

IOWA ETHICS AND CAMPAIGN DISCLOSURE

January 9, 2014

Campaign Finance

About the Board?

- The Board's mission is to foster the public trust and confidence in government by ensuring the integrity of political campaigns, the ethical standards of public officials and employees of the executive branch, and the oversight of executive branch lobbyists.
- The Board is comprised of 6 members who are appointed by the Governor subject to confirmation by the state senate.
- Members serve staggered 6 year terms and may be reappointed to one or more additional terms.
- The Board must be balanced by political party and gender.
- Members receive \$50 for each meeting they attend and are reimbursed for mileage.
- The Board meets in person 3-4 times per year as needed and by telephone.
- The Board is subject to Iowa's open meetings and open records law
- The Board employs an executive director/legal counsel, 1 administrative assistant and 4 auditors

Responsibilities of the Board?

- Campaign Finance: The Board administers Chapter 68A of the Iowa Code (Campaign Finance) and sets standards for, investigates complaints relating to, and monitors the campaign finance practices of candidates for public office.
- Government Ethics: The Board administers Chapter 68B of the Iowa Code (Government Ethics and Lobbying) and sets standards for, investigates complaints relating to, and monitors the ethics of officials, employees, lobbyists and candidates for office in the executive branch of state government.
- The Board's administrative rules are in Chapter 351 of the Iowa Administrative Code. The rules expand upon and clarify requirements of the statute and have the force and effect of law.
- The Board provides informal advice on ethics to local government officials and employees.

Definition of a Candidate?

- Any individual who has taken affirmative action to seek nomination or election to a public office and shall also include any judge standing for retention in a judicial election.

What is a Committee?

- Candidate's committee means the committee designated by the candidate for a state, county, city, or school office to receive contributions in excess of one thousand dollars in the aggregate, expend funds in excess of one thousand dollars in the aggregate, or incur indebtedness on behalf of the candidate in excess of one thousand dollars in the aggregate in any calendar year.
- A committee is to be made up of a candidate and a treasurer. The treasurer must be an Iowa resident and at least 18 years of age. The candidate may appoint themselves as the treasurer.
- Every candidate's committee shall maintain all of the committee's funds in bank accounts in a financial institution located in Iowa.

Thresholds and Filing Requirements

- A Candidate must establish a committee with the Board if he/she accepts contributions, makes expenditures or incurs debt in excess of \$1,000 in the aggregate in a calendar year for his/her campaign.
- Filing requirements are initiated upon submission of the Statement of Organization and continue until formal dissolution of the committee. Due Dates of Reports are different for each type of committee. Our website has a list of each report due date.
- Campaign Disclosure reports are public records and available on the Board's website.

Self Funding



- Candidate funded campaigns are subject to the \$1,000 threshold
- A fully candidate funded campaign should record each item or service purchased as an in-kind contribution from the candidate to the committee

Use of Funds



- A candidate and the candidate's committee shall use campaign funds only for campaign purposes, educational and other expenses associated with the duties of office, or constituency services, and shall not use campaign funds for personal expenses or personal benefit.

Contributions Limits



- Iowa does not have any contribution limits.

Pass the Hat/Fishbowl Contributions

- Any contribution in excess of \$25.00 that can not be identified must be escheated to the State of Iowa (no “cash” exception applies)
- Place a sign and/or assign a person to oversee the contributions
- Contributors giving in excess of \$25.00 in a calendar year must be listed on disclosure report with full name and address
- Miscellaneous/Un-itemized contributions should contain explanation of “Contributions of \$25.00 or less”

Organization Contributions

- Organizations other than corporations, financial institutions, and insurance companies are allowed to contribute to political campaigns
 - LLC
 - LLP
 - Non-incorporated associations
- An organization is subject to reporting responsibilities if the organization exceeds \$1,000 per calendar year in contributions
 - Must submit either one-time contribution form or register as a PAC

Prohibited Contributions



- Candidates may not accept money from insurance companies, banks, credit unions or corporations.
- Candidates may not accept anonymous contributions over \$25.

Permitted expenditures

- All forms of campaign advertising and other general expenses associated with a campaign.
- Travel and lodging expenses for campaign or officeholder purposes, including training sessions/workshops. Meal expenses are not permitted unless for campaign purposes.
- Mileage reimbursements.
- Contributions to County Central Committees
- Payments for meal tickets for the candidate +1 so long as they actually attend and attendance is solely for the purpose of enhancing the candidacy of any one person.
- Purchase or lease of campaign equipment such as computers, phones, fax machines, copiers.

