

Senate Study Bill 1114 - Introduced

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

A BILL FOR

1 An Act making changes to the campaign finance laws relating to
2 independent expenditures.

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

1 Section 1. Section 68A.201, subsection 1, Code 2013, is
2 amended to read as follows:

3 1. a. Every committee, as defined in this chapter, shall
4 file a statement of organization within ten days from the date
5 of its organization. Unless formal organization has previously
6 occurred, a committee is deemed to have organized as of the
7 date that committee transactions exceed the financial activity
8 threshold established in section 68A.102, subsection 5 or
9 18. If committee transactions exceed the financial activity
10 threshold prior to the due date for filing a disclosure report
11 as established under section 68A.402, the committee shall file
12 a disclosure report whether or not a statement of organization
13 has been filed by the committee.

14 b. A person who makes one or more independent expenditures
15 and files all statements required by section 68A.404 shall not
16 be required to organize a committee or file the statement of
17 organization required under this section.

18 Sec. 2. Section 68A.404, subsections 1, 2, 3, and 7, Code
19 2013, are amended to read as follows:

20 1. As used in this section, "*independent expenditure*" means
21 one or more expenditures in excess of seven hundred fifty
22 dollars in the aggregate for a communication that expressly
23 advocates the nomination, election, or defeat of a clearly
24 identified candidate ~~or the passage or defeat of a ballot issue~~
25 that is made without the prior approval or coordination with
26 a candidate, candidate's committee, state statutory political
27 committee, county statutory political committee, or a ballot
28 issue political committee.

29 2. a. ~~An entity~~ A person, other than an individual or
30 individuals, shall not make an independent expenditure or
31 disburse funds from its treasury to pay for, in whole or in
32 part, an independent expenditure made by another person without
33 the authorization of a majority of the entity's person's board
34 of directors, executive council, or similar organizational
35 leadership body of the use of treasury funds for an independent

1 expenditure involving a candidate ~~or ballot issue committee~~.
2 Such authorization must occur in the same calendar year in
3 which the independent expenditure is incurred.

4 *b.* Such authorization shall expressly provide whether
5 the board of directors, executive council, or similar
6 organizational leadership body authorizes one or more
7 independent expenditures that expressly advocate the nomination
8 or election of a candidate ~~or passage of a ballot issue~~ or
9 authorizes one or more independent expenditures that expressly
10 advocate the defeat of a candidate ~~or ballot issue~~.

11 *c.* A foreign national shall not make an independent
12 expenditure, directly or indirectly, that advocates the
13 nomination, election, or defeat of any candidate ~~or the~~
14 ~~passage or defeat of any ballot issue~~. As used in this
15 section, "*foreign national*" means a person who is not a citizen
16 of the United States and who is not lawfully admitted for
17 permanent residence. "*Foreign national*" includes a foreign
18 principal, such as a government of a foreign country or a
19 foreign political party, partnership, association, corporation,
20 organization, or other combination of persons that has its
21 primary place of business in or is organized under the laws of
22 a foreign country. "*Foreign national*" does not include a person
23 who is a citizen of the United States or who is a national of
24 the United States.

25 *d.* This section does not apply to a candidate, candidate's
26 committee, state statutory political committee, county
27 statutory political committee, or a political committee.
28 This section does not apply to a federal committee or an
29 out-of-state committee that makes an independent expenditure.
30 A person who makes one or more independent expenditures and
31 files all statements required by this section shall not be
32 required to organize a committee or file the statement of
33 organization required under section 68A.201.

34 3. A person, other than a committee registered under this
35 chapter, that makes one or more independent expenditures shall

1 file an independent expenditure statement. All statements
2 ~~and reports~~ required by this section shall be filed in an
3 electronic format as prescribed by rule.

4 ~~a. Subject to paragraph "b", the person filing the~~
5 ~~independent expenditure statement shall file reports under~~
6 ~~sections 68A.402 and 68A.402A. An initial report shall be filed~~
7 ~~at the same time as the independent expenditure statement.~~
8 ~~Subsequent reports shall be filed according to the same~~
9 ~~schedule as the office or election to which the independent~~
10 ~~expenditure was directed.~~

11 ~~(1) A supplemental report shall be filed on the same dates~~
12 ~~as in section 68A.402, subsection 2, paragraph "b", if the~~
13 ~~person making the independent expenditure either raises or~~
14 ~~expends more than one thousand dollars.~~

