

§ 4. The sanctions provided by this section are in addition to, and not in lieu of, any penalty prescribed by law for the acts against which these sanctions are invoked.

Sec. 15. Sections 135.80 and 135.82, Code 1991, are repealed.

Approved May 30, 1991

CHAPTER 226

CAMPAIGN FINANCE

S.F. 476

AN ACT relating to campaign finance disclosure by changing the definition of a candidate's committee, requiring the reporting to the treasurer of a committee of all contributions received by a person for the committee, requiring disclosure reports of out-of-state political action committees, changing the number of disclosure reports required in nonelection years, providing that the treasurer of a committee is not responsible for filing disclosure reports or liable for civil penalties, directing the use of leftover campaign funds, restricting the uses of campaign funds, providing for the transfer of campaign funds, providing for the ownership and disposition of campaign property, making penalties applicable, prohibiting certain accounts by officeholders, and providing for a civil penalty for violations regarding placement of political signs.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 56.2, subsection 4, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

4. "Candidate's committee" means the committee designated by the candidate to receive contributions, expend funds, or incur indebtedness in the aggregate as follows:

a. For federal, state, or county office, in excess of two hundred fifty dollars in any calendar year on behalf of the candidate.

b. For city or school office, in excess of five hundred dollars in any calendar year on behalf of the candidate.

Sec. 2. Section 56.3, subsection 2, Code 1991, is amended to read as follows:

2. A person who receives contributions ~~in excess of one hundred dollars~~ for a committee shall, not later than fifteen days from the date of receipt of the contributions or on demand of the treasurer, render to the treasurer the contributions and an account of the total of all contributions; including the name and address of each person making a contribution in excess of ten dollars, the amount of the contributions, and the date on which the contributions were received. The treasurer shall deposit all contributions within seven days of receipt by the treasurer in an account maintained by the committee in a financial institution. All funds of a committee shall be segregated from any other funds held by officers, members, or associates of the committee or the committee's candidate. However, if a candidate's committee receives contributions only from the candidate, or if a permanent organization temporarily engages in activity which qualifies it as a political committee and all expenditures of the organization are made from existing general operating funds and funds are not solicited or received for this purpose from sources other than operating funds, then that committee is not required to maintain a separate account in a financial institution. The funds of a committee are not attachable for the personal debt of the committee's candidate or an officer, member, or associate of the committee.

Sec. 3. Section 56.5, subsection 5, Code 1991, is amended to read as follows:

5. A committee not domiciled in Iowa which makes a contribution to a candidate's committee or political committee domiciled in Iowa shall disclose each contribution to the commission. ~~The committee~~ A committee not domiciled in Iowa which is not registered and filing full disclosure reports of all financial activities with the federal election commission or another state's disclosure commission shall register and file full disclosure reports with the commission pursuant to this chapter. A committee which is currently filing a disclosure report in another jurisdiction shall either file a statement of organization under subsections 1 and 2 and file disclosure reports, the same as those required of Iowa-domiciled committees, under section 56.6, or shall file one copy of a verified statement with the commission and a second copy with the treasurer of the committee receiving the contribution. The form shall be completed and filed at the time the contribution is made. The verified statement shall be on forms prescribed by the commission and be attached to the report required of the committee receiving the contribution under section 56.6. The form shall include the complete name, address, and telephone number of the contributing committee, the state or federal jurisdiction under which it is registered or operates, the identification of any parent entity or other affiliates or sponsors, its purpose, the name and address of an Iowa resident authorized to receive service of original notice and the name and address of the receiving committee, the amount of the cash or in-kind contribution, and the date the contribution was made.

Sec. 4. Section 56.5A, Code 1991, is amended to read as follows:

56.5A CANDIDATE'S COMMITTEE.

Each candidate for ~~public~~ federal, state, or county office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions, makes expenditures, or incurs indebtedness in excess of two hundred fifty dollars in a calendar year.

Each candidate for city or school office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions, makes expenditures, or incurs indebtedness in excess of five hundred dollars in a calendar year.

Sec. 5. Section 56.6, subsection 1, paragraph a, Code 1991, is amended to read as follows:

a. Each treasurer of a committee shall file with the commission or commissioner disclosure reports of contributions received and disbursed on forms prescribed by rules as provided by chapter 17A. The reports from all committees, except those committees for municipal and school elective offices and for local ballot issues, shall be filed on the twentieth day or mailed bearing a United States postal service postmark dated on or before the nineteenth day of January, May, July, and October of each year. The May, July, and October reports shall be current as of five days prior to the filing deadline. The January report shall be the annual report covering activity through December 31. However, a state or county statutory political committee is not required to file the May and July reports for a year in which no primary or general election is held. A candidate's committee, other than for municipal and school elective offices, for a year in which the candidate is not standing for election, is not required to file the May, and July, and October reports. Reports for committees for a ballot issue placed before the voters of the entire state shall be filed at the January, May, July, and October deadlines.

Sec. 6. Section 56.10, subsection 4, Code 1991, is amended to read as follows:

4. Adopt rules pursuant to chapter 17A and levy civil penalties to carry out this chapter. The rules shall provide that the candidate, ~~or the treasurer~~ of a candidate's committee, or the chairperson ~~or treasurer~~ of a political committee, is responsible for filing disclosure reports as required by this chapter, and shall receive notice from the commission if the committee has failed to file a disclosure report at the time required by this chapter. A candidate, ~~or treasurer~~ of a candidate's committee, or chairperson ~~or treasurer~~ of a political committee, may be subject to a civil penalty for failure to file a disclosure report required by this chapter if the report has not been filed when required by section 56.6, subsection 1.

Sec. 7. NEW SECTION. 56.12A USE OF PUBLIC MONEYS FOR POLITICAL PURPOSES.

