

GIPP, Chair
Van Engelenthoven
Reynolds

Succeeded By
S. O 2538

HSB 557
STATE GOVERNMENT

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, including a reporting
2 threshold for filing organizational committee statements,
3 providing for the filing of reports with the Iowa ethics and
4 campaign disclosure board, providing a document retention
5 period, and relating to certain signature requirements.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 56.2, subsection 5, Code 2001, is
2 amended to read as follows:

3 5. "Candidate's committee" means the committee designated
4 by the candidate for a state, county, city, or school office
5 to receive contributions in excess of five seven hundred fifty
6 dollars in the aggregate, expend funds in excess of five seven
7 hundred fifty dollars in the aggregate, or incur indebtedness
8 on behalf of the candidate in excess of five seven hundred
9 fifty dollars in the aggregate in any calendar year.

10 Sec. 2. Section 56.2, subsection 18, Code 2001, is amended
11 to read as follows:

12 18. "Political committee" means either of the following:

13 a. A committee, but not a candidate's committee, that
14 accepts contributions in excess of five seven hundred fifty
15 dollars in the aggregate, makes expenditures in excess of five
16 seven hundred fifty dollars in the aggregate, or incurs
17 indebtedness in excess of five seven hundred fifty dollars in
18 the aggregate in any one calendar year to expressly advocate
19 the nomination, election, or defeat of a candidate for public
20 office, or to expressly advocate the passage or defeat of a
21 ballot issue.

22 b. An association, lodge, society, cooperative, union,
23 fraternity, sorority, educational institution, civic
24 organization, labor organization, religious organization, or
25 professional organization that accepts contributions in excess
26 of five seven hundred fifty dollars in the aggregate, makes
27 expenditures in excess of five seven hundred fifty dollars in
28 the aggregate, or incurs indebtedness in excess of five seven
29 hundred fifty dollars in the aggregate in any one calendar
30 year to expressly advocate the nomination, election, or defeat
31 of a candidate for public office, or to expressly advocate the
32 passage or defeat of a ballot issue.

33 Sec. 3. Section 56.4, Code 2001, is amended by striking
34 the section and inserting in lieu thereof the following:

35 56.4 REPORTS FILED WITH BOARD.

1 1. All statements and reports required to be filed under
2 this chapter shall be filed with the board. The board shall
3 provide copies of all statements and reports filed under this
4 chapter for a county, city, school, or other political
5 subdivision with the commissioner responsible under section
6 47.2.

7 2. The board shall retain filed statements and reports for
8 at least five years from the date of the election in which the
9 committee is involved, or at least five years from the
10 certified date of dissolution of the committee, whichever date
11 is later.

12 3. The commissioner shall retain statements and reports
13 provided by the board for a county, city, school, or other
14 political subdivision for at least three years from the date
15 of the election in which the committee is involved. However,
16 statements and reports provided by the board for county
17 statutory political committees shall be retained for five
18 years from the date of the election in which the committee is
19 involved.

20 4. Political committees expressly advocating the
21 nomination, election, or defeat of candidates for both federal
22 office and any elected office created by law or the
23 Constitution of the State of Iowa shall file statements and
24 reports with the board in addition to any federal reports
25 required to be filed with the board. However, a political
26 committee that is registered and filing full disclosure
27 reports of all financial activities with the federal election
28 commission may file verified statements as provided in section
29 56.5.

30 Sec. 4. Section 56.5, subsection 2, paragraph f, Code
31 2001, is amended to read as follows:

32 f. A signed statement by the treasurer of the committee
33 and the candidate, in the case of a candidate's committee,
34 which shall verify that they are aware of the requirement to
35 file disclosure reports if the committee, the committee

1 officers, the candidate, or both the committee officers and
2 the candidate receive contributions in excess of five seven
3 hundred fifty dollars in the aggregate, make expenditures in
4 excess of five seven hundred fifty dollars in the aggregate,
5 or incur indebtedness in excess of five seven hundred fifty
6 dollars in the aggregate in a calendar year to expressly
7 advocate the nomination, election, or defeat of any candidate
8 for public office. In the case of political committees,
9 statements shall be made by the treasurer of the committee and
10 the chairperson.

