

Gipp, Ch.
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Reynolds

HSB 89
STATE GOVERNMENT
SUCCESS
SF/HF 630

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

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to campaign finance law and providing penalties.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 56.2, subsection 14, paragraph c, Code
2 2001, is amended by striking the paragraph.

3 Sec. 2. Section 56.12A, unnumbered paragraph 1, Code 2001,
4 is amended to read as follows:

5 ~~The state and the governing body of a county, city, or~~
6 ~~other political subdivision of the state~~ A person shall not
7 expend or permit the expenditure of public moneys for
8 political purposes, including expressly advocating the passage
9 or defeat of a ballot issue.

10 Sec. 3. Section 56.13, Code 2001, is amended by striking
11 the section and inserting in lieu thereof the following:

12 56.13 INDEPENDENT EXPENDITURES.

13 1. Any individual who meets all of the following criteria
14 shall file an independent expenditure statement with the board
15 or commissioner with whom the benefited committee files
16 statements and reports under this chapter:

17 a. The individual is not a candidate.

18 b. The individual is acting independently and not in
19 coordination with another individual, organization, or
20 committee.

21 c. The individual makes one or more expenditures in excess
22 of five hundred dollars in the aggregate, or incurs
23 indebtedness in excess of five hundred dollars in the
24 aggregate, to expressly advocate the election or defeat of a
25 clearly identified candidate or the passage or defeat of a
26 ballot issue.

27 2. Any combination of two or more individuals, or a person
28 other than an individual, that makes one or more expenditures
29 in excess of five hundred dollars in the aggregate, or incurs
30 indebtedness in excess of five hundred dollars in the
31 aggregate, to expressly advocate the election or defeat of a
32 clearly identified candidate or the passage or defeat of a
33 ballot issue, shall file an independent expenditure statement
34 with the board or commissioner where the benefited committee
35 files statements and reports under this chapter.

1 3. An independent expenditure statement shall be filed
2 within ten days of the making of any expenditure or incurring
3 of indebtedness that exceeds the five hundred dollar aggregate
4 threshold.

5 4. The independent expenditure statement shall contain all
6 of the following information:

7 a. Identification of the individuals or persons filing the
8 statement.

9 b. Description of the position advocated by the
10 individuals or persons with regard to the clearly identified
11 candidate or ballot issue.

12 c. Identification of the candidate or ballot issue
13 benefited by the independent expenditure.

14 d. The dates on which the expenditures or incurrence of
15 indebtedness took place.

16 e. Description of the nature of the action taken that
17 resulted in the expenditures or debts.

18 f. The fair market value of the expenditures.

19 5. The filing requirements of this section shall apply in
20 addition to any other applicable filing requirements under
21 this chapter.

22 6. The board shall develop, prescribe, furnish, and
23 distribute forms for the independent expenditure statements
24 required by this section.

25 Sec. 4. Section 56.14, Code 2001, is amended to read as
26 follows:

27 56.14 POLITICAL CONTRIBUTION STATEMENT ON PUBLISHED
28 MATERIAL ---YARD-SIGNS.

29 1. a. A person who causes the publication or distribution
30 of published material designed to expressly advocate the
31 nomination, election, or defeat of a candidate for public
32 office or the passage or defeat of a constitutional amendment
33 or public-measure ballot issue shall include conspicuously on
34 the published material the identity and address of the person
35 responsible for the material.

1 a. If the person responsible is an organization, the name
2 of one officer of the organization shall appear on the
3 material. However, if the organization is a registered
4 committee which has filed a statement of organization under
5 this chapter, only the name of the committee is required to be
6 included on the published material.

7 b. Published material designed to expressly advocate the
8 nomination, election, or defeat of a candidate for public
9 office or the passage or defeat of a constitutional amendment
10 or public-measure ballot issue which contains language or
11 depictions which a reasonable person would understand as
12 asserting that an entity which is incorporated or is a
13 registered committee had authored the material shall, if the
14 entity is not incorporated or a registered committee, include
15 conspicuously on the published material a statement that the
16 apparent organization or committee is not incorporated or a
17 registered committee in addition to the attribution statement
18 required by this section.

19 2. For purposes of this section, "registered:

20 a. "Registered committee" means a committee which has an
21 active statement of organization filed under section 56.5.

22 b. "Published material" means any newspaper, magazine,
23 shopper, outdoor advertising facility, poster, direct mailing,
24 brochure, or any other form of printed general public
25 political advertising; however, the identification need not be
26 conspicuous on posters. This subsection does not apply to
27 yard signs, bumper stickers, pins, buttons, pens, matchbooks,
28 and similar small items upon which the inclusion of the
29 attribution statement would be impracticable or to published
30 material which is subject to federal regulations regarding an
31 attribution requirement.

32 b: 3. This subsection section does not apply to the
33 editorials or news articles of a newspaper or magazine which
34 are not political advertisements. For-the-purpose-of-this
35 subsection, "published material" means any newspaper,

1 magazine, shopper, outdoor advertising facility, poster,
 2 direct mailing, brochure, or any other form of printed general
 3 public political advertising, however, the identification need
 4 not be conspicuous on posters. --- This subsection does not apply
 5 to yard signs, bumper stickers, pins, buttons, pens,
 6 matchbooks, and similar small items upon which the inclusion
 7 of the attribution statement would be impracticable or to
 8 published material which is subject to federal regulations
 9 regarding an attribution requirement.

10 c. 4. This subsection section shall not be construed to
 11 require the inclusion on published material of information
 12 which discloses the identity or address of any individual who
 13 is acting independently and using the individual's own modest
 14 resources expends five hundred dollars or less to publish or
 15 distribute the material that expressly advocates the passage
 16 or defeat of a ballot issue.

