

Senate File 203 - Introduced

SENATE FILE 203

BY BOLKCOM

A BILL FOR

1 An Act relating to campaign finance by establishing a
2 voter-owned Iowa clean elections Act and fund, providing
3 for funding from specified sources, including an income
4 tax checkoff, providing an income tax exemption for
5 contributions made to the fund, providing penalties, and
6 including effective date provisions.

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

1 Section 1. Section 68A.603, Code 2017, is amended to read
2 as follows:

3 **68A.603 Rules promulgated.**

4 The ethics and campaign disclosure board shall administer
5 the provisions of sections 68A.601 ~~through 68A.609~~, 68A.602,
6 and 68A.604 through 68A.610 and shall promulgate all necessary
7 rules in accordance with chapter 17A.

8 Sec. 2. NEW SECTION. **68A.610 Checkoff — income tax —**
9 **voter-owned Iowa clean elections.**

10 A person whose state income tax liability for any taxable
11 year is five dollars or more may direct that five dollars
12 of that liability be paid over to the voter-owned Iowa
13 clean elections fund, as established in section 68A.823,
14 when submitting the person's state income tax return to the
15 department of revenue. In the case of a joint return of
16 husband and wife having a state income tax liability of ten
17 dollars or more, each spouse may direct that five dollars
18 be paid to the fund. The director of revenue shall provide
19 space for the voter-owned Iowa clean elections fund income
20 tax checkoff on the income tax form. An explanation shall
21 be included which clearly states that the checkoff does not
22 constitute an additional tax liability. The action taken by a
23 person for the checkoff is irrevocable.

24 Sec. 3. NEW SECTION. **68A.801 Definitions.**

25 For the purposes of this subchapter, unless the context
26 otherwise requires:

- 27 1. *"Allowable contribution"* means a qualifying contribution
28 or a seed money contribution.
- 29 2. *"Board"* means the Iowa ethics and campaign disclosure
30 board established under section 68B.32.
- 31 3. *"Clean election campaign qualifying period"* means the
32 period during which candidates are permitted to collect
33 qualifying contributions in order to qualify for clean election
34 campaign funding. The period begins ninety days before the
35 beginning of the primary election campaign period and ends

1 thirty days before the beginning of the primary election
2 campaign period.

3 4. "*Coordination*" means a payment made for a communication
4 or anything of value that is for the purpose of influencing the
5 outcome of an election and that is made by a person according
6 to at least one of the following:

7 a. In cooperation, consultation, or concert with, at
8 the request or suggestion of, or pursuant to, a particular
9 understanding with a candidate, a candidate's committee, or an
10 agent acting on behalf of a candidate or candidate's committee.

11 b. For the dissemination, distribution, or republication,
12 in whole or in part, of any broadcast or any written, graphic,
13 or other form of campaign material prepared by a candidate,
14 a candidate's committee, or an agent of a candidate or
15 candidate's committee.

16 c. Based on specific information about the candidate's
17 plans, projects, or needs provided to the person making the
18 payment by the candidate or the candidate's agent who provides
19 the information with a view toward having the payment made.

20 d. If in the same election cycle in which the payment is
21 made, the person making the payment is serving or has served as
22 a member, employee, fund-raiser, or agent of the candidate or
23 candidate's committee in an executive or policymaking position.

24 e. If the person making the payment has served in any formal
25 policy or advisory position with the candidate's campaign or
26 has participated in strategic or policymaking discussions with
27 the candidate's campaign relating to the candidate's pursuit of
28 nomination for election, or election, to office, in the same
29 election cycle as the election cycle in which the payment is
30 made.

31 f. If the person making the payment retains the professional
32 services of an individual or person who, in a nonministerial
33 capacity, has provided or is providing campaign-related
34 services in the same election cycle to a candidate who
35 is pursuing the same nomination or election as any of the

1 candidates to whom the communication refers. For purposes
2 of this section, "*professional services*" includes services in
3 support of a candidate's pursuit of nomination for election or
4 election to office such as polling, media advice, direct mail,
5 fund-raising, or campaign research services.

6 5. "*Electioneering communication*" means any communication
7 that refers to a clearly identified candidate for elected
8 public office if the communication has the effect of
9 encouraging or discouraging a vote for the candidate,
10 regardless of whether the communication expressly advocates a
11 vote for or against the candidate.

12 6. "*Excess expenditure amount*" means the amount of
13 money spent or obligated to be spent by a nonparticipating
14 candidate in excess of the clean money amount available to a
15 participating candidate running for the same office.

16 7. "*Express advocacy*" means the same as defined in section
17 68A.102.

18 8. "*General election campaign period*" means the period
19 beginning the day after the primary election and ending on the
20 day of the general election.

21 9. "*Independent candidate*" means a candidate who does not
22 represent a political party as defined by section 43.2.

23 10. "*Independent expenditure*" means an expenditure made
24 by a person or group of persons other than a candidate or
25 candidate's committee that meets both of the following
26 conditions:

27 a. The expenditure is made for a communication that contains
28 express advocacy.

29 b. The expenditure is made without the participation or
30 cooperation of and without coordination with a candidate or a
31 candidate's committee.

32 11. "*Nonparticipating candidate*" means a candidate who is
33 on the ballot but has chosen not to apply for clean election
34 campaign funding or a candidate who is on the ballot and
35 has applied for but has not satisfied the requirements for

1 receiving clean election campaign funding.

2 12. "*Participating candidate*" means a candidate who
3 qualifies for clean election campaign funding. Such candidates
4 are eligible to receive clean election campaign funding during
5 primary or general election campaign periods.

6 13. "*Party candidate*" means a candidate who represents a
7 political party as defined by section 43.2.

8 14. "*Primary election campaign period*" means the period
9 beginning ninety days before the primary election and ending on
10 the day of the primary election.