15 ~~(2) A report filed as a result of this paragraph "a" shall~~
16 ~~not require the identification of individual members who~~
17 ~~pay dues to a labor union, organization, or association, or~~
18 ~~individual stockholders of a business corporation. A report~~
19 ~~filed as a result of this paragraph "a" shall not require the~~
20 ~~disclosure of any donor or other source of funding to the~~
21 ~~person making the independent expenditure except when the~~
22 ~~donation or source of funding, or a portion of the donation or~~
23 ~~source of funding, was provided for the purpose of furthering~~
24 ~~the independent expenditure.~~

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

30 7. A person making an independent expenditure shall not
31 engage or retain an advertising firm or consultant that has
32 also been engaged or retained within the prior six months
33 by the candidate, or candidate's committee, ~~or ballot issue~~
34 ~~committee that is benefited by the independent expenditure.~~

35 Sec. 3. Section 68A.404, subsection 5, paragraphs b, c, and

1 g, Code 2013, are amended to read as follows:

2 *b.* Description of the position advocated by the individuals
3 or persons with regard to the clearly identified candidate ~~or~~
4 ~~ballet issue.~~

5 *c.* Identification of the candidate ~~or ballet issue~~ benefited
6 by the independent expenditure.

7 *g.* A certification by an officer ~~of the corporation~~
8 representing the person, if the person is other than an
9 individual or individuals, that the board of directors,
10 executive council, or similar organizational leadership body
11 expressly authorized the independent expenditure or use of
12 treasury funds for the independent expenditure by resolution
13 or other affirmative action within the calendar year when the
14 independent expenditure was incurred.

15 Sec. 4. Section 68A.404, subsection 5, Code 2013, is amended
16 by adding the following new paragraphs:

17 NEW PARAGRAPH. *h.* The name and address of every donor or
18 other source of funding in excess of twenty-five dollars which
19 was provided for the purpose of furthering the independent
20 expenditure.

21 NEW PARAGRAPH. *i.* If the person making the independent
22 expenditure uses, in whole or in part, anything of value
23 from one or more donors which was not given for the purpose
24 of furthering the independent expenditure, the person making
25 the independent expenditure must disclose the top five donors
26 in the twelve months prior to the independent expenditure
27 being made who gave to the person making the independent
28 expenditure. For purposes of this section, a donor is a person
29 who has rendered anything of value in return for which legal
30 consideration of equal or greater value is not given and
31 received.

32 Sec. 5. Section 68A.405, subsection 1, paragraph h, Code
33 2013, is amended to read as follows:

34 *h.* If the published material is the result of an independent
35 expenditure subject to section 68A.404, the published material

1 shall include a statement that the published material was not
2 authorized by any candidate, candidate's committee, state
3 statutory political committee, county statutory political
4 committee, or ~~ballot issue~~ political committee.

5

EXPLANATION

6 This bill makes changes to the campaign finance laws
7 relating to independent expenditures.

8 The bill provides that a person who makes independent
9 expenditures and files all required statements is not required
10 to organize a committee or file a statement of organization.

11 The bill strikes current Code language requiring the filing
12 of independent expenditure reports.

13 The bill prohibits a person making an independent
14 expenditure from coordinating with a state statutory political
15 committee, a county statutory political committee, or other
16 political committee as well as a candidate or candidate's
17 committee. The statute currently only prohibits coordination
18 with a candidate, candidate's committee, or ballot issue
19 committee.

20 The bill eliminates the ability to make independent
21 expenditures in favor of or opposed to ballot issues.

22 The bill requires any person, other than one or more
23 individuals, who makes an independent expenditure to obtain
24 prior authorization for the independent expenditure from its
25 governing or leadership body. The statute currently only
26 requires an entity or corporation other, than an individual or
27 individuals, to obtain prior authorization.

28 The bill strikes current Code language which provides that
29 the identification of individual members who pay dues to a
30 labor union, organization, or association, or individual
31 stockholders of a business corporation is not required.

32 The bill requires disclosure of the name and address of every
33 donor or other source of funding in excess of \$25 provided
34 for the independent expenditure. The bill further requires
35 that if a person making an independent expenditure uses

1 anything of value from a donor, as defined in the bill, that
2 was not donated for the purpose of furthering the independent
3 expenditure, the person must disclose the person's top five
4 donors in the 12 months prior to the making of the independent
5 expenditure. The statute currently only requires disclosure
6 of donors if the donations were given for the purpose of
7 furthering the independent expenditure.