The governing body of a county, city, or other political subdivision of the state shall not expend or permit the expenditure of public moneys for political purposes, including supporting or opposing a ballot issue.

This section shall not be construed to limit the freedom of speech of the governing body of, or the officials or employees of the governing body of, a county, city, or other political subdivision of the state.

Sec. 8. Sections 9 through 13 of this Act are created as a new division of chapter 56.

Sec. 9. NEW SECTION. 56.40 CAMPAIGN FUNDS.

As used in this division, "campaign funds" means contributions to a candidate or candidate's committee which are required by this chapter to be deposited in a separate campaign account.

Sec. 10. NEW SECTION. 56.41 USES OF CAMPAIGN FUNDS.

1. A candidate and the candidate's committee shall use campaign funds only for campaign purposes, and shall not use campaign funds for personal expenses.

2. Campaign funds shall not be used for any of the following purposes:

a. Payment of civil or criminal penalties. However, payment of civil penalties relating to campaign finance and disclosure requirements is permitted.

b. Satisfaction of personal debts, other than campaign loans.

c. Personal services, including the services of attorneys, accountants, physicians, and other professional persons. However, payment for personal services directly related to campaign activities is permitted.

d. Clothing or laundry expense of a candidate or members of the candidate's family.

e. Purchase of or installment payments for a motor vehicle. However, a candidate may lease a motor vehicle during the duration of the campaign if the vehicle will be used for campaign purposes. If a vehicle is leased, detailed records shall be kept on the use of the vehicle and the cost of noncampaign usage shall not be paid from campaign funds. Candidates and campaign workers may be reimbursed for actual mileage for campaign-related travel at a rate not to exceed the current rate of reimbursement allowed under the standard mileage rate method for computation of business expenses pursuant to the Internal Revenue Code.

f. Mortgage payments, rental payments, furnishings, or renovation or improvement expenses for a permanent residence of a candidate or family member, including a residence in the state capital during a term of office or legislative session.

g. Membership in professional organizations.

h. Membership in service organizations, except those organizations which the candidate joins solely for the purpose of enhancing the candidacy.

i. Meals, groceries, or other food expense, except for tickets to meals that the candidate attends solely for the purpose of enhancing the candidacy or the candidacy of another person. However, payment for food and drink purchased for campaign related purposes and for entertainment of campaign volunteers is permitted.

j. Payments clearly in excess of the fair market value of the item or service purchased.

Sec. 11. NEW SECTION. 56.42 TRANSFER OF CAMPAIGN FUNDS.

1. In addition to the uses permitted under section 56.41, a candidate's committee may transfer campaign funds in one or more of the following ways:

a. Contributions to charitable organizations.

b. Contributions to national, state, or local political party central committees, or other candidate's committees.

c. Transfers to the treasurer of state for deposit in the general fund of the state.

d. Return of contributions to contributors on a pro rata basis, except that any contributor who contributed five dollars or less may be excluded from the distribution.

2. If an unexpended balance of campaign funds remains when a candidate ceases to be a candidate or the candidate's committee dissolves, the unexpended balance shall be transferred pursuant to subsection 1.

3. A candidate or candidate's committee making a transfer of campaign funds pursuant to subsection 1 or 2 shall not place any requirements or conditions on the use of the campaign funds transferred.

4. A candidate or candidate's committee shall not transfer campaign funds except as provided in this section.

5. A candidate or candidate's committee shall not transfer campaign funds with the intent of circumventing the requirements of this section.

6. An individual or a political committee shall not knowingly make transfers or contributions to a candidate or candidate's committee for the purpose of transferring the funds to another candidate or candidate's committee to avoid the disclosure of the source of the funds pursuant to this chapter. A candidate or candidate's committee shall not knowingly accept transfers or contributions from an individual or political committee for the purpose of transferring funds to another candidate or candidate's committee as prohibited by this subsection. A candidate or candidate's committee shall not accept transfers or contributions which have been transferred to another candidate or candidate's committee as prohibited by this subsection. The commission shall notify candidates of the prohibition of such transfers and contributions under this subsection.

Sec. 12. NEW SECTION. 56.43 CAMPAIGN PROPERTY.

1. Equipment, supplies, or other materials purchased on or after July 1, 1991, with campaign funds are campaign property. Campaign property belongs to the candidate's committee and not to the candidate.

2. Upon dissolution of the candidate's committee, a report accounting for the disposition of all items of campaign property having a residual value of twenty-five dollars or more shall be filed with the commission. Each item of campaign property having a residual value of twenty-five dollars or more shall be disposed of by one of the following methods:

a. Sale of the property at fair market value, in which case the proceeds shall be treated the same as other campaign funds.

b. Donation of the property under one of the options for transferring campaign funds set forth in section 56.42.

Sec. 13. APPLICABILITY. The restrictions imposed by sections 10 and 11 of this Act apply to all campaign funds held in campaign accounts on and after the effective date of this Act.

Sec. 14. NEW SECTION. 56.44 CERTAIN ACCOUNTS BY OFFICEHOLDERS PROHIBITED.

A holder of public office shall not maintain an account, other than a campaign account, to receive contributions for the purpose of publishing and distributing newsletters or performing other constituent services related to the official duties of public office. This section applies whether or not the officeholder is a candidate.

Sec. 15. 1991 Iowa Acts, Senate File 505,* section 12, if enacted by the Seventy-fourth General Assembly, 1991 Session, is amended to read as follows:

SEC. 12. ANTISEVERABILITY CLAUSE.

Notwithstanding section 4.12, if section 56.36A, subsections 3 or 4, or section 56.37, subsection 3, or the application thereof is invalid, this Act as a whole shall be invalid.

Approved May 30, 1991

*Vetoed by Governor