

House File 583 - Introduced

HOUSE FILE _____
BY COHOON

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

A BILL FOR

1 An Act relating to public financing of state legislative
2 campaigns, making an appropriation, making penalties
3 applicable, and including an effective date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 1 Section 1. NEW SECTION. 68A.801 RULES PROMULGATED.
1 2 The Iowa ethics and campaign disclosure board shall
1 3 administer the provisions of this subchapter and shall
1 4 promulgate all necessary rules in accordance with chapter 17A.
1 5 The delegation of rulemaking authority in this section shall
1 6 be construed broadly to effectuate the purposes of this
1 7 subchapter.
1 8 Sec. 2. NEW SECTION. 68A.802 DEFINITIONS.
1 9 For the purposes of this subchapter, unless the context
1 10 otherwise requires:
1 11 1. "Board" means the Iowa ethics and campaign disclosure
1 12 board established under section 68B.32.
1 13 2. "Excess expenditure amount" means the amount of money
1 14 spent or obligated to be spent by a nonparticipating candidate
1 15 in excess of the amount available to a participating candidate
1 16 for the same office.
1 17 3. "Natural person" means an individual. The term does
1 18 not include a corporation, government or governmental
1 19 subdivision or agency, political party or committee, business
1 20 trust, estate, trust, partnership or association, labor union,
1 21 or any other legal entity.
1 22 4. "Nonparticipating candidate" means a candidate for the
1 23 general assembly who has chosen not to apply for public
1 24 financing or a candidate who is on the ballot and has applied
1 25 for but has not satisfied the requirements for receiving
1 26 public financing.
1 27 5. "Participating candidate" means a candidate for the
1 28 general assembly who has received certification pursuant to
1 29 section 68A.805 and who has agreed to accept public financing.
1 30 Sec. 3. NEW SECTION. 68A.803 PUBLIC FINANCING IN
1 31 LEGISLATIVE CAMPAIGNS.
1 32 1. A candidate for the general assembly may elect to
1 33 receive public financing during both a primary and a general
1 34 election period by filing a declaration with the board that
1 35 the candidate has complied and will comply with all of the
2 1 requirements of this subchapter. A candidate who elects to
2 2 receive public financing must do both of the following:
2 3 a. Limit each campaign contribution to one hundred dollars
2 4 or less, including contributions from the candidate and the
2 5 candidate's family.
2 6 b. Accept contributions only from natural persons.
2 7 2. To receive public financing, the candidate must be
2 8 certified as eligible to receive public financing pursuant to
2 9 section 68A.805, thirty days prior to the primary election.
2 10 3. A candidate who qualifies for public financing for
2 11 primary and general elections shall receive funding from the
2 12 board for each election, as specified in section 68A.807.
2 13 This funding may be used to finance any and all campaign
2 14 expenses during the particular campaign period for which it
2 15 was received. Public financing funds shall not be used for
2 16 the following:
2 17 a. Payments that are in violation of the law.
2 18 b. Payments that repay any personal, family, or business
2 19 loans, expenditures, or debts.

2 20 Sec. 4. NEW SECTION. 68A.804 QUALIFYING CONTRIBUTIONS.

2 21 1. The candidate must meet the following qualifying
2 22 contribution requirements:
2 23 a. For the Iowa senate, the candidate must collect at
2 24 least ten thousand dollars in individual contributions from at
2 25 least two hundred natural persons, at least half of whom
2 26 reside within the candidate's electoral district.
2 27 b. For the Iowa house of representatives, the candidate
2 28 must collect at least five thousand dollars in individual
2 29 contributions from at least one hundred natural persons, at
2 30 least half of whom reside within the candidate's electoral
2 31 district.

2 32 2. Qualifying contributions must be:

2 33 a. Made in cash, check, money order, or credit or debit
2 34 card.

2 35 b. Collected by the candidate personally or by volunteers
3 1 who do not receive compensation.

3 2 c. Acknowledged by a receipt to the contributor, with a
3 3 copy to be retained by the candidate and a copy to be
3 4 submitted to the board.

3 5 3. The period for the collection of qualifying
3 6 contributions begins one hundred eighty days before the day of
3 7 the primary election and ends thirty days before the day of
3 8 the primary election.

3 9 4. Qualifying contributions do not include the cash value
3 10 of volunteer activity.

3 11 Sec. 5. NEW SECTION. 68A.805 CERTIFICATION.

3 12 1. No more than five days after a candidate applies for
3 13 public financing benefits, the board, or the board's designee,
3 14 shall determine whether or not the candidate is eligible to be
3 15 certified. If the board fails to act within the five-day
3 16 period, certification is deemed denied.