11 15. "*Qualifying contribution*" means a contribution of five
12 dollars or more that is received during the designated clean
13 election campaign qualifying period by a candidate seeking to
14 become eligible for clean election campaign funding and that is
15 acknowledged by a written receipt identifying the contributor.
16 However, if the annual median household income of a legislative
17 district is at or below one hundred percent of the most recent
18 federal poverty guideline based on United States census bureau
19 data, the qualifying contribution is one dollar.

20 16. "*Seed money contribution*" means a contribution of no
21 more than one hundred dollars made by an individual person who
22 is at least eighteen years of age during the seed money period,
23 but specifically excludes all of the following:

24 a. Payments by a membership organization for the costs of
25 communications to its members.

26 b. Payments by a membership organization for the purpose of
27 facilitating the making of qualifying contributions.

28 c. The cash value of volunteer activity, including the
29 payment of incidental expenses of volunteers.

30 17. "*Seed money period*" means the period beginning the
31 day following the previous general election for that office
32 and ending on the last day of the clean election campaign
33 qualifying period. The "*seed money period*" is the exploratory
34 period during which candidates who wish to become eligible
35 for clean election campaign funding for the next elections

1 are permitted to raise and spend a limited amount of private
2 seed money, from contributions of up to one hundred dollars
3 per individual, for the purpose of determining whether to
4 become a candidate and fulfilling the clean election campaign
5 eligibility requirements.

6 Sec. 4. NEW SECTION. 68A.802 Eligibility for party
7 candidates.

8 1. A party candidate qualifies as a participating candidate
9 for the primary election campaign period if the candidate does
10 both of the following:

11 a. The candidate files a declaration with the board that
12 the candidate has complied and will comply with all of the
13 requirements of this subchapter, including the requirement
14 that during the seed money period and the clean election
15 campaign qualifying period the candidate not accept or
16 spend private contributions from any source other than seed
17 money contributions and clean election campaign qualifying
18 contributions, unless the provisions of section 68A.804 apply.

19 b. The candidate meets both of the following qualifying
20 contribution requirements before the close of the clean
21 election campaign qualifying period:

22 (1) A party candidate must collect both qualifying
23 contributions and signatures as follows:

24 (a) For the office of governor, from five hundred eligible
25 electors in each congressional district.

26 (b) For statewide office other than governor, from two
27 hundred fifty eligible electors in each congressional district.

28 (c) For the Iowa senate, from two hundred eligible electors
29 in the senate candidate's electoral district.

30 (d) For the Iowa house of representatives, from one hundred
31 eligible electors in the house candidate's electoral district.

32 (2) Each qualifying contribution must meet all requirements
33 of this section.

34 2. Contributors shall be eligible electors who reside
35 within the candidate's electoral district and who are therefore

1 eligible to vote for that candidate.

2 3. Qualifying contributions shall be:

3 a. Made in cash, check, money order, or credit or debit
4 card.

5 b. Gathered by the candidate personally or by volunteers who
6 do not receive compensation.

7 c. Acknowledged by a receipt to the contributor, with
8 a copy to be kept by the candidate and a third copy to be
9 submitted to the board. The receipt shall include a signed
10 statement that the contributor understands that the purpose of
11 the contribution is to help the candidate qualify for clean
12 election campaign funding and that the contribution is made
13 without coercion or reimbursement. The receipt shall include
14 the contributor's signature, printed name, home address, and
15 telephone number, and the name of the candidate on whose behalf
16 the contribution is made.

17 d. Paid over to the board for deposit in the voter-owned
18 Iowa clean elections fund established under section 68A.823,
19 with the signed and completed receipt, according to a schedule
20 and procedure to be determined by the board. A contribution
21 submitted as a qualifying contribution that does not include
22 the signed and completed receipt shall not be counted as a
23 qualifying contribution.

24 4. A party candidate qualifies as a participating candidate
25 for the general election campaign period when the candidate
26 does both of the following:

27 a. The candidate has met all of the applicable requirements
28 of this subchapter and filed a declaration with the board
29 that the candidate has fulfilled and will fulfill all of the
30 requirements of a participating candidate as stated in this
31 subchapter.

32 b. As a participating candidate during the primary election
33 campaign period, the candidate had the highest number of votes
34 of the candidates contesting the primary election from the
35 candidate's respective party and won the party's nomination.

1 Sec. 5. NEW SECTION. **68A.803 Eligibility for independent**
2 **candidates.**

3 1. An independent candidate qualifies as a participating
4 candidate for the primary election campaign period if the
5 candidate does both of the following:

6 *a.* The candidate files a declaration with the board that
7 the candidate has complied and will comply with all of the
8 requirements of this subchapter, including the requirement
9 that during the seed money period and the clean election
10 campaign qualifying period the candidate not accept or
11 spend private contributions from any source other than seed
12 money contributions and clean election campaign qualifying
13 contributions, unless the provisions of section 68A.804 apply.

14 *b.* The candidate meets the following qualifying contribution
15 requirements before the close of the clean election campaign
16 qualifying period:

17 (1) An independent candidate shall collect the same number
18 of qualifying contributions as required of a party candidate
19 for the same office under section 68A.802.

20 (2) Each qualifying contribution must meet all requirements
21 of this section.

22 2. Contributors shall be registered voters who reside
23 within the candidate's electoral district and who are therefore
24 eligible to vote for that candidate.

25 3. Qualifying contributions shall be:

26 *a.* Made in cash, check, money order, or credit or debit
27 card.

28 *b.* Gathered by the candidate personally or by volunteers who
29 do not receive compensation.

30 *c.* Acknowledged by a receipt to the contributor, with
31 a copy to be kept by the candidate and a third copy to be
32 submitted to the board. The receipt shall include a signed
33 statement that the contributor understands that the purpose of
34 the contribution is to help the candidate qualify for clean
35 election campaign funding and that the contribution is made

1 without coercion or reimbursement. The receipt shall include
2 the contributor's signature, printed name, home address, and
3 telephone number, and the name of the candidate on whose behalf
4 the contribution is made.

