

**Senate Study Bill 3210 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON APPEL)

**A BILL FOR**

1 An Act relating to campaign finance, including political  
2 campaign activities and independent expenditures by  
3 corporations, and making penalties applicable.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 68A.404, Code Supplement 2009, is  
2 amended to read as follows:

3 **68A.404 Independent expenditures.**

4 1. As used in this section, "*independent expenditure*" means  
5 one or more expenditures in excess of one hundred dollars in  
6 the aggregate for a communication that expressly advocates  
7 the nomination, election, or defeat of a clearly identified  
8 candidate or the passage or defeat of a ballot issue that  
9 is made without the prior approval or coordination with a  
10 candidate, candidate's committee, or a ballot issue committee.

11 2. A corporation, prior to making an independent  
12 expenditure, shall obtain the approval of a majority of the  
13 corporation's shareholders for any independent expenditure  
14 to influence public opinion on matters not related to the  
15 corporation's products or services.

16 ~~2.~~ 3. A person, other than a committee registered under  
17 this chapter, that makes one or more independent expenditures  
18 shall file an independent expenditure statement.

19 *a.* The requirement to file an independent expenditure  
20 statement under this section does not by itself mean that  
21 the person filing the independent expenditure statement is  
22 required to register and file reports under sections 68A.201  
23 and 68A.402.

24 *b.* This section does not apply to a candidate, candidate's  
25 committee, state statutory political committee, county  
26 statutory political committee, or a political committee.  
27 This section does not apply to a federal committee or an  
28 out-of-state committee that makes an independent expenditure.

29 ~~3.~~ 4. *a.* An independent expenditure statement shall be  
30 filed within forty-eight hours of the making of an independent  
31 expenditure in excess of one hundred dollars in the aggregate.

32 *b.* An independent expenditure statement shall be filed with  
33 the board and the board shall immediately make the independent  
34 expenditure statement available for public viewing.

35 *c.* For purposes of this section, an independent expenditure

1 is made at the time that the cost is incurred.

2 ~~4.~~ 5. The independent expenditure statement shall contain  
3 all of the following information:

4 *a.* Identification of the individuals or persons filing the  
5 statement. In the case of a corporation, the statement shall  
6 disclose the names and addresses of all individual shareholders  
7 and the names and addresses of the shareholders in any  
8 corporation which is itself a shareholder in the corporation  
9 making the independent expenditure.

10 *b.* Description of the position advocated by the individuals  
11 or persons with regard to the clearly identified candidate or  
12 ballot issue.

13 *c.* Identification of the candidate or ballot issue benefited  
14 by the independent expenditure.

15 *d.* The dates on which the expenditure or expenditures took  
16 place or will take place.

17 *e.* Description of the nature of the action taken that  
18 resulted in the expenditure or expenditures.

19 *f.* The fair market value of the expenditure or expenditures.

20 ~~5.~~ 6. Any person making an independent expenditure shall  
21 comply with the attribution requirements of section 68A.405.

22 7. A person shall not make an independent expenditure if the  
23 person:

24 *a.* Is a party to a contract with the state of Iowa.

25 *b.* Has been fined by the federal or state government for  
26 fraud.

27 *c.* Has been found guilty of defrauding the federal or state  
28 government in relation to federal emergency management agency  
29 or state-funded disaster relief contracts.

30 *d.* Is a for-profit corporation that receives money from the  
31 state or federal government.

32 8. A person making an independent expenditure shall not  
33 engage or retain an advertising firm or consultant that has  
34 also been engaged or retained by the candidate, candidate's  
35 committee, or ballot issue committee that is the subject of the

1 independent expenditure.

2 ~~6.~~ 9. *a.* The board shall develop, prescribe, furnish, and  
3 distribute forms for the independent expenditure statements  
4 required by this section.

5 *b.* The board shall adopt rules pursuant to chapter 17A for  
6 the implementation of this section.

7 Sec. 2. Section 68A.405, Code Supplement 2009, is amended  
8 to read as follows:

9 **68A.405 Attribution statement on published material.**

10 1. *a.* For purposes of this subsection:

11 (1) "*Individual*" includes a candidate for public office  
12 who has not filed a statement of organization under section  
13 68A.201.

14 (2) "*Organization*" includes an organization established to  
15 advocate the passage or defeat of a ballot issue but that has  
16 not filed a statement of organization under section 68A.201.

17 (3) "*Published material*" means any newspaper, magazine,  
18 shopper, outdoor advertising facility, poster, direct mailing,  
19 brochure, internet website, campaign sign, or any other form  
20 of printed general public political advertising. "*Published*  
21 *material*" includes television, video, or motion picture  
22 advertising.