3 17 2. The candidate's request for certification shall be
3 18 signed by the candidate and the treasurer of the candidate's
3 19 committee, under penalty of perjury.

3 20 3. Certification can be revoked if the candidate violates
3 21 the requirements of this subchapter, in which case all public
3 22 financing funds shall be repaid by the candidate.

3 23 4. This certification shall take place no later than five
3 24 days after the candidate has submitted the required number of
3 25 qualifying contributions and a declaration stating that the
3 26 candidate has complied with all other requirements for
3 27 eligibility as a participating candidate, but no earlier than
3 28 the beginning of the primary election campaign period.

3 29 5. A determination made by the board pursuant to this
3 30 section is final agency action and may be appealed to district
3 31 court pursuant to the provisions of section 17A.19.

3 32 Sec. 6. NEW SECTION. 68A.806 SCHEDULE OF PUBLIC
3 33 FINANCING PAYMENTS.

3 34 1. A participating candidate shall receive public
3 35 financing for the primary election campaign period on the date
4 1 on which the board, or the board's designee, certifies the
4 2 candidate as a participating candidate.

4 3 2. A participating candidate shall receive public
4 4 financing for the general election campaign period within
4 5 forty-eight hours after certification of the primary election
4 6 results.

4 7 Sec. 7. NEW SECTION. 68A.807 DETERMINATION OF PUBLIC
4 8 FINANCING AMOUNTS.

4 9 1. Public financing is not an entitlement. Public
4 10 financing is limited to funds available in the public
4 11 financing elections fund established in section 68A.810.

4 12 2. a. The maximum amount of public financing for a
4 13 contested primary election is as follows:

4 14 (1) Twenty-five thousand dollars for a candidate for the
4 15 Iowa senate.

4 16 (2) Fifteen thousand dollars for a candidate for the Iowa
4 17 house of representatives.

4 18 b. The maximum amount of public financing for a candidate
4 19 in an uncontested primary election is twenty-five percent of
4 20 the amount provided in a contested primary election.

4 21 3. a. The maximum amount of public financing for a
4 22 contested general election is as follows:

4 23 (1) Fifty thousand dollars for a candidate for the Iowa
4 24 senate.

4 25 (2) Twenty-five thousand dollars for a candidate for the
4 26 Iowa house of representatives.

4 27 b. The maximum amount of public financing for a candidate
4 28 in an uncontested general election is ten percent of the
4 29 amount provided in a contested general election.

4 30 Sec. 8. NEW SECTION. 68A.808 PUBLIC FINANCING AMOUNTS IN

4 31 CERTAIN LEGISLATIVE DISTRICTS.

4 32 In a one-party dominant legislative district, candidates
4 33 may choose to reverse the amount of the primary and general
4 34 election public financing allocations. A one-party dominant
4 35 legislative district is a legislative district in which the
5 1 declared affiliations received by the political party with the
5 2 largest number of declared affiliations exceeds by twenty
5 3 percentage points or more the declared affiliations received
5 4 by the political party with the next largest number of
5 5 declared affiliations. For purposes of this section,
5 6 "declared affiliations" means the political party affiliation,
5 7 if any, indicated on the voter registration records of
5 8 registered voters in the legislative district, and "political
5 9 party" means as defined in section 43.2.

5 10 Sec. 9. NEW SECTION. 68A.809 EXCESS SPENDING BY
5 11 NONPARTICIPATING CANDIDATES.

5 12 1. If a nonparticipating candidate's total expenditures
5 13 exceed the amount of public financing allocated to a
5 14 participating candidate, the nonparticipating candidate shall
5 15 declare to the board, within forty-eight hours of the
5 16 expenditure being made or obligated, every excess expenditure
5 17 amount that, in the aggregate, exceeds one thousand dollars.

5 18 2. During the last twenty days before the end of the
5 19 applicable campaign period, a nonparticipating candidate shall
5 20 declare to the board each excess expenditure amount over five
5 21 hundred dollars within twenty-four hours of the expenditure
5 22 being made or obligated.

5 23 3. The board may make its own determination as to whether
5 24 excess expenditures have been made by nonparticipating
5 25 candidates.

5 26 4. Upon receiving an excess expenditure declaration, the
5 27 board shall immediately release additional public financing
5 28 funding to the participating candidate equal to the excess
5 29 expenditure amount the nonparticipating candidate has spent or
5 30 has obligated to spend.

5 31 5. Additional public financing provided under this section
5 32 is limited to an amount equal to three times the amount of
5 33 individual contributions collected by the participating
5 34 candidate. Additional public financing is capped at three
5 35 hundred percent of the initial funding amount.

6 1 Sec. 10. NEW SECTION. 68A.810 PUBLIC FINANCING ELECTIONS
6 2 FUND == NATURE AND PURPOSES.