5 *d.* Paid over to the board for deposit in the voter-owned
6 Iowa clean elections fund established under section 68A.823,
7 with the signed and completed receipt, according to a schedule
8 and procedure to be determined by the board. A contribution
9 submitted as a qualifying contribution that does not include
10 the signed and completed receipt shall not be counted as a
11 qualifying contribution.

12 4. An independent candidate qualifies as a participating
13 candidate for the general election campaign period when the
14 candidate does both of the following:

15 *a.* If, prior to the primary election, the candidate has met
16 all of the applicable requirements of this subchapter and filed
17 a declaration with the board that the candidate has fulfilled
18 and will fulfill all of the requirements of a participating
19 candidate as stated in this subchapter.

20 *b.* If, during the primary election campaign period, the
21 candidate has fulfilled all the requirements of a participating
22 candidate as stated in this subchapter.

23 **Sec. 6. NEW SECTION. 68A.804 Transition rule for current**
24 **election cycle.**

25 During the election cycle in effect on the date of enactment
26 of this Act, a candidate may be certified as a participating
27 candidate, notwithstanding the acceptance of contributions
28 or making of expenditures from private funds before the date
29 of enactment of this Act that would, absent this section,
30 disqualify the candidate as a participating candidate, provided
31 that any private funds accepted but not expended before the
32 date of enactment of this Act shall either be returned to
33 the contributor or submitted to the board for deposit in the
34 voter-owned Iowa clean elections fund established under section
35 68A.823.

1 Sec. 7. NEW SECTION. **68A.805** Continuing obligation to
2 **comply.**

3 A participating candidate who accepts any benefits under
4 section 68A.813 during the primary election campaign period
5 shall comply with all the requirements of this subchapter
6 through any remaining time during the primary election campaign
7 period as well as through the general election campaign period
8 whether or not the candidate continues to accept benefits.

9 Sec. 8. NEW SECTION. **68A.806** Contributions and
10 **expenditures.**

11 1. During the primary and general election campaign
12 periods, a participating candidate who has voluntarily agreed
13 to participate in clean election campaign financing shall not
14 accept private contributions from any source other than the
15 candidate's political party, as specified in section 68A.808.

16 2. A person shall not make a contribution in violation
17 of section 68A.502. A participating candidate who receives
18 a qualifying contribution or a seed money contribution that
19 is not from the person listed on the receipt as required by
20 this subchapter shall pay to the board for deposit in the
21 voter-owned Iowa clean elections fund established under section
22 68A.823 the entire amount of such contribution.

23 3. The board shall issue each participating candidate a
24 card known as the "clean election campaign debit card", and a
25 line of debit entitling the candidate to draw clean election
26 campaign funds to pay for all campaign costs and expenses up to
27 the amount of funding the candidate has received. During the
28 primary and general election campaign periods, a participating
29 candidate shall pay by means of the board's clean election
30 campaign debit card. A participating candidate shall not pay
31 campaign costs by cash, check, money order, loan, or by any
32 other financial means other than the clean election campaign
33 debit card.

34 4. Eligible candidates shall furnish complete campaign
35 records, including all records of seed money contributions and

1 qualifying contributions, to the board at regular filing times,
2 or on request by the board. Candidates shall cooperate with
3 any audit or examination conducted or ordered by the board.

4 Sec. 9. NEW SECTION. **68A.807 Nonparticipating candidates**
5 **— contribution limits.**

6 Nonparticipating candidates shall be subject to the
7 following contribution limits:

8 1. Candidates for statewide office:

9 a. One thousand dollars in the aggregate per individual
10 contribution.

11 b. Five thousand dollars in the aggregate per political
12 committee contribution.

13 2. Candidates for the Iowa senate and house of
14 representatives:

15 a. Five hundred dollars in the aggregate per individual
16 contribution.

17 b. One thousand dollars in the aggregate per political
18 committee contribution.

19 Sec. 10. NEW SECTION. **68A.808 Political party contributions**
20 **and expenditures.**

21 1. Participating candidates may accept monetary or in-kind
22 contributions from political parties provided that the
23 aggregate amount of such contributions from all political party
24 committees combined does not exceed the equivalent of five
25 percent of the clean election campaign financing amount for
26 that office.

27 2. In-kind contributions made during a general election
28 campaign period on behalf of a group of the party's candidates
29 shall not be considered a prohibited party contribution or
30 count against the five percent limit established in subsection
31 1 if such group includes at least fifty-one percent of the
32 candidates whose names will appear on the general election
33 ballot in the political subdivision represented by the party
34 committee making such in-kind contributions.

35 3. Contributions made to, and expenditures made by,

1 political parties during primary and general campaign
2 periods shall be reported to the board on the same basis as
3 contributions and expenditures made to or by candidates.

4 4. This section and this subchapter shall not prevent
5 political party funds from being used for any of the following:

6 a. General operating expenses of the party.

7 b. Conventions.

8 c. Nominating and endorsing candidates.

9 d. Identifying, researching, and developing the party's
10 positions on issues.

11 e. Party platform activities.

12 f. Voter registration drives that are not specific to any
13 candidate.

14 g. Get-out-the-vote drives that are not specific to any
15 candidate.

16 h. Travel expenses for noncandidate party leaders and staff.

17 i. Other party-building activities, as defined by rule of
18 the board, that are not specific to any candidate.

19 j. Employing a staff person to provide election services to
20 two or more candidates.

21 Sec. 11. NEW SECTION. 68A.809 Use of personal funds.

22 1. Personal funds contributed as seed money by a candidate
23 seeking to become eligible as a participating candidate or by
24 the candidate's spouse shall not exceed one hundred dollars per
25 contributor.

26 2. Personal funds shall not be used to meet the qualifying
27 contribution requirement except for one five-dollar
28 contribution from the candidate and one five-dollar
29 contribution from the candidate's spouse.