11 Sec. 5. Section 56.5, subsection 5, Code 2001, is amended
12 to read as follows:

13 5. A committee or organization not organized as a
14 committee under this section which makes a contribution to a
15 candidate's committee or political committee organized in Iowa
16 shall disclose each contribution to the board. A committee or
17 organization not organized as a committee under this section
18 which is not registered and filing full disclosure reports of
19 all financial activities with the federal election commission
20 or another state's disclosure commission shall register and
21 file full disclosure reports with the board pursuant to this
22 chapter, and shall either appoint an eligible Iowa elector as
23 committee or organization treasurer, or shall maintain all
24 committee funds in an account in a financial institution
25 located in Iowa. A committee which is currently filing a
26 disclosure report in another jurisdiction shall either file a
27 statement of organization under subsections 1 and 2 and file
28 disclosure reports, the same as those required of committees
29 organized only in Iowa, under section 56.6, or shall file one
30 copy of a verified statement with the board and a second copy
31 with the treasurer of the committee receiving the
32 contribution. The form shall be completed and filed at the
33 time the contribution is made. The verified statement shall
34 be on forms prescribed by the board and shall attest that the
35 committee is filing reports with the federal election

1 commission or in a jurisdiction with reporting requirements
2 which are substantially similar to those of this chapter, and
3 that the contribution is made from an account which does not
4 accept contributions which would be in violation of section
5 56.15. The form shall include the complete name, address, and
6 telephone number of the contributing committee, the state or
7 federal jurisdiction under which it is registered or operates,
8 the identification of any parent entity or other affiliates or
9 sponsors, its purpose, the name, and address, ~~and~~ signature of
10 an Iowa resident authorized to receive service of original
11 notice and the name and address of the receiving committee,
12 the amount of the cash or in-kind contribution, and the date
13 the contribution was made.

14 Sec. 6. Section 56.5A, subsection 1, Code 2001, is amended
15 to read as follows:

16 1. Each candidate for state, county, city, or school
17 office shall organize one, and only one, candidate's committee
18 for a specific office sought when the candidate receives
19 contributions in excess of five seven hundred fifty dollars in
20 the aggregate, makes expenditures in excess of five seven
21 hundred fifty dollars in the aggregate, or incurs indebtedness
22 in excess of five seven hundred fifty dollars in the aggregate
23 in a calendar year.

24 Sec. 7. Section 56.6, subsection 1, paragraph a, Code
25 2001, is amended to read as follows:

26 a. Each treasurer of a committee shall file with the board
27 ~~or commissioner~~ disclosure reports of contributions received
28 and disbursed on forms prescribed by rules as provided by
29 chapter 17A. The reports from all committees, except those
30 committees for municipal and school elective offices and for
31 local ballot issues, shall be filed on the nineteenth day or
32 mailed bearing a United States postal service postmark dated
33 on or before the nineteenth day of January, May, July, and
34 October of each year. The May, July, and October reports
35 shall be current as of five days prior to the filing deadline.

1 The January report shall be the annual report covering
2 activity through December 31. However, a state, county, or
3 city statutory political committee is not required to file the
4 May and July reports for a year in which no primary or general
5 election is held at the respective state, county, or city
6 level. A candidate's committee, other than for municipal and
7 school elective offices, for a year in which the candidate is
8 not standing for election, is not required to file the May,
9 July, and October reports. Reports for committees for a
10 ballot issue placed before the voters of the entire state
11 shall be filed at the January, May, July, and October
12 deadlines.

13 Sec. 8. Section 56.6, subsection 2, Code 2001, is amended
14 to read as follows:

15 2. If any committee, after having filed a statement of
16 organization or one or more disclosure reports, dissolves or
17 determines that it shall no longer receive contributions or
18 make disbursements, the treasurer of the committee shall
19 notify the board ~~or the commissioner~~ within thirty days
20 following such dissolution by filing a dissolution report on
21 forms prescribed by the board. Moneys refunded in accordance
22 with a dissolution statement shall be considered a
23 disbursement or expense but the names of persons receiving
24 refunds need not be released or reported unless the
25 contributors' names were required to be reported when the
26 contribution was received.

27 Sec. 9. Section 56.13, Code 2001, is amended to read as
28 follows:

29 56.13 INDEPENDENT EXPENDITURES.

30 1. Action involving a contribution or expenditure which
31 that must be reported under this chapter and which that is
32 taken by any person, candidate's committee, or political
33 committee on behalf of a candidate, if known and approved by
34 the candidate, shall be deemed action by the candidate and
35 reported by the candidate's committee. It shall be presumed

1 that a candidate approves the action if the candidate had
2 knowledge of it and failed to file a statement of disavowal
3 with the commissioner-or board and take corrective action
4 within seventy-two hours of the action. A person, candidate's
5 committee, or political committee taking such action
6 independently of that candidate's committee shall notify that
7 candidate's committee in writing within twenty-four hours of
8 taking the action. The notification shall provide that
9 candidate's committee with the cost of the promotion at fair
10 market value. A copy of the notification shall be sent to the
11 board.

12 Any person who makes expenditures or incurs indebtedness,
13 other than incidental expenses incurred in performing
14 volunteer work, to expressly advocate the nomination,
15 election, or defeat of a candidate for public office shall
16 notify the appropriate committee and provide necessary
17 information for disclosure reports.

