

Senate File 493 - Introduced

SENATE FILE 493
BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO SSB 1042)

A BILL FOR

1 An Act prohibiting political subdivisions from using certain
2 moneys to hire lobbyists or pay instrumentalities, and
3 providing penalties.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **68B.9 Use of tax revenue by**
2 **political subdivisions — lobbying restrictions.**

3 1. A political subdivision shall not use moneys received from
4 the imposition of a tax to do any of the following:

5 a. Employ or compensate a lobbyist.

6 b. Pay an instrumentality that employs or compensates a
7 lobbyist.

8 2. a. For purposes of this section, "instrumentality" means
9 an entity to which all of the following apply:

10 (1) The entity serves a governmental purpose or performs a
11 governmental function.

12 (2) The entity operates on behalf of one or more political
13 subdivisions.

14 (3) One or more political subdivisions have the powers and
15 interests of an owner with respect to the entity.

16 (4) Control and supervision of the entity is vested in
17 members of one or more political subdivisions.

18 b. "Instrumentality" includes but is not limited to the
19 following entities:

20 (1) The Iowa league of cities.

21 (2) The Iowa state association of counties and any affiliate
22 of the Iowa state association of counties.

23 (3) The Iowa school board association.

24 c. "Instrumentality" does not include a state, county, or
25 city insurance group entity or an employee benefits group entity.

26 Sec. 2. Section 68B.34, Code 2025, is amended to read as
27 follows:

28 **68B.34 Additional penalty.**

29 In addition to any penalty contained in any other provision
30 of law, a person who knowingly and intentionally violates a
31 provision of sections 68B.2A through ~~68B.8~~ 68B.9, sections 68B.22
32 through 68B.24, or sections 68B.35 through 68B.38 is guilty
33 of a serious misdemeanor and may be reprimanded, suspended, or
34 dismissed from the person's position or otherwise sanctioned.

35 EXPLANATION

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

3 This bill prohibits a political subdivision from using
4 moneys received from the imposition of a tax to employ or
5 compensate a lobbyist, or to pay an instrumentality that employs
6 or compensates a lobbyist. For the purposes of the bill,
7 "instrumentality" is defined and includes, among other entities
8 that meet certain qualifications, the Iowa league of cities, the
9 Iowa state association of counties and any of its affiliates, and
10 the Iowa school board association.

11 When used in Code chapter 68B (government ethics and
12 lobbying), "lobbyist" means an individual who, by acting
13 directly, receives compensation to encourage the passage, defeat,
14 approval, veto, or modification of legislation, a rule, or an
15 executive order by the members of the general assembly, a state
16 agency, or any statewide elected official; is a designated
17 representative of an organization which has as one of its
18 purposes the encouragement of the passage, defeat, approval,
19 veto, or modification of legislation, a rule, or an executive
20 order before the general assembly, a state agency, or any
21 statewide elected official; represents the position of a federal,
22 state, or local government agency, in which the person serves
23 or is employed as the designated representative, for purposes of
24 encouraging the passage, defeat, approval, veto, or modification
25 of legislation, a rule, or an executive order by members of
26 the general assembly, a state agency, or any statewide elected
27 official; or makes expenditures of more than \$1,000 in a year,
28 other than to pay another lobbyist or to communicate with only
29 the members of the general assembly who represent the district
30 in which the individual resides, to communicate in person with
31 members of the general assembly, a state agency, or any statewide
32 elected official for purposes of encouraging the passage, defeat,
33 approval, veto, or modification of legislation, a rule, or an
34 executive order.

35 A person who knowingly and intentionally violates the bill is

1 guilty of a serious misdemeanor and if the person is a lobbyist,
2 the person may be reprimanded, suspended, or dismissed from the
3 person's position or otherwise sanctioned. A serious misdemeanor
4 is punishable by confinement for no more than one year and a fine
5 of at least \$430 but not more than \$2,560.

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