30 Sec. 12. NEW SECTION. 68A.810 Seed money.

31 1. The only private contributions a candidate seeking
32 to become eligible for clean election campaign funding shall
33 accept, other than qualifying contributions, are seed money
34 contributions contributed by individual persons who are at
35 least eighteen years of age prior to the end of the clean

1 election campaign qualifying period.

2 2. A seed money contribution shall not exceed one hundred
3 dollars, and the aggregate amount of seed money contributions
4 accepted by a candidate seeking to become eligible for clean
5 election campaign funding shall not exceed the relevant limit,
6 as follows:

7 a. Twenty-five thousand dollars for a candidate team running
8 for governor and lieutenant governor.

9 b. Fifteen thousand dollars for a candidate running for
10 statewide office other than governor or lieutenant governor.

11 c. Two thousand dollars for a candidate running for the Iowa
12 senate.

13 d. One thousand dollars for a candidate running for the Iowa
14 house of representatives.

15 3. Receipts for seed money contributions shall include
16 the contributor's signature, printed name, street address and
17 zip code, telephone number, occupation, and name of employer.
18 Contributions shall not be accepted if the required disclosure
19 information is not received.

20 4. Seed money shall be spent only during the clean election
21 campaign qualifying period. Seed money shall not be spent
22 during the primary or general election campaign periods.

23 5. Within forty-eight hours after the close of the clean
24 election campaign qualifying period, candidates seeking to
25 become eligible for clean election campaign funding shall do
26 both of the following:

27 a. Fully disclose all seed money contributions and
28 expenditures to the board.

29 b. Pay over to the board for deposit in the voter-owned
30 Iowa clean elections fund any seed money the candidate has
31 raised during the designated seed money period that exceeds the
32 aggregate seed money limit.

33 Sec. 13. NEW SECTION. 68A.811 Participation in debates.

34 1. Participating candidates in contested races shall
35 participate in all of the following:

1 *a.* For the offices of governor and lieutenant governor:

2 (1) One one-hour debate during a contested primary
3 election.

4 (2) Two one-hour debates during a contested general
5 election.

6 *b.* For all other offices:

7 (1) One one-hour debate during a contested primary
8 election.

9 (2) One one-hour debate during a contested general
10 election.

11 2. Nonparticipating candidates for the same office whose
12 names will appear on the ballot shall be invited to join the
13 debates.

14 Sec. 14. NEW SECTION. **68A.812 Certification.**

15 1. No more than five days after a candidate applies for
16 clean election campaign funding benefits, the board shall
17 certify that the candidate is or is not eligible to receive
18 clean election campaign funds.

19 2. The board may revoke a candidate's eligibility if
20 the board determines that the candidate has violated the
21 requirements of this subchapter, in which case the candidate
22 shall repay all clean election campaign funds received by the
23 candidate.

24 3. The candidate's request for certification shall be
25 signed by the candidate and the treasurer of the candidate's
26 committee, both under penalty of perjury.

27 4. The board's determination is final except that it is
28 subject to examination and audit by an outside agency and to
29 prompt judicial review, in compliance with rules promulgated by
30 the board in accordance with chapter 17A.

31 Sec. 15. NEW SECTION. **68A.813 Benefits provided to
32 candidates eligible to receive clean election campaign funding.**

33 1. Candidates who qualify for clean election campaign
34 funding for primary and general elections shall receive all of
35 the following:

1 *a.* Clean election campaign funding from the board for each
2 election, the amount of which is specified in section 68A.815.
3 This funding may be used to finance any and all campaign
4 expenses during the particular campaign period for which it is
5 received.

6 *b.* Additional clean election campaign funding to match
7 any excess expenditure amount spent by a nonparticipating
8 candidate, as specified in section 68A.817.

9 *c.* Additional clean election campaign funding to match any
10 independent expenditure made in opposition to their candidacies
11 or on behalf of their opponents' candidacies, as specified in
12 section 68A.819.

13 *d.* Additional clean election campaign funding to match
14 any electioneering communication expenditure, as specified in
15 section 68A.820.

16 2. The maximum aggregate amount of additional funding above
17 the initial allocation determined under section 68A.815 that
18 a participating candidate shall receive to match independent
19 expenditures, the excess expenditures of nonparticipating
20 candidates, and electioneering communication expenditures shall
21 be two hundred percent of the full amount of clean election
22 campaign funding allocated to a participating candidate for a
23 particular primary or general election campaign period.

24 Sec. 16. NEW SECTION. 68A.814 **Schedule of clean election**
25 **campaign funding payments.**

26 1. An eligible candidate shall receive clean election
27 campaign funding for the primary election campaign period
28 on the date on which the board certifies the candidate as a
29 participating candidate. This certification shall take place
30 no later than five days after the candidate has submitted the
31 required number of qualifying contributions and a declaration
32 stating that the candidate has complied with all other
33 requirements for eligibility as a participating candidate, but
34 no earlier than the beginning of the primary election campaign
35 period.

1 2. An eligible candidate shall receive clean election
2 campaign funding for the general election campaign period
3 within forty-eight hours after certification of the primary
4 election results.

5 Sec. 17. NEW SECTION. **68A.815 Determination of clean**
6 **election campaign funding amounts.**

7 1. *a.* For party candidates, the amount of clean election
8 campaign funding for a contested primary election is as
9 follows:

10 (1) Seven hundred fifty thousand dollars for a candidate
11 team running for governor and lieutenant governor.

12 (2) Seventy-five thousand dollars for a candidate for
13 statewide office other than governor and lieutenant governor.

14 (3) Twenty-two thousand five hundred dollars for a
15 candidate running for the Iowa senate.

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

18 *b.* The clean election campaign funding amount for an
19 eligible party candidate in an uncontested primary election
20 is twenty-five percent of the amount provided in a contested
21 primary election.