17 2.---a.---Yard signs shall not be placed on any property
 18 which adjoins a city, county, or state roadway sooner than
 19 forty-five days preceding a primary or general election and
 20 shall be removed within seven days after the primary or
 21 general election in which the name of the particular candidate
 22 or ballot issue described on the yard sign appears on the
 23 ballot.---Yard signs are subject to removal by highway
 24 authorities as provided in section 319.13, or by county or
 25 city law enforcement authorities in a manner consistent with
 26 section 319.13.---The placement or erection of yard signs shall
 27 be exempt from the requirements of chapter 480.---Notice may be
 28 provided to the chairperson of the appropriate county central
 29 committee if the highway authorities are unable to provide
 30 notice to the candidate, candidate's committee, or political
 31 committee regarding the yard sign.

32 b.---This subsection does not prohibit the placement of yard
 33 signs on agricultural land owned by individuals or by a family
 34 farm operation as defined in section 9H.17 subsections 8, 8A,
 35 9, and 10, does not prohibit the placement of yard signs on

~~1 property-owned-by-private-individuals-who-have-rented-or
2 leased-the-property-to-a-corporation,-if-the-prior-written
3 permission-of-the-property-owner-is-obtained,-and-does-not
4 prohibit-the-placement-of-yard-signs-on-residential-property
5 owned-by-a-corporation-but-rented-or-leased-to-a-private
6 individual-if-the-prior-permission-of-the-renter-or-lessee-is
7 obtained.--For-the-purposes-of-this-chapter,-"agricultural
8 land"-means-agricultural-land-as-defined-in-section-9H.1.~~

9 Sec. 5. NEW SECTION. 56.14A YARD SIGNS.

10 1. a. Yard signs shall only be placed upon residential
11 property with the permission of the property owner.

12 b. This subsection does not prohibit placement of yard
13 signs on any of the following property:

14 (1) Agricultural land owned by individuals or by a family
15 farm operation as defined in section 9H.1, subsections 8, 8A,
16 9, and 10. For the purposes of this subsection, "agricultural
17 land" means agricultural land as defined in section 9H.1.

18 (2) Property owned by private individuals who have rented
19 or leased the property to a corporation, if the prior written
20 permission of the renter or lessee is obtained.

21 (3) Residential property owned by a corporation but rented
22 or leased to a private individual, if the prior permission of
23 the renter or lessee is obtained.

24 2. a. Yard signs with dimensions of sixteen square feet
25 or less that are posted on real property are exempt from the
26 attribution statement requirements in section 56.14.

27 b. The following signs shall bear the attribution
28 statement required by section 56.14:

29 (1) Campaign signs in excess of sixteen square feet.

30 (2) Any sign affixed to a building or vehicle.

31 3. A person shall not alter, remove, move, vandalize,
32 deface, or destroy any sign that expressly advocates the
33 election or defeat of a clearly identified candidate or the
34 passage or defeat of a ballot issue without the prior
35 permission of the owner of the sign.

1 Sec. 6. Section 56.22, subsection 2, Code 2001, is amended
2 to read as follows:

3 2. Funds distributed to statutory political committees
4 pursuant to this chapter shall not be used to expressly
5 advocate the nomination, election, or defeat of any candidate
6 during the primary election. Nothing in this subsection shall
7 be construed to prohibit a statutory political committee from
8 using such funds to pay expenses incurred in arranging and
9 holding a nominating convention.

10 Sec. 7. Section 56.43, subsection 1, Code 2001, is amended
11 to read as follows:

12 1. Equipment, supplies, or other materials purchased with
13 campaign funds or received in-kind are campaign property.
14 Campaign property belongs to the candidate's committee and not
15 to the candidate. Campaign property which has a value of five
16 hundred dollars or more at the time it is acquired by the
17 committee shall be separately disclosed as committee inventory
18 on reports filed pursuant to section 56.6, including a
19 declaration of the approximate current value of the property.
20 Such property shall continue to be reported as committee
21 inventory until it is disposed of by the committee or until
22 the property has a residual value of less than one hundred
23 dollars. Once the property is reported as having a residual
24 value of less than one hundred dollars, the property is no
25 longer required to be reported. However, consumable campaign
26 property is not required to be reported as committee
27 inventory, regardless of the initial value of the consumable
28 campaign property. "Consumable campaign property" means
29 stationery, yard signs, and other campaign materials which
30 have been permanently imprinted to be specific to a candidate
31 or election.

32 Sec. 8. IMPLEMENTATION OF ACT. Section 25B.2, subsection
33 3, shall not apply to this Act.

34 EXPLANATION

35 This bill amends certain provisions of Code chapter 56

1 pertaining to campaign finance law.

2 The bill strikes part of the definition of "express
3 advocacy" in Code section 56.2, subsection 14. The United
4 States court of appeals for the eighth circuit has held that
5 the language in that portion of the definition is
6 unconstitutional.

7 The bill amends Code section 56.12A to prohibit any person
8 from using public moneys for political purposes. The current
9 statute prohibits only the state and political subdivisions
10 from making such expenditures.

11 The bill replaces language in Code section 56.13 relating
12 to independent expenditures and removes certain provisions
13 held to be unconstitutional by the United States court of
14 appeals for the eighth circuit. The new language requires the
15 filing by individuals or certain persons of an independent
16 expenditure statement within 10 days of making an expenditure
17 or incurring an indebtedness exceeding \$500 in the aggregate
18 to expressly advocate the election or defeat of a clearly
19 identified candidate or the passage or defeat of a ballot
20 issue. The new language specifies the criteria for filing, as
21 well as the contents of the statement.

