the judgment of the board, the violation is believed to have contributed to the violator 24 18 winning the election, the board may recommend to the 24 19 appropriate authority that proceedings be commenced to remove 24 20 the violator from office or to impeach the violator if 24 21 applicable.

4. A person shall not provide false information to the 24 23 board or conceal or withhold information from the board. A 24 24 violation of this subsection is an aggravated misdemeanor.

5. Each city council, school board, and county board of 24 26 supervisors shall have the authority to adopt and fund a 24 27 voter=owned Iowa clean elections fund, consistent with this 24 28 section, for local government elections. 24 29 Sec. 34. Section 422.7, Code 2007, is amended by adding

24 30 the following new subsection:

24 31 <u>NEW SUBSECTION</u>. 50. Subtract, to the extent not otherwise 24 32 excluded, up to two hundred dollars of the amount contributed 24 33 to the voter=owned Iowa clean elections fund pursuant to 24 34 section 68A.824, subsection 6.

Sec. 35. Section 422.12E, unnumbered paragraph 1, Code 2007, is amended to read as follows:

For tax years beginning on or after January 1, 2004, there shall be allowed no more than four income tax return checkoffs on each income tax return. When the same four income tax 5 return checkoffs have been provided on the income tax return for two consecutive years, the two checkoffs for which the least amount has been contributed, in the aggregate for the 8 first tax year and through March 15 of the second tax year, 9 are repealed. This section does not apply to the income tax 25 10 return checkoff checkoffs provided in section sections 68A.601 25 11 and 68A.610.

NEW SECTION. 422.12K INCOME TAX CHECKOFF FOR Sec. 36. 25 13 VOTER=OWNED IOWA CLEAN ELECTIONS FUND.

A person who files an individual or a joint income tax 25 14 25 15 return with the department of revenue under section 422.13 may 25 16 designate a contribution to the voter=owned Iowa clean 25 17 elections fund authorized pursuant to section 68A.610.

Sec. 37. Section 556.18, subsections 2 and 3, Code 2007,

25 19 are amended to read as follows:

25 20 Before making any deposit to the credit of the general 25 21 funds, the state treasurer may deduct:

25 22 a. An 25 23 property. 25 24 b. An a. Any costs in connection with sale of abandoned

b. Any costs of mailing and publication in connection with 25 25 any abandoned property.

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- c. Reasonable service charges.
  d. Any costs in connection with 25 26 25 27 Any costs in connection with information on outstanding 25 28 state warrants addressed pursuant to section 556.2C.
  - Ten million dollars to be deposited in the voter=owned <u>Iowa clean elections fund established in section 68A.82</u>
- 3. The treasurer of state shall annually credit all moneys 25 31 25 32 received under section 556.4 to the general fund of the state. 25 33 Moneys credited to the general fund of the state pursuant to 25 34 this subsection are subject to the requirements of subsections 25 34 25 35 1 and 2 and section 8.60. However, if the amount collected 1 under subsection 2, paragraph "e", does not equal ten million 2 dollars, the treasurer of state shall annually pay over an 3 amount received under section 556.4 as necessary to bring the 4 amount deposited with the voter=owned Iowa clean elections

26 26 26 26 26 26 4 amount deposited with 5 fund to ten million dollars.

5 fund to ten million dollars.

6 38 SEVERABILITY. The provisions of this Act are 26 severable as provided in section 4.12.

- Sec. 39. EFFECTIVE DATES.
  1. The sections of this Act enacting sections 68A.610 and 26 10 422.12K and amending sections 422.7 and 556.18 are effective 26 11 January 1, 2008. 26 12 2. The remaining sections of this Act take effect November
- 26 13 3, 2010.
- Sec. 40. IMPLEMENTATION OF ACT. Section 25B.2, subsection 26 15 3, shall not apply to this Act.

EXPLANATION

This bill amends Code chapter 68A, relating to campaign 26 18 finance law, in three distinct ways: new Code section 26 19 68A.401A requires electronic filing by any candidate or 26 20 committee that reaches a \$20,000 threshold; Code sections 26 21 68A.610 through 68A.628 create a voluntary mechanism for 26 22 publicly financed elections; and Code section 68A.807 26 23 establishes contribution limits for candidates who do not 26 24 participate in the public financing process.

The bill enacts a process for public financing for 26 26 statewide and legislative elections, and enacts new Code 26 27 section 68A.801, providing definitions for key terms related 26 28 to this process.

New Code section 68A.823 establishes a separate, 26 30 nonreverting fund in the state treasury for the voter=owned 26 31 Iowa clean elections fund, and new Code section 68A.824 26 32 provides sources of revenue for the fund.

26 33 New Code sections 68A.802 and 68A.803 specify eligibility 26 34 procedures for both party and independent candidates, 26 35 specifying the number and details for collection of qualifying contributions.

New Code section 68A.806 prohibits a participating 3 candidate from accepting private funding during the primary 4 and general election campaign periods other than certain 5 permitted party funding. Contributions in the name of another 6 person are prohibited and subject to payment to the board as 7 are any applicable penalties. The use of personal funds for 8 seed money or as qualifying contributions is limited by new 9 Code section 68A.809. Contributions to nonparticipating

27 10 candidates are limited in Code section 68A.807. 27 11 Code section 68A.807 establishes contribution limits for 27 12 those candidates who do not choose to participate in the 27 13 public financing process. 27 14 New Code section 68A.8

New Code section 68A.808 limits political party 27 15 contributions and expenditures on behalf of candidates.