18 2. If a person, other than a political committee, makes
19 one or more expenditures in excess of five seven hundred fifty
20 dollars in the aggregate, or incurs indebtedness in excess of
21 five seven hundred fifty dollars in the aggregate, in any one
22 calendar year to expressly advocate the passage or defeat of a
23 ballot issue, the person shall file a statement of activity
24 within ten days of taking the action exceeding the threshold.
25 The statement shall contain information identifying the person
26 filing the statement, identifying the ballot issue, and
27 indicating the position urged by the person with regard to the
28 ballot issue. The person shall file reports indicating the
29 dates on which the expenditures or incurrence of indebtedness
30 took place; a description of the nature of the action taken
31 which resulted in the expenditures or debt; and the cost of
32 the promotion at fair market value. For a local ballot issue,
33 the reports shall be filed five days prior to any election in
34 which the ballot issue appears and on the first day of the
35 month following the election, as well as on the nineteenth day

1 of January, May, and July of each year in which the ballot
2 issue appears on the ballot and on the nineteenth day of
3 January and October of each year in which the ballot issue
4 does not appear on the ballot. For a statewide ballot issue,
5 reports shall be filed on the nineteenth day of January, May,
6 and July of each year. The reports shall be current to five
7 days prior to the filing deadline, and are considered timely
8 filed if mailed bearing a United States postal service
9 postmark on or before the due date. Filing obligations shall
10 cease when the person files a statement of discontinuation
11 indicating that the person's financial activity to expressly
12 advocate the passage or defeat of the ballot issue has ceased.
13 Statements and reports shall be filed with ~~the commissioner~~
14 ~~responsible under section 47-2 for conducting the election at~~
15 ~~which the issue is voted upon, except that reports on a~~
16 ~~statewide ballot issue shall be filed with~~ the board.

17 3. A person taking action involving the making of an
18 expenditure or incurrance of indebtedness to expressly
19 advocate the passage or defeat of a ballot issue independently
20 of a political committee shall, within seventy-two hours of
21 taking the action, notify in writing any political committee
22 which that advocates the same position with regard to the
23 ballot issue as the person taking the action. The
24 notification shall provide the political committee with the
25 cost of the promotion at fair market value. A copy of the
26 notification shall be sent to the board. It shall be presumed
27 that a benefited committee approves the action if the
28 committee fails to file a statement of disavowal with the
29 ~~commissioner or~~ board and takes corrective action within ten
30 days of the action. Action approved by a committee shall be
31 reported as a contribution by the committee.

32 4. This section shall not be construed to require
33 duplicate reporting of anything reported under this chapter by
34 a political committee except that actions which that
35 constitute contributions in kind shall be reported by the

1 benefited committee. This section shall not be construed to
2 require reporting of action by any person which that does not
3 constitute a contribution.

4 Sec. 10. Section 68B.2, subsection 5, Code 2001, is
5 amended to read as follows:

6 5. "Candidate's committee" means the committee designated
7 by a candidate for a state, county, city, or school office, as
8 provided under chapter 56, to receive contributions in excess
9 of five seven hundred fifty dollars in the aggregate, expend
10 funds in excess of five seven hundred fifty dollars in the
11 aggregate, or incur indebtedness on behalf of the candidate in
12 excess of five seven hundred fifty dollars in the aggregate in
13 any calendar year.

14 EXPLANATION

15 This bill amends provisions of Code chapters 56 and 68B
16 relating to campaign finance law.

17 The bill amends a number of Code sections to raise the
18 current statutory reporting threshold of \$500 to \$750. Code
19 section 56.5 provides that unless a candidate's or political
20 committee has already formally organized, they are deemed to
21 have organized once the committee passes this financial
22 threshold. Every committee must file a statement of
23 organization within 10 days of organization. Code sections
24 43.18, 43.67, 44.3, 45.3, and 56.5A also notify candidates
25 that they must file an organization statement once they cross
26 the financial reporting threshold.

27 The bill also rewrites Code section 56.4, which provides
28 for a five-year document retention period for reports filed
29 with the board, provides that the board is the primary filing
30 point for all campaign reports, and provides that the board
31 will send copies of reports for political subdivisions to the
32 appropriate county auditor as the local commissioner of
33 elections. In relation to this change, the bill amends
34 several Code sections to remove references to filing documents
35 with these commissioners. Current Code language requires

1 filing with the board only for state campaigns, and provides
2 for a three-year retention period.

3 Finally, the bill removes the signature requirement from
4 Code section 56.5 for committees not organized in Iowa that
5 make a contribution to a committee organized in Iowa.