22 The bill amends and reorganizes Code section 56.14 relating
23 to attribution statements on political material and to yard
24 signs. The bill specifies a \$500 limit for political material
25 that can be distributed by an individual to expressly advocate
26 the passage or defeat of a ballot issue, rather than the
27 current limit of the individual's "modest resources" regarding
28 candidates or ballot issues.

29 The bill removes restrictions on the placement of yard
30 signs held to be unconstitutional by the United States court
31 of appeals for the eighth circuit.

32 The bill also places current provisions pertaining to
33 placement of yard signs on certain types of property in a
34 separate Code section, 56.14A. The new Code section also
35 provides that certain signs are not required to bear the

1 attribution statement required by Code section 56.14.

2 The bill prohibits the movement or destruction of yard
3 signs without the sign owner's permission. Violations of this
4 provision are punishable as a serious misdemeanor under Code
5 section 56.16. A serious misdemeanor is punishable by
6 confinement for no more than one year and a fine of at least
7 \$250 but not more than \$1,500.

8 The bill adds language to Code section 56.22 to prohibit
9 parties from using funds received pursuant to the income-tax
10 checkoff under Code section 56.18 only during the primary
11 election.

12 The bill also specifies that campaign property having a
13 residual value of less than \$100 does not need to be reported.

14 This bill may include a state mandate as defined in Code
15 section 25B.3. The bill makes inapplicable Code section
16 25B.2, subsection 3, which would relieve a political
17 subdivision from complying with a state mandate if funding for
18 the cost of the state mandate is not provided or specified.
19 Therefore, political subdivisions are required to comply with
20 any state mandate included in this bill.

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THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD
KAY WILLIAMS, EXECUTIVE DIRECTOR

TO: MEMBERS OF 2001 IOWA GENERAL ASSEMBLY
FROM: W. CHARLES SMITHSON, LEGAL COUNSEL WCS
DATE: JANUARY 25, 2001
Re: IECDB DEPARTMENTAL BILL FOR CAMPAIGN FINANCE

On behalf of the Iowa Ethics and Campaign Disclosure Board, I hereby respectfully submit the Board's 2001 Departmental Bill concerning the campaign finance laws in Iowa Code chapter 56. The provisions in this bill are for the following purposes:

1. Repeal the section of "express advocacy" in Iowa Code section 56.2(14)"c" that was ruled unconstitutional by the United States 8th Circuit Court of Appeals in 1999. The other sections of the definition are constitutional and do not need to be amended.
2. Amend Iowa Code section 56.12A by prohibiting any person from using public resources for a political purpose. Currently, the prohibition only applies to the government and its employees while private sector citizens are able to use taxpayer-funded items for political purposes.
3. Repeal Iowa Code section 56.13 concerning "independent expenditures" that was ruled unconstitutional by the United States 8th Circuit Court of Appeals in 1999. The amended language would put into Code a statute that is constitutional.
4. Amend Iowa Code section 56.14 by repealing time limits on the erection of campaign signs that was ruled unconstitutional by the United States Court of Appeals in 1995. The proposed legislation is also a "technical cleanup" of the statute.
5. Place into the Code a separate statute that deals exclusively with yard signs. Currently, there is no clear statutory provision to govern the requirements concerning yard signs and the Board receives more complaints about yard signs than any other issue.
6. Amend Iowa Code 56.22(2) by clarifying that Income Tax-Checkoff funds may not be used by state parties to benefit candidates during the primary election. This is not clear from the current statutory framework.
7. Amend Iowa Code section 56.43 to require campaign property be reported one time after it has a residual value of less than \$100, then never again. Currently, the Board is unsure of whether previously reported property is now less than \$100 or the campaign failed to report the property. The amendment would cease needless correspondence on the issue.

The overriding purpose of the bill is to better serve everyone involved in the process by having easier to read statutes and constitutional provisions in the law. I look forward to working with the 2001 Iowa General Assembly to achieve the goals set out in the proposed legislation.

MAR 16 2001
Place On Calendar

HOUSE FILE 630
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 89)

Passed House, Date ^(P.845) 3/22/01 Passed Senate, Date _____
Vote: Ayes 98 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to campaign finance law and providing penalties.

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

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HF 630

1 Section 1. Section 56.2, subsection 14, paragraph c, Code
2 2001, is amended by striking the paragraph.

3 Sec. 2. Section 56.12A, unnumbered paragraph 1, Code 2001,
4 is amended to read as follows:

5 ~~The state and the governing body of a county, city, or~~
6 ~~other political subdivision of the state~~ A person shall not
7 expend or permit the expenditure of public moneys for
8 political purposes, including expressly advocating the passage
9 or defeat of a ballot issue.

10 Sec. 3. Section 56.13, Code 2001, is amended by striking
11 the section and inserting in lieu thereof the following:

12 56.13 INDEPENDENT EXPENDITURES.

13 1. Any individual who meets all of the following criteria
14 shall file an independent expenditure statement with the board
15 or commissioner with whom the benefited committee files
16 statements and reports under this chapter:

17 a. The individual is not a candidate.

18 b. The individual is acting independently and not in
19 coordination with another individual, organization, or
20 committee.

21 c. The individual makes one or more expenditures in excess
22 of five hundred dollars in the aggregate, or incurs
23 indebtedness in excess of five hundred dollars in the
24 aggregate, to expressly advocate the election or defeat of a
25 clearly identified candidate or the passage or defeat of a
26 ballot issue.

