

MAR 1 2006  
Place On Calendar

HOUSE FILE 2593  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 534)

Passed House, Date 3-8-06 Passed Senate, Date 3-28-06  
Vote: Ayes 97 Nays 0 Vote: Ayes 50 Nays 0  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to activities of lobbyists and the ethical  
2 conduct of state officials and employees.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2593

1 Section 1. NEW SECTION. 68B.2B EXECUTIVE BRANCH  
2 COMPENSATION.

3 1. Effective July 1, 2006, an official or state employee  
4 shall not receive compensation simultaneously from more than  
5 one executive branch agency, unless the official or state  
6 employee provides notice to the board within twenty business  
7 days of accepting employment with a second executive branch  
8 agency. Notice under this section shall include all of the  
9 following:

10 a. The name and contact information of the official or  
11 state employee and the name of the official's or employee's  
12 original executive branch agency.

13 b. The name of the second executive branch agency from  
14 which compensation may be received.

15 c. The amount of compensation to be received and a brief  
16 explanation of what services are to be performed for the  
17 second executive branch agency.

18 2. The board shall adopt rules pursuant to chapter 17A  
19 necessary for the administration of this section.

20 3. This section shall not apply to service in the Iowa  
21 national guard or service in the general assembly.

22 Sec. 2. Section 68B.4, Code Supplement 2005, is amended to  
23 read as follows:

24 68B.4 SALES OR LEASES BY REGULATORY AGENCY OFFICIALS AND  
25 EMPLOYEES.

26 1. An official or employee of any regulatory agency shall  
27 not sell or lease, either directly or indirectly, any goods or  
28 services to individuals, associations, or corporations subject  
29 to the regulatory authority of the agency of which the person  
30 is an official or employee, except when the official or  
31 employee has met all of the following conditions:

32 ~~1.~~ a. The consent of the regulatory agency for which the  
33 person is an official or employee is obtained and the person  
34 is not the official or employee with the authority to  
35 determine whether agency consent is to be given under this

1 section.

2     2- b. The duties or functions performed by the official  
3 or employee for the regulatory agency are not related to the  
4 regulatory authority of the agency over the individual,  
5 association, or corporation, or the selling or leasing of  
6 goods or services by the official or employee to the  
7 individuals, associations, or corporations does not affect the  
8 official's or employee's duties or functions at the regulatory  
9 agency.

10     3- c. The selling or leasing of any goods or services by  
11 the official or employee to an individual, association, or  
12 corporation does not include advocacy on behalf of the  
13 individual, association, or corporation to the regulatory  
14 agency in which the person is an official or employee.

15     4- d. The selling or leasing of any goods or services by  
16 the official or employee to an individual, association, or  
17 corporation does not cause the official or employee to sell or  
18 lease goods or services to the regulatory agency on behalf of  
19 the individual, association, or corporation.

20     2. The board shall adopt rules specifying the method by  
21 which employees may obtain agency consent under this section.  
22 The board shall adopt rules specifying the method by which  
23 officials may obtain agency consent under this section,  
24 including situations when the person seeking to make the sale  
25 or lease is the executive or administrative head of the  
26 regulatory agency. A regulatory agency granting consent under  
27 this section shall file a copy of the consent with the board  
28 within twenty days of the consent being granted.

29     Sec. 3. Section 68B.4B, Code Supplement 2005, is amended  
30 to read as follows:

31     68B.4B SALES OR LEASES BY MEMBERS OF THE OFFICE OF THE  
32 GOVERNOR.

33     A permanent full-time member of the office of the governor  
34 shall not sell or lease, either directly or indirectly, any  
35 goods or services to a registered lobbyist before the general

1 assembly or the executive branch or to an individual,  
2 association, or corporation which employs a person who is a  
3 registered lobbyist before the general assembly or the  
4 executive branch, except when the member of the office of the  
5 governor has met all of the following conditions:

6 1. The consent of the person or persons responsible for  
7 hiring or approving the hiring of the member of the office of  
8 the governor is obtained. A copy of the consent shall be  
9 filed with the board within twenty days of the consent being  
10 granted.