23 *b.* Except as set out in subsection 2, published material  
24 designed to expressly advocate the nomination, election,  
25 or defeat of a candidate for public office or the passage  
26 or defeat of a ballot issue shall include on the published  
27 material an attribution statement disclosing who is responsible  
28 for the published material.

29 *c.* If the person paying for the published material is an  
30 individual, the words "paid for by" and the name and address of  
31 the person shall appear on the material.

32 *d.* If more than one individual is responsible, the words  
33 "paid for by", the names of the individuals, and either the  
34 addresses of the individuals or a statement that the addresses  
35 of the individuals are on file with the Iowa ethics and

1 campaign disclosure board shall appear on the material.

2 e. If the person responsible is an organization, the words  
3 "paid for by", the name and address of the organization, and  
4 the name of one officer of the organization shall appear on the  
5 material.

6 f. If the person responsible is a corporation the material  
7 shall contain a statement that does all of the following:

8 (1) Identifies the chief executive officer of the  
9 corporation by name.

10 (2) Identifies how much of the corporation's general  
11 treasury was expended in aggregate on the published material.

12 (3) Certifies the chief executive officer's personal  
13 conclusion that making the expenditure for the published  
14 material from the corporation's general operating funds  
15 significantly advances the corporation's business interest.

16 ~~f.~~ g. If the person responsible is a committee that has  
17 filed a statement of organization pursuant to section 68A.201,  
18 the words "paid for by" and the name of the committee shall  
19 appear on the material.

20 2. The requirement to include an attribution statement does  
21 not apply to any of the following:

22 a. The editorials or news articles of a newspaper or  
23 magazine that are not paid political advertisements.

24 b. Small items upon which the inclusion of the statement is  
25 impracticable including, but not limited to, campaign signs,  
26 bumper stickers, pins, buttons, pens, political business cards,  
27 and matchbooks.

28 c. T-shirts, caps, and other articles of clothing.

29 d. Any published material that is subject to federal  
30 regulations regarding an attribution requirement.

31 e. Any material published by an individual, acting  
32 independently, who spends one hundred dollars or less of the  
33 individual's own money to advocate the passage or defeat of a  
34 ballot issue.

35 3. For television, video, or motion picture advertising,

1 the attribution statement shall be displayed on the screen in a  
2 clearly readable manner for at least four seconds.

3 ~~3.~~ 4. The board shall adopt rules relating to the placing  
4 of an attribution statement on published materials.

5 Sec. 3. Section 68A.503, Code Supplement 2009, is amended  
6 by striking the section and inserting in lieu thereof the  
7 following:

8 **68A.503 Financial institution, insurance company, and**  
9 **corporation contributions prohibited.**

10 1. Except as provided in subsections 3, 4, 5, and 6, an  
11 insurance company, savings and loan association, bank, credit  
12 union, or corporation shall not make a monetary or in-kind  
13 contribution to a candidate or candidate's committee.

14 2. Except as provided in subsection 3, a candidate or  
15 candidate's committee shall not receive a monetary or in-kind  
16 contribution from an insurance company, savings and loan  
17 association, bank, credit union, or corporation.

18 3. An insurance company, savings and loan association,  
19 bank, credit union, or corporation may use money, property,  
20 labor, or any other thing of value of the entity for the  
21 purposes of soliciting its stockholders, administrative  
22 officers, and members for contributions to a political  
23 committee sponsored by that entity and for financing the  
24 administration of a political committee sponsored by that  
25 entity. The entity's employees to whom the foregoing authority  
26 does not extend may voluntarily contribute to such a political  
27 committee but shall not be solicited for contributions. A  
28 candidate or candidate's committee may solicit, request,  
29 and receive money, property, labor, and any other thing of  
30 value from a political committee sponsored by an insurance  
31 company, savings and loan association, bank, credit union, or  
32 corporation as permitted by this subsection.

33 4. The prohibitions in subsections 1 and 2 shall not apply  
34 to an insurance company, savings and loan association, bank,  
35 credit union, or corporation engaged in any of the following

1 activities:

2 a. Using its funds to encourage registration of voters and  
3 participation in the political process or to publicize public  
4 issues.

5 b. Using its funds to expressly advocate the passage or  
6 defeat of ballot issues.

7 c. Using its funds to place campaign signs as permitted  
8 under section 68A.406.

9 d. Using its funds for independent expenditures as provided  
10 in section 68A.404.

11 5. The prohibitions in subsections 1 and 2 shall not  
12 apply to media organizations when discussing candidacies,  
13 nominations, public officers, or public questions. The board  
14 shall adopt rules prohibiting the owner, publisher, or editor  
15 of a sham newspaper from using the sham newspaper to promote  
16 in any way the candidacy of such a person for any public  
17 office. As used in this subsection, "sham newspaper" means  
18 a newspaper that does not meet the requirements set forth in  
19 section 618.3 and "owner" means a person having an ownership  
20 interest exceeding ten percent of the equity or profits of the  
21 newspaper.