22 *c.* In a contested general election, if an eligible party
23 candidate or all of the candidates of the candidate's party
24 combined received at least twenty percent of the total number
25 of votes cast for all candidates seeking that office in
26 the most recent primary election or in the previous general
27 election, the candidate shall receive the full amount of clean
28 election campaign funding for the general election, as follows:

29 (1) Three million dollars for a candidate team running for
30 governor and lieutenant governor.

31 (2) Two hundred thousand dollars for a candidate for
32 statewide office other than governor and lieutenant governor.

33 (3) Forty thousand dollars for a candidate running for the
34 Iowa senate.

35 (4) Thirty thousand dollars for a candidate running for the

1 Iowa house of representatives.

2 *d.* The clean election campaign funding amount for an
3 eligible party candidate in an uncontested general election
4 is ten percent of the amount provided in a contested general
5 election for the same office.

6 2. *a.* For eligible independent candidates, the clean
7 election campaign funding amount for the primary election
8 campaign period is twenty-five percent of the amount of clean
9 election campaign funding received by a party candidate in a
10 contested primary election for the same office.

11 *b.* The clean election campaign funding amount for an
12 eligible independent candidate in the general election is the
13 same as the full amount received by a party candidate in the
14 general election for the same office.

15 *c.* After the first cycle of clean election campaign
16 financing elections, the board shall modify all clean election
17 campaign funding amounts based on the percentage increase in
18 the consumer price index, for all urban consumers, United
19 States city average, as published in the federal register
20 by the United States department of labor, bureau of labor
21 statistics, that reflects the percentage increase in the
22 consumer price index for the twelve-month period ending
23 December 31 of the previous year.

24 Sec. 18. NEW SECTION. 68A.816 Expenditures made with clean
25 election campaign funds.

26 1. The clean election campaign funding received by a
27 participating candidate shall be used only for the purpose of
28 defraying that candidate's campaign-related expenses during
29 the particular election campaign period for which the clean
30 election campaign funding was received.

31 2. Payments shall not be used for the following:

32 *a.* Payments that are in violation of the law.

33 *b.* Payments that repay any personal, family, or business
34 loans, expenditures, or debts.

35 Sec. 19. NEW SECTION. 68A.817 Disclosure of excess spending

1 by nonparticipating candidates.

2 1. If a nonparticipating candidate's total expenditures
3 exceed the amount of clean election campaign funding allocated
4 to the candidate's clean election campaign opponent, the
5 candidate shall declare to the board within forty-eight hours
6 every excess expenditure amount that, in the aggregate, is more
7 than one thousand dollars.

8 2. During the last twenty days before the end of the
9 relevant campaign period, a nonparticipating candidate shall
10 declare to the board each excess expenditure amount over
11 five hundred dollars within twenty-four hours of when the
12 expenditure is made or obligated to be made.

13 3. The board may make its own determination as to whether
14 excess expenditures have been made by nonparticipating
15 candidates.

16 4. Upon receiving an excess expenditure declaration, the
17 board shall immediately release additional clean election
18 campaign funding to the opposing participating candidate
19 or candidates equal to the excess expenditure amount the
20 nonparticipating candidate has spent or intends to spend,
21 subject to the limit set forth in section 68A.813.

22 Sec. 20. NEW SECTION. 68A.818 Campaign advertisements.

23 All broadcast and print advertisements placed by candidates
24 or candidate's committees shall, in addition to the
25 requirements of section 68A.405, include a clear written or
26 spoken statement indicating that the candidate has approved of
27 the contents of the advertisement.

28 Sec. 21. NEW SECTION. 68A.819 Disclosure of independent
29 expenditures — additional clean election campaign funding.

30 1. Any person or group of persons who makes or obligates
31 to make an independent expenditure during a primary or general
32 election campaign period which, in the aggregate, exceeds one
33 thousand dollars, shall report each expenditure within forty-
34 eight hours to the board.

35 2. The report to the board shall include a statement,

1 under penalty of perjury, by the person or persons making
2 the independent expenditure identifying the candidate the
3 independent expenditure is intended to help elect or defeat
4 and affirming that the expenditure is totally independent and
5 involves no coordination with a candidate or a political party.

6 *a.* An individual or organization may file a complaint with
7 the board if the candidate or the organization believes that
8 the statement according to this subsection is false.

9 *b.* A hearing on a complaint under this subsection shall be
10 held within three business days of filing and a decision issued
11 within seven days of filing.

12 3. Any person or group of persons who makes or obligates
13 to make an independent expenditure during the last twenty days
14 before the end of the relevant campaign period which, in the
15 aggregate, exceeds five hundred dollars, shall report each
16 expenditure within twenty-four hours to the board.

17 4. Upon receiving a report that an independent expenditure
18 has been made or obligated to be made, the board shall
19 immediately release additional clean election campaign funding,
20 equal in amount to the cost of the independent expenditure, to
21 all participating candidates the independent expenditure is
22 intended to oppose or defeat, subject to the limit set forth
23 in section 68A.813.

24 Sec. 22. NEW SECTION. 68A.820 **Electioneering communications**
25 **— disclosure — additional clean election campaign funding.**

26 1. A person who makes or obligates to make a disbursement to
27 purchase an electioneering communication shall file a report
28 with the board not later than forty-eight hours after making or
29 obligating to make the disbursement, containing the following
30 information:

31 *a.* The amount of the disbursement.

32 *b.* The name and address of the person making the
33 disbursement.

34 *c.* The purpose of the electioneering communication.

35 2. Upon receiving a report that an electioneering

1 communication has been made or obligated to be made, and
2 upon determination that the electioneering communication can
3 reasonably be interpreted as having the effect of promoting
4 the defeat of a participating candidate or the election
5 of that candidate's opponent, the board shall immediately
6 release to that candidate additional clean election campaign
7 funding, equal in amount to the cost of the electioneering
8 communication, subject to the limit set forth in section
9 68A.813.