11 2. The duties and functions performed by the member for  
12 the office of the governor are not related to the authority of  
13 the office of the governor over the individual, association,  
14 or corporation, or the selling or leasing of goods or services  
15 by the member of the office of the governor to the  
16 individuals, associations, or corporations does not affect the  
17 member's duties or functions at the office of the governor.

18 3. The selling or leasing of any goods or services by the  
19 member of the office of the governor to an individual,  
20 association, or corporation does not include lobbying of the  
21 office of the governor.

22 4. The selling or leasing of any goods or services by the  
23 member of the office of the governor does not cause the member  
24 to sell or lease goods or services to the office of the  
25 governor on behalf of the individual, association, or  
26 corporation.

27 Sec. 4. Section 68B.37, subsection 1, paragraph a, Code  
28 2005, is amended to read as follows:

29 a. The lobbyist's clients before the general assembly.

30 Sec. 5. Section 68B.37, subsection 1, paragraph d, Code  
31 2005, is amended to read as follows:

32 d. Expenditures made by the lobbyist for the purposes of  
33 providing the services enumerated under section 68B.2,  
34 subsection 13, paragraph "a", before the general assembly.

35 Sec. 6. Section 68B.37, subsection 2, Code 2005, is

1 amended to read as follows:

2 2. A lobbyist before a state agency or the office of the  
3 governor shall file with the board, on forms prescribed by the  
4 board, a report disclosing ~~the same items described in~~  
5 ~~subsection-i-~~ all of the following:

6 a. The lobbyist's clients before the executive branch.

7 b. Contributions made to candidates for state office by  
8 the lobbyist during calendar months during the reporting  
9 period when the general assembly is not in session.

10 c. The recipient of the campaign contributions.

11 d. Expenditures made by the lobbyist for the purposes of  
12 providing the services enumerated under section 68B.2,  
13 subsection 13, paragraph "a", before the executive branch.

14 For purposes of this subsection, "expenditures" does not  
15 include expenditures made by any organization for publishing a  
16 newsletter or other informational release for its members.

17 EXPLANATION

18 This bill relates to activities of lobbyists and the  
19 ethical conduct of state officials and employees.

20 The bill prohibits, effective July 1, 2006, an executive  
21 branch official or state employee from receiving compensation  
22 simultaneously from more than one executive branch agency,  
23 unless the official or state employee provides notice to the  
24 ethics and campaign disclosure board within 20 business days  
25 of accepting employment with a second executive branch agency.  
26 The bill provides that this provision does not apply to  
27 service in the Iowa national guard or service in the general  
28 assembly.

29 The bill amends Code sections 68B.4 and 68B.4B relating to  
30 sales by officials, regulatory agency employees, and members  
31 of the office of the governor. Currently, the Code prohibits  
32 the sale of goods and services by such entities under certain  
33 situations. The bill adds the leasing of goods and services  
34 to these provisions.

35 The bill amends lobbyist reporting requirements. The bill

1 requires a lobbyist before a state agency or the office of the  
2 governor to file a report with the ethics and campaign  
3 disclosure board disclosing the lobbyist's clients before the  
4 executive branch, contributions made to candidates for state  
5 office by the lobbyist during calendar months during the  
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8 made by the lobbyist for the purposes of providing the  
9 services as a lobbyist.

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SENATE/HOUSE FILE 2593  
BY (PROPOSED ETHICS AND  
CAMPAIGN DISCLOSURE  
BOARD BILL)

Roberts, chair  
Bukta  
Paulsen  
Tomenga  
Taylor, T.

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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3 or employee for the regulatory agency are not related to the  
4 regulatory authority of the agency over the individual,  
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6 goods or services by the official or employee to the  
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9 agency.