6 3 1. A public financing elections fund is established as a
6 4 separate fund within the office of the state treasurer, under
6 5 the control of the board, for the following purposes:

6 6 a. Providing public financing for the election campaigns
6 7 of participating candidates during primary election and
6 8 general election campaign periods.

6 9 b. Paying for the administrative and enforcement costs of
6 10 the board in relation to this subchapter.

6 11 2. Notwithstanding section 8.33, unencumbered or
6 12 unobligated moneys and any interest earned on moneys in the
6 13 fund on June 30 of any fiscal year shall not revert to the
6 14 general fund of the state but shall remain in the fund and be
6 15 available for expenditure in subsequent years.

6 16 3. In addition to any moneys appropriated by the general
6 17 assembly to the public financing elections fund, the following
6 18 moneys shall be deposited in the fund:

6 19 a. Moneys distributed to any participating candidate who
6 20 does not remain a candidate until the primary or general
6 21 election for which they were distributed.

6 22 b. Civil penalties levied by the board against candidates
6 23 for violations of this subchapter.

6 24 c. Voluntary donations made directly to the fund.

6 25 d. All public moneys remaining in a participating
6 26 candidate's account at the end of the election cycle.

6 27 e. Any other sources of revenue designated by the general
6 28 assembly.

6 29 Sec. 11. SEVERABILITY. The provisions of this Act are
6 30 severable as provided in section 4.12.

6 31 Sec. 12. EFFECTIVE DATE. This Act takes effect on January
6 32 1, 2011.

6 33 EXPLANATION

6 34 This bill creates a voluntary program administered by the
6 35 Iowa ethics and campaign disclosure board for public financing
7 1 of both a primary and a general election for the general
7 2 assembly. A candidate who elects to receive public financing
7 3 must limit each campaign contribution to \$100 or less from all
7 4 sources and accept contributions only from natural persons.
7 5 There is no restriction on the total amount of contributions
7 6 that can be received. Public financing may be used to finance

7 7 any and all campaign expenses and is in addition to the amount
7 8 of individual contributions raised by the candidate.

7 9 To receive public financing, the candidate must be
7 10 certified as eligible by the board. For the Iowa senate, the
7 11 candidate must collect \$10,000 in individual contributions
7 12 from at least 200 natural persons. For the Iowa house of
7 13 representatives, the candidate must collect \$5,000 in
7 14 individual contributions from at least 100 natural persons.
7 15 At least half of the donors must reside within the candidate's
7 16 electoral district.

7 17 The amount of public financing is limited by the funds
7 18 available in the public financing elections fund. The amount
7 19 of public financing for a contested primary election is
7 20 \$25,000 for a senate candidate and \$15,000 for a house of
7 21 representatives candidate. Public financing in an uncontested
7 22 primary election is 25 percent of the amount provided in a
7 23 contested primary election.

7 24 The amount of public financing funding for a contested
7 25 general election is \$50,000 for a senate candidate and \$25,000
7 26 for a house of representatives candidate. Public financing in
7 27 an uncontested general election is 10 percent of the amount
7 28 provided in a contested general election.

7 29 In cases where a legislative district is dominated by a
7 30 single party, eligible candidates may choose to reverse the
7 31 amount of the primary and general election public financing
7 32 allocations; thus providing more funding in primary contests.

7 33 The bill imposes special reporting requirements on
7 34 candidates who accept public funding and requires
7 35 nonparticipating candidates to report to the board the amount
8 1 of money spent or obligated to be spent by the candidate in
8 2 excess of the amount available to a participating candidate
8 3 running for the same office. When this situation occurs, the
8 4 board is required to immediately release additional public
8 5 financing to the participating candidate equal to the excess
8 6 expenditure amount the nonparticipating candidate has spent or
8 7 intends to spend. This additional public financing is limited
8 8 to three times the amount of individual contributions
8 9 collected by the eligible candidate and is capped at 300
8 10 percent of the initial funding amount.

8 11 The bill establishes a separate, nonreverting public
8 12 financing elections fund in the state treasury and provides
8 13 sources of revenue for the fund.

8 14 As provided in Code section 68A.701, a willful violation of
8 15 any provision of the campaign finance chapter is a serious
8 16 misdemeanor punishable by confinement for no more than one
8 17 year and a fine of at least \$315 but not more than \$1,875. A
8 18 variety of civil remedies are also available in Code section
8 19 68B.32D for a violation of Code chapter 68A or rules of the
8 20 ethics and campaign disclosure board, ranging from a reprimand
8 21 to a civil penalty of not more than \$2,000.

8 22 The bill provides for a January 1, 2011, effective date.

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