

**House File 2271 - Introduced**

HOUSE FILE 2271

BY KAJTAZOVIC and GASKILL

**A BILL FOR**

1 An Act banning corporate contributions to political campaigns  
2 and providing a penalty.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 68A.404, subsection 2, Code 2011, is  
2 amended by striking the subsection.

3 Sec. 2. Section 68A.404, subsection 5, paragraph g, Code  
4 2011, is amended by striking the paragraph.

5 Sec. 3. Section 68A.503, Code 2011, is amended by striking  
6 the section and inserting in lieu thereof the following:

7 **68A.503 Financial institution, insurance company, and**  
8 **corporation restrictions.**

9 1. Except as provided in subsections 3 and 4, it is unlawful  
10 for an insurance company, savings and loan association,  
11 bank, credit union, or corporation organized pursuant to the  
12 laws of this state, the United States, or any other state,  
13 territory, or foreign country, whether for profit or not, or  
14 an officer, agent, or representative acting for such insurance  
15 company, savings and loan association, bank, credit union,  
16 or corporation, to contribute any money, property, labor, or  
17 thing of value, directly or indirectly, to a committee, or  
18 to expressly advocate that the vote of an elector be used  
19 to nominate, elect, or defeat a candidate for public office,  
20 except that such resources may be so expended in connection  
21 with a utility franchise election held pursuant to section  
22 364.2, subsection 4, or a ballot issue. All such expenditures  
23 are subject to the disclosure requirements of this chapter.

24 2. a. Except as provided in subsection 3, it is unlawful  
25 for a member, employee, or representative of a committee,  
26 other than a ballot issue committee, or for a candidate or a  
27 representative of a candidate for office to solicit, request,  
28 or knowingly receive from an insurance company, savings and  
29 loan association, bank, credit union, or corporation organized  
30 pursuant to the laws of this state, the United States, or any  
31 other state, territory, or foreign country, whether for profit  
32 or not, or from an officer, agent, or representative, any  
33 money, property, or thing of value belonging to the insurance  
34 company, savings and loan association, bank, credit union, or  
35 corporation for either of the following purposes:

1 (1) Campaign expenses.

2 (2) To expressly advocate that the vote of an elector be  
3 used to nominate, elect, or defeat a candidate for public  
4 office.

5 *b.* This section does not restrain or abridge the freedom of  
6 the press or prohibit the consideration and discussion in the  
7 press of candidacies, nominations, public officers, or public  
8 questions.

9 *c.* This section does not apply to a nonprofit organization  
10 communicating with its own members. The board shall adopt  
11 rules pursuant to chapter 17A to administer this paragraph.

12 *d.* The board shall adopt rules prohibiting the owner,  
13 publisher, or editor of a sham newspaper from using the sham  
14 newspaper to promote in any way the candidacy of such a person  
15 for any public office. As used in this paragraph, "*sham*  
16 *newspaper*" means a newspaper that does not meet the requirements  
17 set forth in section 618.3 and "*owner*" means a person having  
18 an ownership interest exceeding ten percent of the equity or  
19 profits of the newspaper.

20 3. It is lawful for an insurance company, savings and loan  
21 association, bank, credit union, and corporation organized  
22 pursuant to the laws of this state, the United States, or any  
23 other state or territory, whether or not for profit, and for  
24 their officers, agents, and representatives, to use the money,  
25 property, labor, or any other thing of value of the entity for  
26 the purposes of soliciting its stockholders, administrative  
27 officers, and members for contributions to a committee  
28 sponsored by that entity and of financing the administration of  
29 a committee sponsored by that entity. The entity's employees  
30 to whom the foregoing authority does not extend may voluntarily  
31 contribute to such a committee but shall not be solicited for  
32 contributions. All contributions made under this subsection  
33 are subject to the disclosure requirements of this chapter. A  
34 committee member, committee employee, committee representative,  
35 candidate, or representative referred to in subsection 2

1 lawfully may solicit, request, and receive money, property,  
2 and other things of value from a committee sponsored by an  
3 insurance company, savings and loan association, bank, credit  
4 union, or corporation as permitted by this subsection.

5 4. The prohibitions in subsections 1 and 2 shall not apply  
6 to an insurance company, savings and loan association, bank,  
7 credit union, or corporation engaged in any of the following  
8 activities:

9 a. Using its funds to encourage registration of voters and  
10 participation in the political process or to publicize public  
11 issues, provided that no part of those contributions is used  
12 to expressly advocate the nomination, election, or defeat of  
13 any candidate for public office.

14 b. Using its funds to expressly advocate the passage  
15 or defeat of ballot issues so long as the transactions are  
16 reported as required under section 68A.402.

17 c. The placement of campaign signs as permitted under  
18 section 68A.406.

19 5. For purposes of this section, "committee" shall include  
20 statutory political committees organized under chapter 43, and  
21 nonparty political organizations organized under chapter 44.

22 6. Any person convicted of a violation of any of the  
23 provisions of this section shall be guilty of a serious  
24 misdemeanor.

25 EXPLANATION

26 This bill provides that an insurance company, savings  
27 and loan association, bank, credit union, or a for-profit  
28 or nonprofit corporation cannot contribute, directly or  
29 indirectly, to a committee, or to expressly advocate for  
30 the election or defeat of a candidate for public office.  
31 Contributions relating to a utility franchise election are  
32 allowed.

33 An insurance company, savings and loan association, bank,  
34 credit union, or a for-profit or nonprofit corporation may  
35 solicit stockholders, executives, or members for contributions

1 to a political committee.

2 The bill also provides that an insurance company, savings  
3 and loan association, bank, credit union, or a for-profit  
4 or nonprofit corporation may use its funds to encourage  
5 registration of voters and participation in the political  
6 process or to publicize public issues as long as the funds are  
7 not used to expressly advocate the nomination, election, or  
8 defeat of any candidate for public office. Such an entity may  
9 also use funds to expressly advocate for or against a ballot  
10 issue and to place campaign signs on the entity's property.

11 The bill provides that violation of these provisions is a  
12 serious misdemeanor. A serious misdemeanor is punishable by a  
13 fine of at least \$315 but not to exceed \$1,875. In addition,  
14 the court may also order imprisonment not to exceed one year.