10 3- c. The selling or leasing of any goods or services by  
11 the official or employee to an individual, association, or  
12 corporation does not include advocacy on behalf of the  
13 individual, association, or corporation to the regulatory  
14 agency in which the person is an official or employee.

15 4- d. The selling or leasing of any goods or services by  
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30 Sec. 5. Section 68B.37, subsection 1, paragraph d, Code  
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33 providing the services enumerated under section 68B.2,  
34 subsection 13, paragraph "a", before the general assembly.

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1 amended to read as follows:

2 2. A lobbyist before a state agency or the office of the  
3 governor shall file with the board, on forms prescribed by the  
4 board, a report disclosing ~~the same items described in~~  
5 subsection 17, all of the following:

6 a. The lobbyist's clients before the executive branch.

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8 the lobbyist during calendar months during the reporting  
9 period when the general assembly is not in session.

10 c. The recipient of the campaign contributions.

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# IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

W. CHARLES SMITHSON  
Executive Director  
& Legal Counsel

510 East 12<sup>th</sup>, Suite 1A  
Des Moines, Iowa 50319  
Telephone 515-281-4028/Fax 515-281-3701  
[www.iowa.gov/ethics](http://www.iowa.gov/ethics)

**BOARD MEMBERS:**  
James Albert, Chair  
Janet Carl, Vice Chair  
Gerald Sullivan  
Betsy Roe  
John Walsh  
Patricia Harper

**TO: 2006 IOWA GENERAL ASSEMBLY**  
**FROM: CHARLIE SMITHSON, ETHICS BOARD DIRECTOR & COUNSEL**  
**DATE: DECEMBER 21, 2005**  
**Re: PROPOSED AMENDMENTS TO CHAPTER 68B**

On behalf of the Iowa Ethics and Campaign Disclosure Board, I respectfully submit the Board's 2006 agency bill for substantive amendments to the ethics laws in Iowa Code chapter 68B. The proposals in the bill are as follows:

1. Section 1 requires officials and employees of the executive branch to provide notice to the Board within 20 days of accepting compensation simultaneously from more than one executive branch agency. This amendment results from an issue that was previously brought to the attention of the Government Oversight Committee and the Ethics Board.
2. Section 2 adds "leases" to the requirements for an official or employee of a "regulatory agency" obtaining agency consent prior to engaging in transactions with persons subject to the regulatory authority of the agency. This closes a loophole brought to the attention of the Board.
3. Section 3 adds "leases" to the requirements for a member of the Office of the Governor to obtain consent prior to engaging in transactions with registered lobbyists. This proposal mirrors the proposal in Section 2.
4. Sections 4 and 5 clarify that information reported by executive branch lobbyists is for activities done before the executive branch and that the lobbyists do not simply disclose the same information as they report to the legislative branch for legislative lobbying activities. This proposal is to reduce confusion concerning lobbyist reporting.

HOUSE FILE 2593

AN ACT

RELATING TO ACTIVITIES OF LOBBYISTS AND THE ETHICAL CONDUCT OF  
STATE OFFICIALS AND EMPLOYEES.

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

Section 1. NEW SECTION. 68B.2B EXECUTIVE BRANCH  
COMPENSATION.

1. Effective July 1, 2006, an official or state employee shall not receive compensation simultaneously from more than one executive branch agency, unless the official or state employee provides notice to the board within twenty business days of accepting employment with a second executive branch agency. Notice under this section shall include all of the following:

a. The name and contact information of the official or state employee and the name of the official's or employee's original executive branch agency.

b. The name of the second executive branch agency from which compensation may be received.

c. The amount of compensation to be received and a brief explanation of what services are to be performed for the second executive branch agency.