10 Sec. 23. NEW SECTION. **68A.821 Voter information program.**

11 1. The board shall establish and administer a nonpartisan
12 voter information program, including an advisory council
13 consisting of representatives of nonprofit organizations,
14 political parties, the media, and interested citizens.

15 2. The voter information program advisory council may
16 establish a voter information program for the purpose of
17 providing voters with election-related information and
18 fostering political dialogue and debate.

19 3. The voter information program advisory council
20 shall organize the publication and distribution of a voter
21 information guide that includes important information about the
22 following issues:

23 *a.* Candidates appearing on the ballot, including
24 biographical material submitted by the candidates.

25 *b.* Whether candidates are funding their campaigns with
26 public money or private money.

27 *c.* Policy statements by the candidates or their political
28 parties on issues designated by the council and other issues.

29 *d.* Candidates' voting records.

30 Sec. 24. NEW SECTION. **68A.822 Debates.**

31 1. A nonpartisan organization that is involved in
32 providing information to the public concerning elections, or a
33 nonpartisan organization that has been involved in education
34 and the advocacy of open, clean election and campaign laws for
35 at least five years, may host and sponsor voter-owned Iowa

1 clean election candidate debates in contested primary and
2 general elections.

3 2. All participating candidates shall participate in the
4 debates and all nonparticipating candidates for the same office
5 whose names will appear on the ballot shall be invited to join
6 the debates.

7 Sec. 25. NEW SECTION. 68A.823 Voter-owned Iowa clean
8 elections fund (VOICE) — nature and purposes.

9 1. A voter-owned Iowa clean elections fund is established as
10 a separate fund within the office of the state treasurer, under
11 the control of the board, for the following purposes:

12 a. Providing public financing for the election campaigns of
13 certified participating candidates during primary election and
14 general election campaign periods.

15 b. Paying for the administrative and enforcement costs of
16 the board in relation to this subchapter.

17 2. The fund shall consist of moneys received pursuant to
18 section 68A.824. Notwithstanding section 8.33, unencumbered
19 or unobligated moneys and any interest earned on moneys in the
20 fund on June 30 of any fiscal year shall not revert to the
21 general fund of the state but shall remain in the fund and be
22 available for expenditure in subsequent years.

23 Sec. 26. NEW SECTION. 68A.824 Funding.

24 In addition to any moneys appropriated by the general
25 assembly to the voter-owned Iowa clean elections fund
26 established in section 68A.823, the following moneys shall be
27 deposited in the fund:

28 1. The qualifying contributions required of candidates
29 seeking to become certified as participating candidates
30 according to section 68A.802 or 68A.803 and candidates' excess
31 qualifying contributions.

32 2. Moneys credited to the fund pursuant to sections 68A.610
33 and 556.18.

34 3. The excess seed money contributions of candidates
35 seeking to become certified as participating candidates.

1 4. Moneys distributed to any participating candidate
2 who does not remain a candidate until the primary or general
3 election for which they were distributed.

4 5. Civil penalties levied by the board against candidates
5 for violations of this subchapter.

6 6. Voluntary donations made directly to the fund.

7 7. Any other sources of revenue designated by the general
8 assembly.

9 Sec. 27. NEW SECTION. **68A.825 Powers and procedures.**

10 The board shall have the following powers and duties, in
11 addition to those granted in this chapter and chapter 68B, when
12 administering this subchapter:

13 1. After every primary and general election, the board
14 may conduct random audits and investigations to ensure
15 compliance with this subchapter. The subjects of such audits
16 and investigations shall be selected on the basis of impartial
17 criteria established by a vote of at least four members of the
18 board.

19 2. *a.* The board may investigate anonymous complaints.

20 *b.* The identity of a complainant may be kept confidential
21 if the complainant states in the complaint that revealing
22 the identity of the complainant could reasonably result in
23 disciplinary action or loss of employment.

24 3. The board may seek injunctions when all of the following
25 conditions are met:

26 *a.* There is a substantial likelihood that a violation of
27 this subchapter is occurring or is about to occur.

28 *b.* The failure to act expeditiously will result in
29 irreparable harm to a party affected by the violation or
30 potential violation.

31 *c.* Expeditious action will not cause undue harm or prejudice
32 to the interests of others.

33 *d.* The public interest would be best served by the issuance
34 of an injunction.

35 4. The board may levy civil penalties for violations of

1 this subchapter. Civil penalties shall be deposited in the
2 voter-owned Iowa clean elections fund.

3 5. The board shall refer criminal violations to the county
4 attorney or attorney general for prosecution.

5 6. The board may participate fully in any actions filed
6 under this section.

7 7. The board shall adopt rules pursuant to chapter 17A as
8 necessary to administer this subchapter.

9 Sec. 28. NEW SECTION. **68A.826 Civil actions.**

10 1. A citizen of this state who believes a candidate has
11 violated this subchapter may pursue a civil action in a court
12 of relevant jurisdiction, provided that both of the following
13 are true:

14 a. The citizen has previously filed a complaint with the
15 board regarding the same alleged violation.

16 b. The board has failed to make a determination within
17 thirty days of the filing of the complaint.

18 2. A complainant who prevails in a civil action charging
19 a violation of this subchapter shall be entitled to receive
20 reasonable attorney fees and court costs from the defendant.

21 3. If a court in which a civil action has been filed under
22 subsection 1 finds that the complaint in that action was
23 made frivolously or without cause, the court may require the
24 complainant to pay the costs of the board, the court, and the
25 defendant parties.

26 Sec. 29. NEW SECTION. **68A.827 Board reports.**

27 1. The board shall report to the general assembly after each
28 election cycle.