27 2. Any combination of two or more individuals, or a person
28 other than an individual, that makes one or more expenditures
29 in excess of five hundred dollars in the aggregate, or incurs
30 indebtedness in excess of five hundred dollars in the
31 aggregate, to expressly advocate the election or defeat of a
32 clearly identified candidate or the passage or defeat of a
33 ballot issue, shall file an independent expenditure statement
34 with the board or commissioner where the benefited committee
35 files statements and reports under this chapter.

1 3. An independent expenditure statement shall be filed
2 within ten days of the making of any expenditure or incurring
3 of indebtedness that exceeds the five hundred dollar aggregate
4 threshold.

5 4. The independent expenditure statement shall contain all
6 of the following information:

7 a. Identification of the individuals or persons filing the
8 statement.

9 b. Description of the position advocated by the
10 individuals or persons with regard to the clearly identified
11 candidate or ballot issue.

12 c. Identification of the candidate or ballot issue
13 benefited by the independent expenditure.

14 d. The dates on which the expenditures or incurrence of
15 indebtedness took place.

16 e. Description of the nature of the action taken that
17 resulted in the expenditures or debts.

18 f. The fair market value of the expenditures.

19 5. The filing requirements of this section shall apply in
20 addition to any other applicable filing requirements under
21 this chapter.

22 6. The board shall develop, prescribe, furnish, and
23 distribute forms for the independent expenditure statements
24 required by this section.

25 Sec. 4. Section 56.14, Code 2001, is amended to read as
26 follows:

27 56.14 POLITICAL CONTRIBUTION STATEMENT ON PUBLISHED
28 MATERIAL ---YARD-SIGNS.

29 1. a. A person who causes the publication or distribution
30 of published material designed to expressly advocate the
31 nomination, election, or defeat of a candidate for public
32 office or the passage or defeat of a constitutional amendment
33 or public-measure ballot issue shall include conspicuously on
34 the published material the identity and address of the person
35 responsible for the material.

1 a. If the person responsible is an organization, the name
2 of one officer of the organization shall appear on the
3 material. However, if the organization is a registered
4 ~~committee which has filed a statement of organization under~~
5 ~~this chapter~~, only the name of the committee is required to be
6 included on the published material.

7 b. Published material designed to expressly advocate the
8 nomination, election, or defeat of a candidate for public
9 office or the passage or defeat of a constitutional amendment
10 or public-measure ballot issue which contains language or
11 depictions which a reasonable person would understand as
12 asserting that an entity which is incorporated or is a
13 registered committee had authored the material shall, if the
14 entity is not incorporated or a registered committee, include
15 conspicuously on the published material a statement that the
16 apparent organization or committee is not incorporated or a
17 registered committee in addition to the attribution statement
18 required by this section.

19 2. For purposes of this section, "registered:

20 a. "Registered committee" means a committee which has an
21 active statement of organization filed under section 56.5.

22 b. "Published material" means any newspaper, magazine,
23 shopper, direct mailing, brochure, or any other form of
24 printed general public political advertising. This subsection
25 does not apply to yard signs, any sign or poster with a
26 dimension of sixteen square feet or less affixed to a building
27 or vehicle, bumper stickers, pins, buttons, pens, matchbooks,
28 and similar small items upon which the inclusion of the
29 attribution statement would be impracticable or to published
30 material which is subject to federal regulations regarding an
31 attribution requirement.

32 b- 3. This subsection section does not apply to the
33 editorials or news articles of a newspaper or magazine which
34 are not political advertisements. ~~For the purpose of this~~
35 ~~subsection, "published material" means any newspaper,~~

1 magazine, shopper, outdoor advertising facility, poster,
2 direct mailing, brochure, or any other form of printed general
3 public political advertising, however, the identification need
4 not be conspicuous on posters. -- This subsection does not apply
5 to yard signs, bumper stickers, pins, buttons, pens,
6 matchbooks, and similar small items upon which the inclusion
7 of the attribution statement would be impracticable or to
8 published material which is subject to federal regulations
9 regarding an attribution requirement.

10 e. 4. This subsection section shall not be construed to
11 require the inclusion on published material of information
12 which discloses the identity or address of any individual who
13 is acting independently and using the individual's own modest
14 resources expends five hundred dollars or less to publish or
15 distribute the material that expressly advocates the passage
16 or defeat of a ballot issue.

17 2. -- a. -- Yard signs shall not be placed on any property
18 which adjoins a city, county, or state roadway sooner than
19 forty-five days preceding a primary or general election and
20 shall be removed within seven days after the primary or
21 general election in which the name of the particular candidate
22 or ballot issue described on the yard sign appears on the
23 ballot. -- Yard signs are subject to removal by highway
24 authorities as provided in section 319.13, or by county or
25 city law enforcement authorities in a manner consistent with
26 section 319.13. -- The placement or erection of yard signs shall
27 be exempt from the requirements of chapter 480. -- Notice may be
28 provided to the chairperson of the appropriate county central
29 committee if the highway authorities are unable to provide
30 notice to the candidate, candidate's committee, or political
31 committee regarding the yard sign.

32 b. -- This subsection does not prohibit the placement of yard
33 signs on agricultural land owned by individuals or by a family
34 farm operation as defined in section 9H.1, subsections 8, 8A,
35 9, and 10, does not prohibit the placement of yard signs on

~~1 property-owned-by-private-individuals-who-have-rented-or
2 leased-the-property-to-a-corporation,if-the-prior-written
3 permission-of-the-property-owner-is-obtained,-and-does-not
4 prohibit-the-placement-of-yard-signs-on-residential-property
5 owned-by-a-corporation-but-rented-or-leased-to-a-private
6 individual-if-the-prior-permission-of-the-renter-or-lessee-is
7 obtained.--For-the-purposes-of-this-chapter,"agricultural
8 land"-means-agricultural-land-as-defined-in-section-9H.1-~~

9 Sec. 5. NEW SECTION. 56.14A YARD SIGNS.

10 1. a. Yard signs shall only be placed upon residential
11 property with the permission of the property owner or
12 occupant.