New Code section 68A.810 details the collection of private 27 17 contributions for use as seed money, limited to \$100 per 27 18 individual contributor, and also limited in the aggregate in 27 19 differing amounts for candidates for governor and lieutenant 27 20 governor, for other statewide candidates, for Iowa senate 27 21 candidates, and for Iowa house of representatives candidates. 27 22 Seed money expenditures are limited to the clean election 27 23 qualifying period and seed money contributions and 27 24 expenditures must be fully disclosed at the end of the public 27 25 financing qualifying period.

27 26 New Code section 68A.812 provides for a certification 27 27 process after a candidate applies for public financing 27 28 campaign funding benefits and requires repayment of funds if 27 29 eligibility is revoked. The bill provides for audit and 27 30 judicial review of the certification decision.

New Code section 68A.813 provides certain benefits for 27 32 participating candidates, including specified amounts of 27 33 public funding pursuant to new Code section 68A.815, mandatory 27 34 participation in debates pursuant to new Code sections 68A.811 27 35 and 68A.822, and additional limited public funding to respond to certain excess expenditures by nonparticipating candidates, 2 independent expenditures, and electioneering communications 3 expenditures pursuant to Code sections 68A.817, 68A.819, and 4 68A.820. Any candidate who accepts benefits during the 5 primary campaign must continue to comply with the requirements 6 of the public financing program, even if the candidate stops accepting benefits of the program at any point during the 8 primary or general election according to new Code section 9 68A.805.

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New Code section 68A.814 provides for a schedule of 28 11 payments to participating candidates, and new Code section 28 12 68A.815 specifies differing total amounts for primary and 28 13 general elections for candidates for governor and lieutenant 28 14 governor, for other statewide candidates, for Iowa senate 28 15 candidates, and for Iowa house of representatives candidates. 28 16 Alternate amounts are provided for uncontested races. Public 28 17 financing campaign funding payments must be used only for 28 18 campaign=related expenses, and cannot be used for payments in 28 19 violation of law or to repay personal or business loans, 28 20 expenditures, or debts, pursuant to new Code section 68A.816.

Nonparticipating candidates must disclose within 48 hours 28 22 every expenditure in excess of the public financing funding 28 23 allocated to the candidate's participating opponent, that in 28 24 the aggregate is more than \$1,000, pursuant to new Code 28 25 section 68A.817. Certain other reporting requirement 28 26 during the last 20 days of a campaign. 28 27 All candidates must include a statement with all Certain other reporting requirements apply

28 28 advertisements indicating that the candidate has approved of the contents of the advertisement pursuant to new Code section 68A.818.

Persons making certain independent expenditures must report 28 32 such expenditures to the board, along with an affidavit 28 33 affirming that the expenditure has not been coordinated with 28 34 the candidate or party, pursuant to new Code section 68A.819. 28 35 Alleged violations of the coordination affirmation are subject to an expedited hearing procedure.

Persons making certain electioneering communications must also report to the board pursuant to new Code section 68A.820.

New Code section 68A.821 provides that the board shall administer a voter information program, including an advisory council, to provide voters with election=related information, including a voter guide with candidate biographical material, policy statements, voting records, and whether the candidate funds the campaign with public or private money.

New Code section 68A.825 provides the board with certain 29 11 specific enforcement powers in relation to the new subchapter, 29 12 and new Code section 68A.827 provides for an election cycle 29 13 report to the general assembly on the public funding program.

New Code section 68A.826 creates a civil right of action 29 15 for citizens alleging that a candidate has violated the law.

Violations of the public funding program are subject to 29 16 29 17 aggravated misdemeanor penalties, pursuant to new Code section 29 18 68A.829. New Code section 68A.828 provides for repayment of 29 19 certain excess expenditures by the candidate.

New Code sections 68A.610 and 422.12K create an income tax 29 21 checkoff for the voter=owned Iowa clean elections fund. This 29 22 checkoff allows a person to direct that \$5 of that person's 29 23 state income tax liability be paid over to the Iowa 29 24 voter=owned clean elections fund.

29 25 Code section 422.7, new subsection 50, is amended to 29 26 provide up to a \$200 exemption from income for purposes of the 29 27 individual income tax for contributions to the Iowa 29 28 voter=owned clean elections fund.

Code section 556.18 is amended to provide that ten million 29 30 dollars shall be annually transferred from the proceeds from 29 31 the sale of lost or unclaimed property to the voter=owner Iowa 29 32 clean elections fund.

29 33 Code section 422.7, new subsection 50, is amended to 29 34 provide up to a \$200 exemption from income for purposes of the 29 35 individual income tax for contributions to the voter=owned Iowa clean elections fund.

Code section 556.18 is amended to provide that \$10 million 3 shall be annually transferred from the proceeds from the sale of lost or unclaimed property to the Iowa voter=owned clean elections fund.

The sections of the bill enacting the income tax checkoff

7 and the transfer in Code section 556.18 take effect January 1, 8 2008. The remainder of the bill takes effect November 3, 9 2010, which is the day after general election day 2010, to 10 allow the new system to commence with a new campaign cycle. 11 New Code section 68A.804 provides guidelines for dealing with 12 money collected by candidates prior to the effective date of 13 the public financing program. 14 The bill may include a state mandate as defined in Code 15 section 25B.3. The 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 the bill. 15B 1668HV 82

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