29 2. The report shall include a detailed summary of all
30 seed money contributions, qualifying contributions, and clean
31 election campaign funding benefits received, and expenditures
32 made, by all participating candidates. The report shall also
33 include a summary and evaluation of the board's activities and
34 recommendations relating to the implementation, administration,
35 and enforcement of this subchapter.

1 Sec. 30. NEW SECTION. **68A.828 Repayments of excess**
2 **expenditures.**

3 1. If a participating candidate spends or obligates to spend
4 more than the clean election campaign funding the candidate
5 receives, and if such is determined not to be an amount that
6 had or could have been expected to have a significant impact
7 on the outcome of the election, the candidate shall personally
8 repay to the voter-owned Iowa clean elections fund an amount
9 equal to the excess.

10 2. If a participating candidate spends or obligates to spend
11 more than the clean election campaign funding the candidate
12 receives, and if such is determined to be an amount that had or
13 could have been expected to have a significant impact on the
14 outcome of the election, the candidate shall personally repay
15 to the voter-owned Iowa clean elections fund an amount equal to
16 five times the value of the excess.

17 Sec. 31. NEW SECTION. **68A.829 Penalties.**

18 1. A candidate shall not knowingly accept more benefits than
19 those to which the candidate is entitled, spend more than the
20 amount of clean election campaign funding received, or misuse
21 such clean election campaign funding benefits or clean election
22 campaign funding.

23 2. If a violation of subsection 1 was intentional and
24 involved an amount that had or could have been expected to
25 have a significant impact on the outcome of the election, the
26 candidate commits an aggravated misdemeanor.

27 3. If it is determined that the violation of subsection
28 1 was intentional and involved an amount that had or could
29 have been expected to have a significant impact on the
30 outcome of the election, and if, in the judgment of the
31 board, the violation is believed to have contributed to the
32 violator winning the election, the board may recommend to
33 the appropriate authority that proceedings be commenced to
34 remove the violator from office or to impeach the violator if
35 applicable.

1 4. A person shall not provide false information to the board
2 or conceal or withhold information from the board. A violation
3 of this subsection is an aggravated misdemeanor.

4 Sec. 32. NEW SECTION. **68A.830 Local provision.**

5 Each city council, school board, and county board of
6 supervisors shall have the authority to adopt and fund a
7 voter-owned Iowa clean elections fund, consistent with this
8 subchapter, for local government elections.

9 Sec. 33. Section 422.7, Code 2017, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 59. Subtract, to the extent not otherwise
12 excluded, up to two hundred dollars of the amount contributed
13 to the voter-owned Iowa clean elections fund pursuant to
14 section 68A.824, subsection 6.

15 Sec. 34. Section 422.12E, subsection 1, Code 2017, is
16 amended to read as follows:

17 1. For tax years beginning on or after January 1, 2019,
18 there shall be allowed no more than four income tax return
19 checkoffs on each income tax return. For tax years beginning
20 on or after January 1, 2017, when the same four income tax
21 return checkoffs have been provided on the income tax return
22 for two consecutive years, the two checkoffs for which the
23 least amount has been contributed, in the aggregate for the
24 first tax year and through March 15 of the second tax year, are
25 repealed. **This section** does not apply to the income tax return
26 ~~checkoff~~ checkoffs provided in ~~section~~ sections 68A.601 and
27 68A.610.

28 Sec. 35. NEW SECTION. **422.12I Income tax checkoff for**
29 **voter-owned Iowa clean elections fund.**

30 A person who files an individual or a joint income tax
31 return with the department of revenue under section 422.13
32 may designate a contribution to the voter-owned Iowa clean
33 elections fund authorized pursuant to section 68A.610.

34 Sec. 36. Section 556.18, subsection 2, Code 2017, is amended
35 by adding the following new paragraph:

1 NEW PARAGRAPH. e. Ten million dollars to be deposited
2 in the voter-owned Iowa clean elections fund established in
3 section 68A.823.

4 Sec. 37. Section 556.18, subsection 3, Code 2017, is amended
5 to read as follows:

6 3. The treasurer of state shall annually credit all moneys
7 received under [section 556.4](#) to the general fund of the state.
8 Moneys credited to the general fund of the state pursuant to
9 this subsection are subject to the requirements of subsections
10 1 and 2 and [section 8.60](#). However, if the amount collected
11 under subsection 2, paragraph "e", does not equal ten million
12 dollars, the treasurer of state shall annually pay over an
13 amount received under section 556.4 as necessary to bring the
14 amount deposited in the voter-owned Iowa clean elections fund
15 to ten million dollars.

16 Sec. 38. SEVERABILITY. The provisions of this Act are
17 severable as provided in section 4.12.

18 Sec. 39. IMPLEMENTATION OF ACT. Section 25B.2, subsection
19 3, shall not apply to this Act.

20 Sec. 40. EFFECTIVE DATES.

21 1. Except as provided in subsection 2, this Act takes effect
22 November 4, 2020.

23 2. The following provision or provisions of this Act take
24 effect January 1, 2018:

25 a. The section of this Act enacting section 68A.610.

26 b. The section of this Act enacting section 422.12I.

27 c. The section of this Act amending section 422.7.

28 d. The section of this Act amending section 556.18.

29

EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 This bill amends Code chapter 68A, relating to campaign
33 finance law, by creating a voluntary mechanism for publicly
34 financed elections and establishing contribution limits for
35 candidates who do not participate in the public financing

1 process.

2 The bill enacts a process for public financing for statewide
3 and legislative elections and enacts new Code section 68A.801,
4 providing definitions for key terms related to this process.

5 New Code section 68A.823 establishes a separate,
6 nonreverting fund in the state treasury to be known as the
7 voter-owned Iowa clean elections (VOICE) fund, and new Code
8 section 68A.824 provides sources of revenue for the fund.

9 New Code sections 68A.802 and 68A.803 specify the
10 eligibility procedures for both party and independent
11 candidates to become participating candidates and specify
12 the number of and details for collection of qualifying
13 contributions.

