

House File 2475 - Introduced

HOUSE FILE 2475
BY GUSTOFF

A BILL FOR

1 An Act providing for the public examination of a record
2 associated with a donation made to a government body by a
3 nonprofit corporation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **22.3B Nonprofit corporations —**
2 **records of a supporting organization.**

3 A domestic or foreign nonprofit corporation formed or
4 transacting business in this state under chapter 504 and filing
5 as a supporting organization under section 509(a)(3) of the
6 Internal Revenue Code shall be deemed a government body. Any
7 record belonging to the nonprofit corporation shall be deemed to
8 be a public record, unless otherwise required to be confidential
9 under state statute or federal law statute or regulation.

10 Sec. 2. NEW SECTION. **22.3C Nonprofit corporations —**
11 **records of donations to an educational foundation.**

12 1. A domestic or foreign nonprofit corporation formed or
13 transacting business in this state under chapter 504 shall be
14 deemed a government body for the limited purpose of allowing a
15 person the right to examine and copy a record belonging to the
16 nonprofit corporation, if all the following apply:

17 a. The record relates to a donation made by the nonprofit
18 corporation to an educational institution or private foundation
19 as defined in section 509 of the Internal Revenue Code that
20 supports a public educational institution.

21 b. The record is not required to be confidential under
22 state statute or federal statute or regulation. Otherwise, any
23 record belonging to the nonprofit corporation that relates to the
24 donation shall be deemed to be a public record.

25 2. As used in subsection 1, a "*public educational*
26 *institution*" includes any of the following:

27 a. A public school district as described in chapter 274,
28 including a charter school under chapter 256E, or a charter
29 school or an innovation zone school under chapter 256F.

30 b. An area education agency established pursuant to chapter
31 273.

32 c. A community college as defined in section 260C.2.

33 d. An institution governed by the state board of regents
34 pursuant to chapter 262.

35 Sec. 3. Section 22.7, subsection 52, Code 2026, is amended by

1 striking the subsection.

2 Sec. 4. Section 173.22A, subsection 2, Code 2026, is amended
3 to read as follows:

4 2. Moneys in the Iowa state fairgrounds trust fund shall not
5 be deposited in the state treasury, but shall be held separate
6 and apart from both the state fair's operating moneys and the
7 state fair foundation fund established in section 173.22. The
8 board as trustee shall hold only legal title to these moneys,
9 which shall not form any part of the general fund of the state.
10 The moneys shall not be subject to appropriation by the general
11 assembly or subject to transfer pursuant to chapter 8. The
12 moneys are not and shall not be deemed public funds for any
13 purpose. The fund shall be an institutional endowment fund
14 within the meaning of and subject to chapter 540A. The fund
15 shall not be subject to audit by the auditor of state, but
16 shall be audited annually by a certified public accountant. The
17 annual audit shall be delivered to the auditor of state, who may
18 include it in any further report that the auditor of state deems
19 appropriate. ~~However, an annual audit shall be a confidential~~
20 ~~record to the extent required in section 22.7, subsection 52.~~
21 The moneys may be held in perpetuity, subject to the provisions
22 for release or modification of restrictions on the moneys as
23 provided in chapter 540A.

24 EXPLANATION

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

27 BACKGROUND. Under Iowa's open records law, a person has a
28 right to examine and copy a public record and to publish or
29 otherwise disseminate a public record belonging to a government
30 body (Code section 22.2) subject to narrow exceptions providing
31 for the confidentiality of certain public records (see Code
32 section 22.7). A government body includes a state agency, local
33 government unit (e.g., county, city, or school district), or a
34 tax-supported district or nonprofit corporation other than a fair
35 conducting a fair event as provided in Code chapter 174, whose

1 facilities or indebtedness are supported in whole or in part
2 with property tax revenue (Code section 22.1). A public record
3 includes all documents, tape, or other information, stored or
4 preserved in any medium.

5 BILL'S PROVISIONS — GENERAL. This bill provides for the
6 public examination of a record associated with a nonprofit
7 corporation (corporation) formed in this state as a domestic
8 corporation or formed in another jurisdiction and authorized to
9 transact business in this state as a foreign corporation (Code
10 chapter 504).

11 BILL'S PROVISIONS — RECORDS BELONGING TO A NONPROFIT
12 CORPORATION ACTING AS SUPPORTING ORGANIZATION. The bill provides
13 that any record belonging to a corporation filing as a supporting
14 organization under section 509(a)(3) of the Internal Revenue Code
15 (IRC) is deemed a government body and a record belonging to the
16 corporation is deemed to be a public record, unless the record
17 is confidential under another Iowa statute or federal statute
18 or regulation. Section 509(a)(3) applies when the supporting
19 organization providing a donation has a nexus to the operations
20 or control of the supported organization receiving the donation.

21 BILL'S PROVISIONS — RECORDS BELONGING TO A NONPROFIT
22 CORPORATION SUPPORTING A PUBLIC EDUCATIONAL INSTITUTION. The bill
23 provides that a corporation is deemed to be a government body
24 for the limited purpose of allowing a person the right to
25 examine and copy a record belonging to the corporation, if
26 certain conditions are satisfied. The record must relate to
27 a donation made by the corporation to a public educational
28 institution or to a private foundation that supports a public
29 educational institution, and the record cannot be confidential
30 under another Iowa statute or federal statute or regulation.
31 The bill eliminates a current exception that provides for the
32 confidentiality of records relating to a charitable donation
33 made to a foundation acting solely for the support of certain
34 institutions, including a university governed by the state board
35 of regents, the Iowa state fair, or a community college.