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FEB 26 2002
Place On Calendar

HOUSE FILE 2538
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 557)

Passed House, Date ^(P. 607) 3/5/02 Passed Senate, Date ^(P. 645) 3-18-02
Vote: Ayes 96 Nays 0 Vote: Ayes 45 Nays 0
Approved April 4, 2002

A BILL FOR

1 An Act relating to campaign finance, including a reporting
2 threshold for filing organizational committee statements,
3 providing for the filing of reports with the Iowa ethics and
4 campaign disclosure board, providing a document retention
5 period, and relating to certain signature requirements, and
6 providing effective dates.

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

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HF 2538

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5 to receive contributions in excess of five seven hundred fifty
6 dollars in the aggregate, expend funds in excess of five seven
7 hundred fifty dollars in the aggregate, or incur indebtedness
8 on behalf of the candidate in excess of five seven hundred
9 fifty dollars in the aggregate in any calendar year.

10 Sec. 2. Section 56.2, subsection 18, Code 2001, is amended
11 to read as follows:

12 18. "Political committee" means either of the following:

13 a. A committee, but not a candidate's committee, that
14 accepts contributions in excess of five seven hundred fifty
15 dollars in the aggregate, makes expenditures in excess of five
16 seven hundred fifty dollars in the aggregate, or incurs
17 indebtedness in excess of five seven hundred fifty dollars in
18 the aggregate in any one calendar year to expressly advocate
19 the nomination, election, or defeat of a candidate for public
20 office, or to expressly advocate the passage or defeat of a
21 ballot issue.

22 b. An association, lodge, society, cooperative, union,
23 fraternity, sorority, educational institution, civic
24 organization, labor organization, religious organization, or
25 professional organization that accepts contributions in excess
26 of five seven hundred fifty dollars in the aggregate, makes
27 expenditures in excess of five seven hundred fifty dollars in
28 the aggregate, or incurs indebtedness in excess of five seven
29 hundred fifty dollars in the aggregate in any one calendar
30 year to expressly advocate the nomination, election, or defeat
31 of a candidate for public office, or to expressly advocate the
32 passage or defeat of a ballot issue.

33 Sec. 3. Section 56.4, Code 2001, is amended by striking
34 the section and inserting in lieu thereof the following:

35 56.4 REPORTS FILED WITH BOARD.

1 1. All statements and reports required to be filed under
2 this chapter shall be filed with the board. The board shall
3 provide copies of all statements and reports filed under this
4 chapter for a county, city, school, or other political
5 subdivision with the commissioner responsible under section
6 47.2.

7 2. The board shall retain filed statements and reports for
8 at least five years from the date of the election in which the
9 committee is involved, or at least five years from the
10 certified date of dissolution of the committee, whichever date
11 is later.

12 3. The commissioner shall retain statements and reports
13 provided by the board for a county, city, school, or other
14 political subdivision for at least three years from the date
15 of the election in which the committee is involved. However,
16 statements and reports provided by the board for county
17 statutory political committees shall be retained for five
18 years from the date of the election in which the committee is
19 involved.

20 4. Political committees expressly advocating the
21 nomination, election, or defeat of candidates for both federal
22 office and any elected office created by law or the
23 Constitution of the State of Iowa shall file statements and
24 reports with the board in addition to any federal reports
25 required to be filed with the board. However, a political
26 committee that is registered and filing full disclosure
27 reports of all financial activities with the federal election
28 commission may file verified statements as provided in section
29 56.5.

30 Sec. 4. Section 56.5, subsection 2, paragraph f, Code
31 2001, is amended to read as follows:

32 f. A signed statement by the treasurer of the committee
33 and the candidate, in the case of a candidate's committee,
34 which shall verify that they are aware of the requirement to
35 file disclosure reports if the committee, the committee

1 officers, the candidate, or both the committee officers and
2 the candidate receive contributions in excess of five seven
3 hundred fifty dollars in the aggregate, make expenditures in
4 excess of five seven hundred fifty dollars in the aggregate,
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6 dollars in the aggregate in a calendar year to expressly
7 advocate the nomination, election, or defeat of any candidate
8 for public office. In the case of political committees,
9 statements shall be made by the treasurer of the committee and
10 the chairperson.