2. The board shall adopt rules pursuant to chapter 17A necessary for the administration of this section.

3. This section shall not apply to service in the Iowa national guard or service in the general assembly.

Sec. 2. Section 68B.4, Code Supplement 2005, is amended to read as follows:

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1. An official or employee of any regulatory agency shall not sell or lease, either directly or indirectly, any goods or services to individuals, associations, or corporations subject to the regulatory authority of the agency of which the person is an official or employee, except when the official or employee has met all of the following conditions:

1- a. The consent of the regulatory agency for which the person is an official or employee is obtained and the person is not the official or employee with the authority to determine whether agency consent is to be given under this section.

2- b. The duties or functions performed by the official or employee for the regulatory agency are not related to the regulatory authority of the agency over the individual, association, or corporation, or the selling or leasing of goods or services by the official or employee to the individuals, associations, or corporations does not affect the official's or employee's duties or functions at the regulatory agency.

3- c. The selling or leasing of any goods or services by the official or employee to an individual, association, or corporation does not include advocacy on behalf of the individual, association, or corporation to the regulatory agency in which the person is an official or employee.

4. d. The selling or leasing of any goods or services by the official or employee to an individual, association, or corporation does not cause the official or employee to sell or lease goods or services to the regulatory agency on behalf of the individual, association, or corporation.

2. The board shall adopt rules specifying the method by which employees may obtain agency consent under this section. The board shall adopt rules specifying the method by which officials may obtain agency consent under this section, including situations when the person seeking to make the sale or lease is the executive or administrative head of the regulatory agency. A regulatory agency granting consent under this section shall file a copy of the consent with the board within twenty days of the consent being granted.

Sec. 3. Section 68B.4B, Code Supplement 2005, is amended to read as follows:

68B.4B SALES OR LEASES BY MEMBERS OF THE OFFICE OF THE GOVERNOR.

A permanent full-time member of the office of the governor shall not sell or lease, either directly or indirectly, any goods or services to a registered lobbyist before the general assembly or the executive branch or to an individual, association, or corporation which employs a person who is a registered lobbyist before the general assembly or the executive branch, except when the member of the office of the governor has met all of the following conditions:

1. The consent of the person or persons responsible for hiring or approving the hiring of the member of the office of the governor is obtained. A copy of the consent shall be filed with the board within twenty days of the consent being granted.

2. The duties and functions performed by the member for the office of the governor are not related to the authority of the office of the governor over the individual, association, or corporation, or the selling or leasing of goods or services

by the member of the office of the governor to the individuals, associations, or corporations does not affect the member's duties or functions at the office of the governor.

3. The selling or leasing of any goods or services by the member of the office of the governor to an individual, association, or corporation does not include lobbying of the office of the governor.

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Sec. 4. Section 68B.37, subsection 1, paragraph a, Code 2005, is amended to read as follows:

a. The lobbyist's clients before the general assembly.

Sec. 5. Section 68B.37, subsection 1, paragraph d, Code 2005, is amended to read as follows:

d. Expenditures made by the lobbyist for the purposes of providing the services enumerated under section 68B.2, subsection 13, paragraph "a", before the general assembly.

Sec. 6. Section 68B.37, subsection 2, Code 2005, is amended to read as follows:

2. A lobbyist before a state agency or the office of the governor shall file with the board, on forms prescribed by the board, a report disclosing ~~the same items described in subsection 1~~ all of the following:

a. The lobbyist's clients before the executive branch.

b. Contributions made to candidates for state office by the lobbyist during calendar months during the reporting period when the general assembly is not in session.

c. The recipient of the campaign contributions.

d. Expenditures made by the lobbyist for the purposes of providing the services enumerated under section 68B.2, subsection 13, paragraph "a", before the executive branch.

For purposes of this subsection, "expenditures" does not include expenditures made by any organization for publishing a newsletter or other informational release for its members.

---

CHRISTOPHER C. RANTS  
Speaker of the House

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JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2593, Eighty-first General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2006

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THOMAS J. VILSACK  
Governor