13 b. This subsection does not prohibit placement of yard
14 signs on any of the following property:

15 (1) Agricultural land owned by individuals or by a family
16 farm operation as defined in section 9H.1, subsections 8, 8A,
17 9, and 10. For the purposes of this subsection, "agricultural
18 land" means agricultural land as defined in section 9H.1.

19 (2) Property owned by private individuals who have rented
20 or leased the property to a corporation, if the prior written
21 permission of the renter or lessee is obtained.

22 (3) Residential property owned by a corporation but rented
23 or leased to a private individual, if the prior permission of
24 the renter or lessee is obtained.

25 2. Yard signs with dimensions of sixteen square feet or
26 less are exempt from the attribution statement requirements in
27 section 56.14.

28 3. A person shall not alter, remove, move, vandalize,
29 deface, or destroy any sign that expressly advocates the
30 election or defeat of a clearly identified candidate or the
31 passage or defeat of a ballot issue without the prior
32 permission of the owner of the sign.

33 Sec. 6. Section 56.22, subsection 2, Code 2001, is amended
34 to read as follows:

35 2. Funds distributed to statutory political committees

1 pursuant to this chapter shall not be used to expressly
2 advocate the nomination, election, or defeat of any candidate
3 during the primary election. Nothing in this subsection shall
4 be construed to prohibit a statutory political committee from
5 using such funds to pay expenses incurred in arranging and
6 holding a nominating convention.

7 Sec. 7. Section 56.43, subsection 1, Code 2001, is amended
8 to read as follows:

9 1. Equipment, supplies, or other materials purchased with
10 campaign funds or received in-kind are campaign property.
11 Campaign property belongs to the candidate's committee and not
12 to the candidate. Campaign property which has a value of five
13 hundred dollars or more at the time it is acquired by the
14 committee shall be separately disclosed as committee inventory
15 on reports filed pursuant to section 56.6, including a
16 declaration of the approximate current value of the property.
17 Such property shall continue to be reported as committee
18 inventory until it is disposed of by the committee or until
19 the property has a residual value of less than one hundred
20 dollars. Once the property is reported as having a residual
21 value of less than one hundred dollars, the property is no
22 longer required to be reported. However, consumable campaign
23 property is not required to be reported as committee
24 inventory, regardless of the initial value of the consumable
25 campaign property. "Consumable campaign property" means
26 stationery, yard signs, and other campaign materials which
27 have been permanently imprinted to be specific to a candidate
28 or election.

29 Sec. 8. IMPLEMENTATION OF ACT. Section 25B.2, subsection
30 3, shall not apply to this Act.

31 EXPLANATION

32 This bill amends certain provisions of Code chapter 56
33 pertaining to campaign finance law.

34 The bill strikes part of the definition of "express
35 advocacy" in Code section 56.2, subsection 14. The United

1 States court of appeals for the eighth circuit has held that
2 the language in that portion of the definition is
3 unconstitutional.

4 The bill amends Code section 56.12A to prohibit any person
5 from using public moneys for political purposes. The current
6 statute prohibits only the state and political subdivisions
7 from making such expenditures.

8 The bill replaces language in Code section 56.13 relating
9 to independent expenditures and removes certain provisions
10 held to be unconstitutional by the United States court of
11 appeals for the eighth circuit. The new language requires the
12 filing by individuals or certain persons of an independent
13 expenditure statement within 10 days of making an expenditure
14 or incurring an indebtedness exceeding \$500 in the aggregate
15 to expressly advocate the election or defeat of a clearly
16 identified candidate or the passage or defeat of a ballot
17 issue. The new language specifies the criteria for filing, as
18 well as the contents of the statement.

19 The bill amends and reorganizes Code section 56.14 relating
20 to attribution statements on political material and to yard
21 signs. The bill specifies a \$500 limit for political material
22 that can be distributed by an individual to expressly advocate
23 the passage or defeat of a ballot issue, rather than the
24 current limit of the individual's "modest resources" regarding
25 candidates or ballot issues.

26 The bill removes restrictions on the placement of yard
27 signs held to be unconstitutional by the United States court
28 of appeals for the eighth circuit.

29 The bill also places current provisions pertaining to
30 placement of yard signs on certain types of property in a
31 separate Code section, 56.14A. The new Code section also
32 provides that yard signs with dimensions of 16 square feet or
33 less are exempt from attribution statement requirements in
34 Code section 56.14.

35 The bill prohibits the movement or destruction of yard

1 signs without the sign owner's permission. Violations of this
2 provision are punishable as a serious misdemeanor under Code
3 section 56.16. A serious misdemeanor is punishable by
4 confinement for no more than one year and a fine of at least
5 \$250 but not more than \$1,500.

6 The bill adds language to Code section 56.22 to prohibit
7 parties from using funds received pursuant to the income-tax
8 checkoff under Code section 56.18 only during the primary
9 election.

10 The bill also specifies that campaign property having a
11 residual value of less than \$100 does not need to be reported.

12 This bill may include a state mandate as defined in Code
13 section 25B.3. The bill makes inapplicable Code section
14 25B.2, subsection 3, which would relieve a political
15 subdivision from complying with a state mandate if funding for
16 the cost of the state mandate is not provided or specified.
17 Therefore, political subdivisions are required to comply with
18 any state mandate included in this bill.