11 Sec. 5. Section 56.5, subsection 5, Code 2001, is amended
12 to read as follows:

13 5. A committee or organization not organized as a
14 committee under this section which makes a contribution to a
15 candidate's committee or political committee organized in Iowa
16 shall disclose each contribution to the board. A committee or
17 organization not organized as a committee under this section
18 which is not registered and filing full disclosure reports of
19 all financial activities with the federal election commission
20 or another state's disclosure commission shall register and
21 file full disclosure reports with the board pursuant to this
22 chapter, and shall either appoint an eligible Iowa elector as
23 committee or organization treasurer, or shall maintain all
24 committee funds in an account in a financial institution
25 located in Iowa. A committee which is currently filing a
26 disclosure report in another jurisdiction shall either file a
27 statement of organization under subsections 1 and 2 and file
28 disclosure reports, the same as those required of committees
29 organized only in Iowa, under section 56.6, or shall file one
30 copy of a verified statement with the board and a second copy
31 with the treasurer of the committee receiving the
32 contribution. The form shall be completed and filed at the
33 time the contribution is made. The verified statement shall
34 be on forms prescribed by the board and shall attest that the
35 committee is filing reports with the federal election

1 commission or in a jurisdiction with reporting requirements
2 which are substantially similar to those of this chapter, and
3 that the contribution is made from an account which does not
4 accept contributions which would be in violation of section
5 56.15. The form shall include the complete name, address, and
6 telephone number of the contributing committee, the state or
7 federal jurisdiction under which it is registered or operates,
8 the identification of any parent entity or other affiliates or
9 sponsors, its purpose, the name, and address, ~~and signature~~ of
10 an Iowa resident authorized to receive service of original
11 notice and the name and address of the receiving committee,
12 the amount of the cash or in-kind contribution, and the date
13 the contribution was made.

14 Sec. 6. Section 56.5A, subsection 1, Code 2001, is amended
15 to read as follows:

16 1. Each candidate for state, county, city, or school
17 office shall organize one, and only one, candidate's committee
18 for a specific office sought when the candidate receives
19 contributions in excess of ~~five~~ seven hundred fifty dollars in
20 the aggregate, makes expenditures in excess of ~~five~~ seven
21 hundred fifty dollars in the aggregate, or incurs indebtedness
22 in excess of ~~five~~ seven hundred fifty dollars in the aggregate
23 in a calendar year.

24 Sec. 7. Section 56.6, subsection 1, paragraph a, Code
25 2001, is amended to read as follows:

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28 and disbursed on forms prescribed by rules as provided by
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30 committees for municipal and school elective offices and for
31 local ballot issues, shall be filed on the nineteenth day or
32 mailed bearing a United States postal service postmark dated
33 on or before the nineteenth day of January, May, July, and
34 October of each year. The May, July, and October reports
35 shall be current as of five days prior to the filing deadline.

1 The January report shall be the annual report covering
2 activity through December 31. However, a state, county, or
3 city statutory political committee is not required to file the
4 May and July reports for a year in which no primary or general
5 election is held at the respective state, county, or city
6 level. A candidate's committee, other than for municipal and
7 school elective offices, for a year in which the candidate is
8 not standing for election, is not required to file the May,
9 July, and October reports. Reports for committees for a
10 ballot issue placed before the voters of the entire state
11 shall be filed at the January, May, July, and October
12 deadlines.

13 Sec. 8. Section 56.6, subsection 2, Code 2001, is amended
14 to read as follows:

15 2. If any committee, after having filed a statement of
16 organization or one or more disclosure reports, dissolves or
17 determines that it shall no longer receive contributions or
18 make disbursements, the treasurer of the committee shall
19 notify the board ~~or the commissioner~~ within thirty days
20 following such dissolution by filing a dissolution report on
21 forms prescribed by the board. Moneys refunded in accordance
22 with a dissolution statement shall be considered a
23 disbursement or expense but the names of persons receiving
24 refunds need not be released or reported unless the
25 contributors' names were required to be reported when the
26 contribution was received.

27 Sec. 9. Section 56.13, Code 2001, is amended to read as
28 follows:

29 56.13 INDEPENDENT EXPENDITURES.

30 1. Action involving a contribution or expenditure which
31 that must be reported under this chapter and which that is
32 taken by any person, candidate's committee, or political
33 committee on behalf of a candidate, if known and approved by
34 the candidate, shall be deemed action by the candidate and
35 reported by the candidate's committee. It shall be presumed

1 that a candidate approves the action if the candidate had
2 knowledge of it and failed to file a statement of disavowal
3 with the ~~commissioner~~-or board and take corrective action
4 within seventy-two hours of the action. A person, candidate's
5 committee, or political committee taking such action
6 independently of that candidate's committee shall notify that
7 candidate's committee in writing within twenty-four hours of
8 taking the action. The notification shall provide that
9 candidate's committee with the cost of the promotion at fair
10 market value. A copy of the notification shall be sent to the
11 board.

12 Any person who makes expenditures or incurs indebtedness,
13 other than incidental expenses incurred in performing
14 volunteer work, to expressly advocate the nomination,
15 election, or defeat of a candidate for public office shall
16 notify the appropriate committee and provide necessary
17 information for disclosure reports.