22 6. The prohibitions in subsections 1 and 2 shall not  
23 apply to a nonprofit organization communicating with its own  
24 members. The board shall adopt rules pursuant to chapter 17A  
25 to administer this subsection.

26 7. For purposes of this section "*corporation*" means a  
27 for-profit or nonprofit corporation organized pursuant to the  
28 laws of this state, the United States, or any other state,  
29 territory, or foreign country.

30 Sec. 4. Section 490.120, Code 2009, is amended by adding the  
31 following new subsection:

32 NEW SUBSECTION. 13. The document must contain a statement  
33 that the corporation agrees to refrain from any campaign  
34 activities prohibited under chapter 68A.

35

EXPLANATION

1 This bill relates to campaign finance, including independent  
2 expenditures, published materials, and contributions by  
3 corporations and other entities.

4 Code section 68A.404 currently contains restrictions  
5 on independent political campaign expenditures. This bill  
6 adds a number of provisions relating to such expenditures  
7 by corporations and others. Prior to making an independent  
8 expenditure, a corporation is required to obtain the approval  
9 of a majority of the shareholders for any such expenditure not  
10 related to the company's products or services. Corporations  
11 must file an independent expenditure statement with the ethics  
12 and campaign finance disclosure board which discloses the names  
13 and addresses of all individual shareholders and the names  
14 and addresses of the shareholders in any corporation which is  
15 itself a shareholder in the corporation making the independent  
16 expenditure.

17 The bill prohibits any independent expenditure by a person  
18 who is a party to a contract with the state of Iowa; has been  
19 fined by the federal or state government for fraud; has been  
20 found guilty of defrauding the federal or state government in  
21 relation to federal emergency management agency or state funded  
22 disaster relief contracts; or is a for-profit corporation that  
23 receives money from the state or federal government.

24 The bill prohibits a person making an independent  
25 expenditure from engaging or retaining an advertising firm  
26 or consultant that has also been engaged or retained by the  
27 candidate, candidate's committee, or ballot issue committee  
28 that is the subject of the independent expenditure.

29 Code section 68A.405 requires attribution statements on  
30 certain campaign material. For corporations, the bill requires  
31 these statements to identify the chief executive officer of the  
32 corporation by name, identify how much of the corporation's  
33 general operating funds were expended in aggregate on the  
34 published material, and certify the chief executive officer's  
35 personal conclusion that making the expenditure for the



1 published material from general treasury funds significantly  
2 advances the corporation's business interest.

3 The bill requires attribution statements on television,  
4 video, or motion picture advertising. Such statements must be  
5 displayed on the screen in a clearly readable manner for at  
6 least four seconds.

7 Code section 68A.503 currently prohibits an insurance  
8 company, savings and loan association, bank, credit union,  
9 or corporation from making any contribution to a political  
10 or candidate's committee, or to expressly advocate for the  
11 election or defeat of a candidate for public office. These  
12 entities may request that stockholders, officers, and employees  
13 contribute to a political action committee. Contributions on  
14 franchise elections or ballot issues are allowed. Candidates  
15 and committees are prohibited from accepting any contributions  
16 from these entities.

17 Code Section 68A.503 is rewritten to prohibit an insurance  
18 company, savings and loan association, bank, credit union, or  
19 corporation from making a monetary or in-kind contribution to a  
20 candidate or candidate's committee, and prohibits a candidate  
21 or candidate's committee from receiving such a monetary or  
22 in-kind contribution.

23 An insurance company, savings and loan association, bank,  
24 credit union, or corporation may solicit its stockholders,  
25 administrative officers, and members, but not its employees,  
26 for contributions to a political committee that it sponsors  
27 and for financing the administration of a political committee  
28 sponsored by that entity.

29 An insurance company, savings and loan association, bank,  
30 credit union, or corporation may use its funds to encourage  
31 registration of voters and participation in the political  
32 process or to publicize public issues; use its funds to  
33 expressly advocate the passage or defeat of ballot issues; use  
34 its funds to place campaign signs relating to ballot issues;  
35 or use its funds to make independent expenditures as provided

1 in the bill.

2 Code section 490.120 sets out the requirements for filing  
3 corporate documents with the secretary of state. The bill  
4 requires that such documents contain a statement that the  
5 corporation agrees to refrain from any prohibited campaign  
6 activities.

7 Any person who willfully violates any provisions of Code  
8 chapter 68A commits a serious misdemeanor.