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HOUSE FILE 630

H-1283

1 Amend House File 630 as follows:

2 1. Page 5, line 10, by striking the word "Yard"
3 and inserting the following: "Except as otherwise
4 provided in this section, yard".

5 2. Page 5, line 17, by inserting after the word
6 and figure "and 10" the following: ", if the prior
7 permission of the occupant of the property is
8 obtained".

9 3. Page 5, line 20, by striking the word
10 "written".

11 4. Page 5, line 21, by striking the words "renter
12 or lessee" and inserting the following:
13 "corporation".

14 5. Page 5, line 24, by striking the words "renter
15 or lessee" and inserting the following: "private
16 individual".

17 6. Page 5, by inserting after line 24 the
18 following:

19 "(4) Property owned by a private individual that
20 has been zoned for commercial purposes, provided that
21 the prior permission of the private individual is
22 obtained.

23 (5) Any other property, including vacant lots,
24 owned by a private individual, provided that the
25 permission of the private individual is obtained."

26 7. Page 5, by inserting after line 32 the
27 following:

28 "Sec. ____ . Section 56.15, subsection 4, unnumbered
29 paragraph 2, Code 2001, is amended by striking the
30 unnumbered paragraph."

31 8. By renumbering and correcting internal
32 references as necessary.

By GIPP of Winneshiek

H-1283 FILED MARCH 21, 2001

adapted
3/22/01
(p. 844)

HOUSE FILE 630
FISCAL NOTE

The estimate for **House File 630** is hereby submitted as a fiscal note pursuant to Joint Rule 17 and as a correctional impact statement pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 630 makes changes to current campaign finance laws including: the use of public moneys for political purposes, independent expenditures, attribution statements on political material, placement of yard signs, the income-tax checkoff, and campaign property values. This Bill also provides for the penalty of moving or destroying yard signs without the sign owner's permission as a serious misdemeanor.

ASSUMPTIONS

1. Charge, conviction, and sentencing patterns and trends will not change over the projection period.
2. Prisoner length of stay, revocation rates, and other corrections' practices and policies will not change over the projection period.
3. The law will become effective July 1, 2001. A lag effect of six months is assumed, from the effective date of the change in the law to the date of first entry of affected offenders into the correctional system.
4. The analysis is based on information obtained from the Justice Data Warehouse, which includes statewide court information. Conviction and penalty information is based on FY 2000 data.
5. The marginal cost per day for Community-Based Corrections is \$16 per offender.
6. The median cost per case for the State Public Defender to defend serious misdemeanors is \$750.
7. Court costs vary by type of offense charged as well as contested versus uncontested cases. Trial costs for a serious misdemeanor case range from approximately \$350 to \$3,000.
8. Average length of stay for serious misdemeanors is six months in Community-Based Corrections.
9. As per the Justice Data Warehouse, there have been no convictions for cases initiated on or after September 1, 1997, under Chapter 56, Code of Iowa.

CORRECTIONAL IMPACT

PAGE 2 , FISCAL NOTE, HOUSE FILE 630

-2-

House File 630 is not expected to have a significant correctional impact.

FISCAL IMPACT

The fiscal impact of House File 630 cannot be determined, but is not expected to be significant. The estimated cost for one offender is approximately \$350 for an uncontested case and approximately \$6,000 for a contested case.

SOURCES

Department of Corrections
Department of Human Rights, Criminal and Juvenile Justice Planning Division
Judicial Branch
Ethics and Campaign Disclosure Board
State Public Defender

(LSB 1237hv, CRS)

FILED MARCH 20, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 630
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 89)

(As Amended and Passed by the House March 22, 2001)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to campaign finance law and providing penalties.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____
Deleted Language *

1 Section 1. Section 56.2, subsection 14, paragraph c, Code
2 2001, is amended by striking the paragraph.

3 Sec. 2. Section 56.12A, unnumbered paragraph 1, Code 2001,
4 is amended to read as follows:

5 ~~The state and the governing body of a county, city, or~~
6 ~~other political subdivision of the state~~ A person shall not
7 expend or permit the expenditure of public moneys for
8 political purposes, including expressly advocating the passage
9 or defeat of a ballot issue.

10 Sec. 3. Section 56.13, Code 2001, is amended by striking
11 the section and inserting in lieu thereof the following:

12 56.13 INDEPENDENT EXPENDITURES.

13 1. Any individual who meets all of the following criteria
14 shall file an independent expenditure statement with the board
15 or commissioner with whom the benefited committee files
16 statements and reports under this chapter:

17 a. The individual is not a candidate.

18 b. The individual is acting independently and not in
19 coordination with another individual, organization, or
20 committee.

21 c. The individual makes one or more expenditures in excess
22 of five hundred dollars in the aggregate, or incurs
23 indebtedness in excess of five hundred dollars in the
24 aggregate, to expressly advocate the election or defeat of a
25 clearly identified candidate or the passage or defeat of a
26 ballot issue.

27 2. Any combination of two or more individuals, or a person
28 other than an individual, that makes one or more expenditures
29 in excess of five hundred dollars in the aggregate, or incurs
30 indebtedness in excess of five hundred dollars in the
31 aggregate, to expressly advocate the election or defeat of a
32 clearly identified candidate or the passage or defeat of a
33 ballot issue, shall file an independent expenditure statement
34 with the board or commissioner where the benefited committee
35 files statements and reports under this chapter.

1 3. An independent expenditure statement shall be filed
2 within ten days of the making of any expenditure or incurring
3 of indebtedness that exceeds the five hundred dollar aggregate
4 threshold.