18 2. If a person, other than a political committee, makes
19 one or more expenditures in excess of ~~five~~ seven hundred fifty
20 dollars in the aggregate, or incurs indebtedness in excess of
21 ~~five~~ seven hundred fifty dollars in the aggregate, in any one
22 calendar year to expressly advocate the passage or defeat of a
23 ballot issue, the person shall file a statement of activity
24 within ten days of taking the action exceeding the threshold.
25 The statement shall contain information identifying the person
26 filing the statement, identifying the ballot issue, and
27 indicating the position urged by the person with regard to the
28 ballot issue. The person shall file reports indicating the
29 dates on which the expenditures or incurrence of indebtedness
30 took place; a description of the nature of the action taken
31 which resulted in the expenditures or debt; and the cost of
32 the promotion at fair market value. For a local ballot issue,
33 the reports shall be filed five days prior to any election in
34 which the ballot issue appears and on the first day of the
35 month following the election, as well as on the nineteenth day

1 of January, May, and July of each year in which the ballot
2 issue appears on the ballot and on the nineteenth day of
3 January and October of each year in which the ballot issue
4 does not appear on the ballot. For a statewide ballot issue,
5 reports shall be filed on the nineteenth day of January, May,
6 and July of each year. The reports shall be current to five
7 days prior to the filing deadline, and are considered timely
8 filed if mailed bearing a United States postal service
9 postmark on or before the due date. Filing obligations shall
10 cease when the person files a statement of discontinuation
11 indicating that the person's financial activity to expressly
12 advocate the passage or defeat of the ballot issue has ceased.
13 Statements and reports shall be filed with ~~the commissioner~~
14 ~~responsible under section 47-2 for conducting the election at~~
15 ~~which the issue is voted upon, except that reports on a~~
16 ~~statewide ballot issue shall be filed with~~ the board.

17 3. A person taking action involving the making of an
18 expenditure or incurrence of indebtedness to expressly
19 advocate the passage or defeat of a ballot issue independently
20 of a political committee shall, within seventy-two hours of
21 taking the action, notify in writing any political committee
22 which that advocates the same position with regard to the
23 ballot issue as the person taking the action. The
24 notification shall provide the political committee with the
25 cost of the promotion at fair market value. A copy of the
26 notification shall be sent to the board. It shall be presumed
27 that a benefited committee approves the action if the
28 committee fails to file a statement of disavowal with the
29 ~~commissioner or~~ board and takes corrective action within ten
30 days of the action. Action approved by a committee shall be
31 reported as a contribution by the committee.

32 4. This section shall not be construed to require
33 duplicate reporting of anything reported under this chapter by
34 a political committee except that actions which that
35 constitute contributions in kind shall be reported by the

1 benefited committee. This section shall not be construed to
2 require reporting of action by any person ~~which~~ that does not
3 constitute a contribution.

4 Sec. 10. Section 68B.2, subsection 5, Code 2001, is
5 amended to read as follows:

6 5. "Candidate's committee" means the committee designated
7 by a candidate for a state, county, city, or school office, as
8 provided under chapter 56, to receive contributions in excess
9 of ~~five~~ seven hundred ~~fifty~~ dollars in the aggregate, expend
10 funds in excess of ~~five~~ seven hundred ~~fifty~~ dollars in the
11 aggregate, or incur indebtedness on behalf of the candidate in
12 excess of ~~five~~ seven hundred ~~fifty~~ dollars in the aggregate in
13 any calendar year.

14 Sec. 11. EFFECTIVE DATES. This Act, being deemed of
15 immediate importance, takes effect upon enactment, except for
16 the amendment in this Act to section 56.4, which takes effect
17 January 1, 2003.

18 EXPLANATION

19 This bill amends provisions of Code chapters 56 and 68B
20 relating to campaign finance law.

21 The bill amends a number of Code sections to raise the
22 current statutory reporting threshold of \$500 to \$750. Code
23 section 56.5 provides that unless a candidate's or political
24 committee has already formally organized, they are deemed to
25 have organized once the committee passes this financial
26 threshold. Every committee must file a statement of
27 organization within 10 days of organization. Code sections
28 43.18, 43.67, 44.3, 45.3, and 56.5A also notify candidates
29 that they must file an organization statement once they cross
30 the financial reporting threshold.

31 The bill also rewrites Code section 56.4, which provides
32 for a five-year document retention period for reports filed
33 with the board, provides that the board is the primary filing
34 point for all campaign reports, and provides that the board
35 will send copies of reports for political subdivisions to the

1 appropriate county auditor as the local commissioner of
2 elections. In relation to this change, the bill amends
3 several Code sections to remove references to filing documents
4 with these commissioners. Current Code language requires
5 filing with the board only for state campaigns, and provides
6 for a three-year retention period.

7 Finally, the bill removes the signature requirement from
8 Code section 56.5 for committees not organized in Iowa that
9 make a contribution to a committee organized in Iowa.

