

House Study Bill 563 - Introduced

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

A BILL FOR

1 An Act relating to campaign finance requirements and reporting.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 68A.102, subsection 18, unnumbered
2 paragraph 1, Code 2009, is amended to read as follows:

3 "*Political committee*" means ~~either~~ any of the following:

4 Sec. 2. Section 68A.102, subsection 18, Code 2009, is
5 amended by adding the following new paragraph:

6 NEW PARAGRAPH. *c.* A person, other than an individual,
7 that accepts contributions in excess of seven hundred fifty
8 dollars in the aggregate, makes expenditures in excess of seven
9 hundred fifty dollars in the aggregate, or incurs indebtedness
10 in excess of seven hundred fifty dollars in the aggregate in
11 any one calendar year to expressly advocate that an individual
12 should or should not seek election to a public office prior
13 to the individual becoming a candidate as defined in section
14 68A.102, subsection 4.

15 Sec. 3. Section 68A.202, subsection 2, Code 2009, is amended
16 to read as follows:

17 2. *a.* A political committee shall not be established to
18 expressly advocate the nomination, election, or defeat of only
19 one candidate for office. However, a political committee may
20 be established to expressly advocate the passage or defeat of
21 approval of a single judge standing for retention. A permanent
22 organization, as defined in section 68A.402, subsection 9, may
23 make a one-time contribution to only one candidate for office
24 in excess of seven hundred fifty dollars.

25 *b.* The prohibition in paragraph "*a*" does not apply to a
26 political committee described in section 68A.102, subsection
27 18, paragraph "*c*", until the individual becomes a candidate for
28 public office. A political committee organized to expressly
29 advocate that an individual should or should not seek election
30 to a public office prior to the individual becoming a candidate
31 for public office shall be dissolved when the individual
32 becomes a candidate for public office.

33 Sec. 4. Section 68A.304, Code 2009, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 4. The board shall adopt rules pursuant to

1 chapter 17A defining "*fair market value*" for purposes of this
2 section.

3 Sec. 5. Section 68A.402, subsection 3, Code Supplement
4 2009, is amended by adding the following new paragraph:

5 NEW PARAGRAPH. *c.* Only a candidate who is eligible to
6 participate in a runoff election is required to file a report
7 five days before the runoff election.

8 Sec. 6. Section 68A.402, subsection 9, Code Supplement
9 2009, is amended to read as follows:

10 9. *Permanent organizations.* A permanent organization
11 temporarily engaging in activity described in section 68A.102,
12 subsection 18, shall organize a political committee and
13 shall keep the funds relating to that political activity
14 segregated from its operating funds. The political committee
15 shall file reports on the appropriate due dates as required
16 by this section. The reports filed under this subsection
17 shall identify the source of the original funds used
18 for a contribution made to a candidate or a ~~candidate's~~
19 ~~committee~~ committee organized under this chapter. When the
20 permanent organization ceases to be involved in the political
21 activity, the permanent organization shall dissolve the
22 political committee. As used in this subsection, "*permanent*
23 *organization*" means an organization that is continuing, stable,
24 and enduring, and was originally organized for purposes other
25 than engaging in election activities.

26 Sec. 7. Section 68A.405, subsection 2, paragraph b, Code
27 Supplement 2009, is amended to read as follows:

28 *b.* Small items upon which the inclusion of the statement
29 is impracticable including, but not limited to, campaign signs
30 as provided in section 68A.406, subsection 3, bumper stickers,
31 pins, buttons, pens, political business cards, and matchbooks.

32 Sec. 8. Section 68A.503, subsection 2, paragraph d, Code
33 Supplement 2009, is amended to read as follows:

34 *d.* The board shall adopt rules prohibiting the owner,
35 publisher, or editor of a sham newspaper from using the

1 sham newspaper to promote in any way the candidacy of such
2 a any person for any public office. As used in this paragraph,
3 "*sham newspaper*" means a newspaper that does not meet the
4 requirements set forth in section 618.3 and "*owner*" means a
5 person having an ownership interest exceeding ten percent of
6 the equity or profits of the newspaper.

7 EXPLANATION

8 This bill makes a number of changes to Code chapter 68A
9 relating to campaign finance requirements and reporting.

10 The bill revises the definition of "political committee" to
11 include any corporation, government or governmental subdivision
12 or agency, business trust, estate, trust, partnership
13 or association, labor union, or any other legal entity
14 which accepts contributions, makes expenditures, or incurs
15 indebtedness in excess of \$750 in any one calendar year, to
16 expressly advocate that an individual should or should not seek
17 election to a public office prior to the individual becoming a
18 candidate.

19 Code section 68A.202, subsection 2, currently provides that
20 a PAC cannot expressly advocate the nomination, election, or
21 defeat of only one candidate for office, but a PAC may be
22 established to expressly advocate the passage or defeat of
23 approval of a single judge standing for retention. The bill
24 amends this section to apply the prohibition against advocacy
25 only to actual candidates for election as defined in Code
26 section 68A.102.

27 The bill provides the ethics and campaign finance disclosure
28 board with rulemaking authority to define the term "fair market
29 value" as that term relates to the disposition of campaign
30 property.

31 The bill provides that only a candidate actually
32 participating in a runoff election is required to file a report
33 five days before the runoff election.

34 Code section 68A.402 in part requires that permanent
35 organizations temporarily engaging in certain political

1 activity shall organize a political committee. The bill
2 provides that contributions to any committee constitutes
3 political activity and must be reported.

4 Code section 68A.503 prohibits the owner, publisher, or
5 editor of a sham newspaper from using the sham newspaper to
6 promote that person's own candidacy for public office. The
7 bill extends that prohibition to include the candidacy of any
8 person.