5 4. The independent expenditure statement shall contain all
6 of the following information:

7 a. Identification of the individuals or persons filing the
8 statement.

9 b. Description of the position advocated by the
10 individuals or persons with regard to the clearly identified
11 candidate or ballot issue.

12 c. Identification of the candidate or ballot issue
13 benefited by the independent expenditure.

14 d. The dates on which the expenditures or incurrence of
15 indebtedness took place.

16 e. Description of the nature of the action taken that
17 resulted in the expenditures or debts.

18 f. The fair market value of the expenditures.

19 5. The filing requirements of this section shall apply in
20 addition to any other applicable filing requirements under
21 this chapter.

22 6. The board shall develop, prescribe, furnish, and
23 distribute forms for the independent expenditure statements
24 required by this section.

25 Sec. 4. Section 56.14, Code 2001, is amended to read as
26 follows:

27 56.14 POLITICAL CONTRIBUTION STATEMENT ON PUBLISHED
28 MATERIAL ---YARD-SIGNS.

29 1. a. A person who causes the publication or distribution
30 of published material designed to expressly advocate the
31 nomination, election, or defeat of a candidate for public
32 office or the passage or defeat of a constitutional amendment
33 or public-measure ballot issue shall include conspicuously on
34 the published material the identity and address of the person
35 responsible for the material.

1 a. If the person responsible is an organization, the name
2 of one officer of the organization shall appear on the
3 material. However, if the organization is a registered
4 ~~committee which has filed a statement of organization under~~
5 ~~this chapter~~, only the name of the committee is required to be
6 included on the published material.

7 b. Published material designed to expressly advocate the
8 nomination, election, or defeat of a candidate for public
9 office or the passage or defeat of a constitutional amendment
10 or public-measure ballot issue which contains language or
11 depictions which a reasonable person would understand as
12 asserting that an entity which is incorporated or is a
13 registered committee had authored the material shall, if the
14 entity is not incorporated or a registered committee, include
15 conspicuously on the published material a statement that the
16 apparent organization or committee is not incorporated or a
17 registered committee in addition to the attribution statement
18 required by this section.

19 2. For purposes of this section, "registered:

20 a. "Registered committee" means a committee which has an
21 active statement of organization filed under section 56.5.

22 b. "Published material" means any newspaper, magazine,
23 shopper, direct mailing, brochure, or any other form of
24 printed general public political advertising. This subsection
25 does not apply to yard signs, any sign or poster with a
26 dimension of sixteen square feet or less affixed to a building
27 or vehicle, bumper stickers, pins, buttons, pens, matchbooks,
28 and similar small items upon which the inclusion of the
29 attribution statement would be impracticable or to published
30 material which is subject to federal regulations regarding an
31 attribution requirement.

32 b- 3. This subsection section does not apply to the
33 editorials or news articles of a newspaper or magazine which
34 are not political advertisements. For-the-purpose-of-this
35 subsection, "published material" means any newspaper,

1 magazine, shopper, outdoor advertising facility, poster,
2 direct mailing, brochure, or any other form of printed general
3 public political advertising, however, the identification need
4 not be conspicuous on posters. -- This subsection does not apply
5 to yard signs, bumper stickers, pins, buttons, pens,
6 matchbooks, and similar small items upon which the inclusion
7 of the attribution statement would be impracticable or to
8 published material which is subject to federal regulations
9 regarding an attribution requirement.

10 c. 4. This subsection section shall not be construed to
11 require the inclusion on published material of information
12 which discloses the identity or address of any individual who
13 is acting independently and using the individual's own modest
14 resources expends five hundred dollars or less to publish or
15 distribute the material that expressly advocates the passage
16 or defeat of a ballot issue.

17 2. -- a. -- Yard signs shall not be placed on any property
18 which adjoins a city, county, or state roadway sooner than
19 forty-five days preceding a primary or general election and
20 shall be removed within seven days after the primary or
21 general election in which the name of the particular candidate
22 or ballot issue described on the yard sign appears on the
23 ballot. -- Yard signs are subject to removal by highway
24 authorities as provided in section 319.13, or by county or
25 city law enforcement authorities in a manner consistent with
26 section 319.13. -- The placement or erection of yard signs shall
27 be exempt from the requirements of chapter 480. -- Notice may be
28 provided to the chairperson of the appropriate county central
29 committee if the highway authorities are unable to provide
30 notice to the candidate, candidate's committee, or political
31 committee regarding the yard sign.

32 b. -- This subsection does not prohibit the placement of yard
33 signs on agricultural land owned by individuals or by a family
34 farm operation as defined in section 9H.17, subsections 8, 8A,
35 9, and 10, does not prohibit the placement of yard signs on

1 ~~property-owned-by-private-individuals-who-have-rented-or~~
2 ~~leased-the-property-to-a-corporation,-if-the-prior-written~~
3 ~~permission-of-the-property-owner-is-obtained,-and-does-not~~
4 ~~prohibit-the-placement-of-yard-signs-on-residential-property~~
5 ~~owned-by-a-corporation-but-rented-or-leased-to-a-private~~
6 ~~individual-if-the-prior-permission-of-the-renter-or-lessee-is~~
7 ~~obtained.--For-the-purposes-of-this-chapter,-"agricultural~~
8 ~~land"-means-agricultural-land-as-defined-in-section-9H.1-~~

9 Sec. 5. NEW SECTION. 56.14A YARD SIGNS.

10 1. a. Except as otherwise provided in this section, yard
11 signs shall only be placed upon residential property with the
12 permission of the property owner or occupant.