10 The bill takes effect upon enactment except for the
11 amendment to Code section 56.4, which change takes effect
12 January 1, 2003.

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HOUSE FILE 2538

AN ACT

RELATING TO CAMPAIGN FINANCE, INCLUDING A REPORTING THRESHOLD FOR FILING ORGANIZATIONAL COMMITTEE STATEMENTS, PROVIDING FOR THE FILING OF REPORTS WITH THE IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD, PROVIDING A DOCUMENT RETENTION PERIOD, AND RELATING TO CERTAIN SIGNATURE REQUIREMENTS, AND PROVIDING EFFECTIVE DATES.

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

Section 1. Section 56.2, subsection 5, Code 2001, is amended to read as follows:

5. "Candidate's committee" means the committee designated by the candidate for a state, county, city, or school office to receive contributions in excess of five seven hundred fifty dollars in the aggregate, expend funds in excess of five seven hundred fifty dollars in the aggregate, or incur indebtedness on behalf of the candidate in excess of five seven hundred fifty dollars in the aggregate in any calendar year.

Sec. 2. Section 56.2, subsection 18, Code 2001, is amended to read as follows:

18. "Political committee" means either of the following:

a. A committee, but not a candidate's committee, that accepts contributions in excess of five seven hundred fifty dollars in the aggregate, makes expenditures in excess of five seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of five seven hundred fifty dollars in the aggregate in any one calendar year to expressly advocate the nomination, election, or defeat of a candidate for public office, or to expressly advocate the passage or defeat of a ballot issue.

b. An association, lodge, society, cooperative, union, fraternity, sorority, educational institution, civic organization, labor organization, religious organization, or professional organization that accepts contributions in excess of five seven hundred fifty dollars in the aggregate, makes expenditures in excess of five seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of five seven hundred fifty dollars in the aggregate in any one calendar year to expressly advocate the nomination, election, or defeat of a candidate for public office, or to expressly advocate the passage or defeat of a ballot issue.

Sec. 3. Section 56.4, Code 2001, is amended by striking the section and inserting in lieu thereof the following:

56.4 REPORTS FILED WITH BOARD.

1. All statements and reports required to be filed under this chapter shall be filed with the board. The board shall provide copies of all statements and reports filed under this chapter for a county, city, school, or other political subdivision with the commissioner responsible under section 47.2.

2. The board shall retain filed statements and reports for at least five years from the date of the election in which the committee is involved, or at least five years from the certified date of dissolution of the committee, whichever date is later.

3. The commissioner shall retain statements and reports provided by the board for a county, city, school, or other political subdivision for at least three years from the date of the election in which the committee is involved. However, statements and reports provided by the board for county statutory political committees shall be retained for five years from the date of the election in which the committee is involved.

4. Political committees expressly advocating the nomination, election, or defeat of candidates for both federal office and any elected office created by law or the Constitution of the State of Iowa shall file statements and reports with the board in addition to any federal reports required to be filed with the board. However, a political committee that is registered and filing full disclosure reports of all financial activities with the federal election commission may file verified statements as provided in section 56.5.

Sec. 4. Section 56.5, subsection 2, paragraph f, Code 2001, is amended to read as follows:

f. A signed statement by the treasurer of the committee and the candidate, in the case of a candidate's committee, which shall verify that they are aware of the requirement to file disclosure reports if the committee, the committee officers, the candidate, or both the committee officers and the candidate receive contributions in excess of five seven hundred fifty dollars in the aggregate, make expenditures in excess of five seven hundred fifty dollars in the aggregate, or incur indebtedness in excess of five seven hundred fifty dollars in the aggregate in a calendar year to expressly advocate the nomination, election, or defeat of any candidate for public office. In the case of political committees, statements shall be made by the treasurer of the committee and the chairperson.

Sec. 5. Section 56.5, subsection 5, Code 2001, is amended to read as follows:

5. A committee or organization not organized as a committee under this section which makes a contribution to a candidate's committee or political committee organized in Iowa shall disclose each contribution to the board. A committee or organization not organized as a committee under this section 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 board pursuant to this chapter, and shall either appoint an eligible Iowa elector as committee or organization treasurer, or shall maintain all committee funds in an account in a financial institution located in Iowa. 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 committees organized only in Iowa, under section 56.6, or shall file one copy of a verified statement with the board 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 board and shall attest that the committee is filing reports with the federal election commission or in a jurisdiction with reporting requirements which are substantially similar to those of this chapter, and that the contribution is made from an account which does not accept contributions which would be in violation of section 56.15. 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, and signature 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. 6. Section 56.5A, subsection 1, Code 2001, is amended to read as follows:

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

Sec. 7. Section 56.6, subsection 1, paragraph a, Code 2001, is amended to read as follows:

a. Each treasurer of a committee shall file with the board ~~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 nineteenth 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, county, or city 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 at the respective state, county, or city level. 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, 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. 8. Section 56.6, subsection 2, Code 2001, is amended to read as follows:

2. If any committee, after having filed a statement of organization or one or more disclosure reports, dissolves or determines that it shall no longer receive contributions or make disbursements, the treasurer of the committee shall notify the board ~~or-the-commissioner~~ within thirty days following such dissolution by filing a dissolution report on forms prescribed by the board. Moneys refunded in accordance with a dissolution statement shall be considered a disbursement or expense but the names of persons receiving refunds need not be released or reported unless the contributors' names were required to be reported when the contribution was received.