14 New Code section 68A.805 provides that any candidate who
15 accepts benefits during the primary election campaign period
16 must continue to comply with the requirements of the public
17 financing process, even if the candidate stops accepting
18 benefits of the program at any point during the primary or
19 general election campaign periods.

20 New Code section 68A.806 prohibits a participating candidate
21 from accepting private funding during the primary and general
22 election campaign periods other than certain permitted party
23 funding. Contributions in the name of another person are
24 prohibited and subject to payment to the board as are any
25 applicable penalties. The use of personal funds for seed money
26 or as qualifying contributions is limited by new Code section
27 68A.809.

28 New Code section 68A.807 establishes contribution limits for
29 those candidates who choose not to participate in the public
30 financing process.

31 New Code section 68A.808 limits political party
32 contributions and expenditures on behalf of participating
33 candidates.

34 New Code section 68A.810 details the collection of private
35 contributions for use as seed money, limited by new Code

1 section 68A.809 to a \$100 contribution per individual person
2 at least 18 years of age, and also limited in the aggregate in
3 differing amounts for candidates for governor and lieutenant
4 governor, for other statewide candidates, for Iowa senate
5 candidates, and for Iowa house of representatives candidates.
6 Seed money expenditures are limited to the clean election
7 campaign qualifying period and seed money contributions and
8 expenditures must be fully disclosed at the end of the public
9 financing qualifying period.

10 New Code section 68A.812 provides for a certification
11 process after a candidate applies for public financing campaign
12 funding benefits and requires repayment of funds if eligibility
13 is revoked. The bill provides for audit and judicial review of
14 certification decisions made by the board.

15 New Code section 68A.813 provides certain benefits and
16 obligations for participating candidates, including specified
17 amounts of public funding pursuant to new Code section
18 68A.815, mandatory participation in debates pursuant to new
19 Code sections 68A.811 and 68A.822, and, pursuant to new Code
20 section 68A.817, additional limited public funding to respond
21 to certain excess expenditures by nonparticipating candidates,
22 independent expenditures, and electioneering communications
23 expenditures.

24 New Code section 68A.814 provides for a schedule of payments
25 to participating candidates, and new Code section 68A.815
26 specifies differing total amounts for primary and general
27 elections for candidates for governor and lieutenant governor,
28 for other statewide candidates, for Iowa senate candidates,
29 and for Iowa house of representatives candidates. Alternate
30 amounts are provided for uncontested races. Pursuant to new
31 Code section 68A.816, clean election campaign funding payments
32 must be used only for campaign-related expenses, and cannot be
33 used for payments in violation of law or to repay personal or
34 business loans, expenditures, or debts.

35 New Code section 68A.817 provides that nonparticipating

1 candidates must disclose within 48 hours every expenditure
2 in excess of the public financing funding allocated to the
3 candidate's participating opponent that in the aggregate is
4 more than \$1,000. Certain other reporting requirements apply
5 during the last 20 days of a campaign.

6 All candidates must include a statement with all
7 advertisements indicating that the candidate has approved of
8 the contents of the advertisement, pursuant to new Code section
9 68A.818.

10 New Code section 68A.819 provides that persons making
11 certain independent expenditures must report such expenditures
12 to the board, along with an affidavit affirming that the
13 expenditure has not been coordinated with the candidate or
14 party. Alleged violations of the coordination affirmation are
15 subject to an expedited hearing procedure.

16 Persons making certain electioneering communications must
17 also report to the board, pursuant to new Code section 68A.820.

18 New Code section 68A.821 provides that the board shall
19 administer a voter information program, including establishment
20 of an advisory council, to provide voters with election-related
21 information, including a voter guide with candidate
22 biographical material, policy statements, voting records, and
23 whether the candidate funds the campaign with public or private
24 money.

25 New Code section 68A.825 provides the board with certain
26 specific enforcement powers and duties in relation to the
27 new subchapter, and new Code section 68A.827 provides for an
28 election cycle report by the board to the general assembly on
29 the public financing process.

30 New Code section 68A.826 creates a civil right of action for
31 citizens alleging that a candidate has violated the law.

32 Violations of the public financing process are subject
33 to aggravated misdemeanor penalties, pursuant to new Code
34 section 68A.829. An aggravated misdemeanor is punishable
35 by confinement for no more than two years and a fine of at

1 least \$625 but not more than \$6,250. New Code section 68A.828
2 provides for repayment of certain excess expenditures by the
3 candidate.

4 New Code sections 68A.610 and 422.12I create an income tax
5 checkoff for the voter-owned Iowa clean elections fund. This
6 checkoff allows a person to direct that \$5 of that person's
7 state income tax liability be paid over to the Iowa voter-owned
8 clean elections fund.

9 Code section 422.7, new subsection 59, is enacted to
10 provide up to a \$200 exemption from income for purposes of the
11 individual income tax for contributions to the Iowa voter-owned
12 clean elections fund.

13 Code section 556.18 is amended to provide that \$10 million
14 shall be annually transferred from the proceeds from the sale
15 by the state of lost or unclaimed property to the voter-owned
16 Iowa clean elections fund.

17 The sections of the bill enacting the income tax checkoff,
18 the exemption from the individual income tax, and the transfer
19 in Code section 556.18 take effect January 1, 2018. The
20 remainder of the bill takes effect November 4, 2020, which
21 is the day after the 2020 general election day, to allow the
22 public financing process to commence with a new campaign cycle.
23 New Code section 68A.804 provides guidelines for disposition of
24 money collected by candidates prior to the effective date of
25 the public financing process.

26 The bill may include a state mandate as defined in Code
27 section 25B.3. The bill makes inapplicable Code section 25B.2,
28 subsection 3, which would relieve a political subdivision from
29 complying with a state mandate if funding for the cost of
30 the state mandate is not provided or specified. Therefore,
31 political subdivisions are required to comply with any state
32 mandate included in the bill.