13 b. This subsection does not prohibit placement of yard
14 signs on any of the following property:

15 (1) Agricultural land owned by individuals or by a family
16 farm operation as defined in section 9H.1, subsections 8, 8A,
17 9, and 10, if the prior permission of the occupant of the
18 property is obtained. For the purposes of this subsection,
19 "agricultural land" means agricultural land as defined in
20 section 9H.1.

21 (2) Property owned by private individuals who have rented
* 22 or leased the property to a corporation, if the prior
23 permission of the corporation is obtained.

24 (3) Residential property owned by a corporation but rented
25 or leased to a private individual, if the prior permission of
26 the private individual is obtained.

27 (4) Property owned by a private individual that has been
28 zoned for commercial purposes, provided that the prior
29 permission of the private individual is obtained.

30 (5) Any other property, including vacant lots, owned by a
31 private individual, provided that the permission of the
32 private individual is obtained.

33 2. Yard signs with dimensions of sixteen square feet or
34 less are exempt from the attribution statement requirements in
35 section 56.14.

1 3. A person shall not alter, remove, move, vandalize,
2 deface, or destroy any sign that expressly advocates the
3 election or defeat of a clearly identified candidate or the
4 passage or defeat of a ballot issue without the prior
5 permission of the owner of the sign.

6 Sec. 6. Section 56.15, subsection 4, unnumbered paragraph
7 2, Code 2001, is amended by striking the unnumbered paragraph.

8 Sec. 7. Section 56.22, subsection 2, Code 2001, is amended
9 to read as follows:

10 2. Funds distributed to statutory political committees
11 pursuant to this chapter shall not be used to expressly
12 advocate the nomination, election, or defeat of any candidate
13 during the primary election. Nothing in this subsection shall
14 be construed to prohibit a statutory political committee from
15 using such funds to pay expenses incurred in arranging and
16 holding a nominating convention.

17 Sec. 8. Section 56.43, subsection 1, Code 2001, is amended
18 to read as follows:

19 1. Equipment, supplies, or other materials purchased with
20 campaign funds or received in-kind are campaign property.
21 Campaign property belongs to the candidate's committee and not
22 to the candidate. Campaign property which has a value of five
23 hundred dollars or more at the time it is acquired by the
24 committee shall be separately disclosed as committee inventory
25 on reports filed pursuant to section 56.6, including a
26 declaration of the approximate current value of the property.
27 Such property shall continue to be reported as committee
28 inventory until it is disposed of by the committee or until
29 the property has a residual value of less than one hundred
30 dollars. Once the property is reported as having a residual
31 value of less than one hundred dollars, the property is no
32 longer required to be reported. However, consumable campaign
33 property is not required to be reported as committee
34 inventory, regardless of the initial value of the consumable
35 campaign property. "Consumable campaign property" means

1 stationery, yard signs, and other campaign materials which
2 have been permanently imprinted to be specific to a candidate
3 or election.

4 Sec. 9. IMPLEMENTATION OF ACT. Section 25B.2, subsection
5 3, shall not apply to this Act.

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HOUSE FILE 630

S-3241

1 Amend House File 630, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting after line 2 the
4 following:

5 "Sec. ____ Section 56.5A, Code 2001, is amended by
6 adding the following new subsection:

7 NEW SUBSECTION. 3. a. A candidate's committee
8 shall not accept contributions from sources other than
9 individuals who permanently reside within the district
10 represented by the office to which the candidate
11 presently seeks election, unless the candidate's
12 committee has received and deposited in the
13 candidate's campaign account an equal or greater total
14 of contributions from individuals who permanently
15 reside within the district.

16 b. Notwithstanding section 56.16, a candidate who
17 accepts a contribution in violation of this subsection
18 shall be fined civilly in an amount equal to ten times
19 the amount by which the contribution exceeded the
20 permitted limit. The fine proceeds shall be deposited
21 in the Iowa election campaign fund created in section
22 56.19."

23 2. By renumbering as necessary.

By ANDY McKEAN
JOHN P. KIBBIE

S-3241 FILED MARCH 26, 2001

HOUSE FILE 630

S-3246

1 Amend House File 630, as amended, passed, and
2 reprinted by the House as follows:

3 1. Page 1, by inserting after line 2 the
4 following:

5 "Sec. ____ Section 56.6, subsection 1, paragraph
6 c, Code 2001, is amended by striking the paragraph and
7 inserting in lieu thereof the following:

8 c. A candidate's committee for a candidate in a
9 special election shall file a report as follows:

10 (1) A candidate's committee for a candidate in a
11 special election shall file a report by the fourteenth
12 day prior to the special election that is current
13 through the nineteenth day prior to the special
14 election. The committee shall also file a
15 supplemental report if the committee meets the
16 criteria under paragraph "b".

17 (2) A candidate's committee for a candidate for
18 county elective office shall file a report by the
19 Friday immediately preceding the special election that
20 is current through the Tuesday prior to the special
21 election."

22 2. Page 3, line 26, by striking the word
23 "sixteen" and inserting the following: "thirty-two".

24 3. Page 5, line 23, by striking the word
25 "corporation" and inserting the following: "owner".

26 4. Page 5, by striking line 26 and inserting the
27 following: "the private individual is obtained.

28 (4) Property owned by a private individual that
29 has been zoned for commercial purposes, provided that
30 the prior permission of the owner is obtained.

31 (5) Any other property, including vacant lots,
32 owned by a private individual, provided that the
33 permission of the owner is obtained."

34 5. Page 5, line 33, by striking the word
35 "sixteen" and inserting the following: "thirty-two".

36 6. By renumbering as necessary.

By SHELDON RITTNER
PATRICK J. DELUHERY

S-3246 FILED MARCH 26, 2001