Sec. 9. Section 56.13, Code 2001, is amended to read as follows:

56.13 INDEPENDENT EXPENDITURES.

1. Action involving a contribution or expenditure which that must be reported under this chapter and which that is taken by any person, candidate's committee, or political committee on behalf of a candidate, if known and approved by the candidate, shall be deemed action by the candidate and reported by the candidate's committee. It shall be presumed that a candidate approves the action if the candidate had knowledge of it and failed to file a statement of disavowal with the ~~commissioner-or~~ board and take corrective action within seventy-two hours of the action. A person, candidate's committee, or political committee taking such action independently of that candidate's committee shall notify that candidate's committee in writing within twenty-four hours of taking the action. The notification shall provide that candidate's committee with the cost of the promotion at fair market value. A copy of the notification shall be sent to the board.

Any person who makes expenditures or incurs indebtedness, other than incidental expenses incurred in performing volunteer work, to expressly advocate the nomination, election, or defeat of a candidate for public office shall notify the appropriate committee and provide necessary information for disclosure reports.

2. If a person, other than a political committee, makes one or more expenditures in excess of five seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of five seven hundred fifty dollars in the aggregate, in any one calendar year to expressly advocate the passage or defeat of a ballot issue, the person shall file a statement of activity within ten days of taking the action exceeding the threshold. The statement shall contain information identifying the person filing the statement, identifying the ballot issue, and indicating the position urged by the person with regard to the ballot issue. The person shall file reports indicating the dates on which the expenditures or incurrence of indebtedness took place; a description of the nature of the action taken which resulted in the expenditures or debt; and the cost of the promotion at fair market value. For a local ballot issue, the reports shall be filed five days prior to any election in which the ballot issue appears and on the first day of the month following the election, as well as on the nineteenth day of January, May, and July of each year in which the ballot issue appears on the ballot and on the nineteenth day of January and October of each year in which the ballot issue does not appear on the ballot. For a statewide ballot issue, reports shall be filed on the nineteenth day of January, May, and July of each year. The reports shall be current to five days prior to the filing deadline, and are considered timely filed if mailed bearing a United States postal service postmark on or before the due date. Filing obligations shall cease when the person files a statement of discontinuation indicating that the person's financial activity to expressly

advocate the passage or defeat of the ballot issue has ceased. Statements and reports shall be filed with the ~~commissioner responsible under section 47-2 for conducting the election at which the issue is voted upon, except that reports on a statewide ballot issue shall be filed with~~ the board.

3. A person taking action involving the making of an expenditure or incurrence of indebtedness to expressly advocate the passage or defeat of a ballot issue independently of a political committee shall, within seventy-two hours of taking the action, notify in writing any political committee which that advocates the same position with regard to the ballot issue as the person taking the action. The notification shall provide the political committee with the cost of the promotion at fair market value. A copy of the notification shall be sent to the board. It shall be presumed that a benefited committee approves the action if the committee fails to file a statement of disavowal with the ~~commissioner or~~ board and takes corrective action within ten days of the action. Action approved by a committee shall be reported as a contribution by the committee.

4. This section shall not be construed to require duplicate reporting of anything reported under this chapter by a political committee except that actions which that constitute contributions in kind shall be reported by the benefited committee. This section shall not be construed to require reporting of action by any person which that does not constitute a contribution.

Sec. 10. Section 68B.2, subsection 5, Code 2001, is amended to read as follows:

5. "Candidate's committee" means the committee designated by a candidate for a state, county, city, or school office, as provided under chapter 56, to receive contributions in excess of five seven hundred fifty dollars in the aggregate, expend funds in excess of five seven hundred fifty dollars in the aggregate, or incur indebtedness on behalf of the candidate in

excess of ~~five~~ seven hundred fifty dollars in the aggregate in any calendar year.

Sec. 11. EFFECTIVE DATES. This Act, being deemed of immediate importance, takes effect upon enactment, except for the amendment in this Act to section 56.4, which takes effect January 1, 2003.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2538, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved 4/4, 2002

THOMAS J. VILSACK
Governor