Permitted expenditures - continued

- Payment of Salaries/expenses for campaign staff.
- Purchase or lease of campaign office space
- Payment of food expenses for campaign related events.
- Contributions to charitable organizations -501(c)(3)
- Mailings/Newsletters sent to constituents.
- Holiday/greeting cards sent to constituents.
- Food/Gifts/Parties for volunteers

Prohibited Expenditures

- Clothing or laundry expense of a candidate or members of the candidate's family.
- Hair/Makeup
- Satisfaction of personal debts
- Payments for personal services
- Payments to candidate or candidate's immediate family members as a salary, gratuity, or other compensation

Prohibited Expenditures - continued

- Motor Vehicle Purchases
- Mortgage payments, rental payments, furnishings, or renovation or improvement expenses for a permanent residence of a candidate or family member including a residence in Des Moines during a term of office or legislative session
- Membership in service organizations, except those organizations which the candidate joins solely for the purpose of enhancing the candidacy (chamber, rotary)

Transfer of Funds

- A candidate's committee may only transfer campaign funds in one or more of the following ways:
- Contributions to charitable organizations unless the candidate or the candidate's spouse, child, stepchild, brother, brother-in-law, stepbrother, sister, sister-in-law, stepsister, parent, parent-in-law, or stepparent is employed by the charitable organization and will receive a direct financial benefit from a contribution.
- Contributions to national, state, or local political party central committees, or to partisan political committees organized to represent persons within the boundaries of a congressional district.

Transfer of Funds - continued

- Transfers to the treasurer of state for deposit in the general fund of the state, or to the appropriate treasurer for deposit in the general fund of a political subdivision of the state.
- Return of contributions to contributors on a pro rata basis, except that any contributor who contributed five dollars or less may be excluded from the distribution.
- Contributions to another candidate's committee when the candidate for whom both committees are formed is the same person.

Attributions Statements

- Published material that expressly advocates for or against a clearly identified candidate or ballot issue shall contain a statement identifying the person paying for the published material. This statement is referred to as the “attribution statement.”
- The term “published material” means any newspaper, magazine, shopper, outdoor advertising facility, poster, direct mailing, brochure, Internet Web site, television, video, or motion picture advertising, campaign sign larger than 32 square feet, or any other form of printed political advertising.
- Television, video, and motion picture advertising. The attribution statement shall be displayed on the advertisement in a clearly readable manner for at least four seconds.
- Exempt Items
 - Editorials or news articles of a media organization that are not political advertisements
 - Articles of clothing
 - Radio advertisements, live telephone calls, or auto-generated telephone messages.
 - Items smaller than 2 inches by 4 inches

Sign Placement

■ Permitted Locations

- Residential property.
- Agricultural land belonging to a family farm operation as defined in Iowa Code section 9H.1.
- Property leased for residential purposes including, but not limited to, apartments, condominiums, college housing facilities, and houses. However, signs may only be placed on the portion of the leased property space **that is actually occupied**.
- Vacant lots owned by a person who is not a prohibited contributor.
- Property belonging to any business, association, or organization that is not a corporation, financial institution, or insurance company.
- Property leased by a candidate, campaign committee, or PAC to be used as campaign headquarters or office and the placement of the sign is limited to the space that is actually leased.
- Property owned by the state, county, city, or other political subdivision if the property is made open and available to any person from the public to lawfully place any type of sign.

Sign Placement - continued

■ Prohibited Locations

- On any property without the permission of the property owner or lessee.
- Property owned by the state or the governing body of a county, city, or other political subdivision of the state including all property considered the public right-of-way unless the property is made open and available to any individual or group from the public to lawfully place any type of sign.
- Property owned, leased, or occupied by a corporation, financial institution, or insurance company except when leased as campaign headquarters or a campaign office and the placement of the sign is limited to the space that is actually leased.

Sign Placement - continued

- Except on private property, campaign signs for candidates or ballot issues shall not be placed on the following on Election Day:
 - The premises of any polling place or within 300 feet thereof unless private property that is not a polling place.
 - On any motor vehicle, trailer, semitrailer, or any attachment to the preceding, if the vehicle, trailer, or semitrailer is parked on public property within 300 feet of an outside door affording access to a polling place and the sign is more than 90 square inches in size.

Financial Disclosure

- Who must file financial disclosure reports?
 - A committee exceeding \$1,000 in contribution, expenditures, or debts prior to the end of a reporting period are required to file a disclosure report whether the committee has filed a statement of organization or not.
- When are disclosure reports due?
 - Due dates are different for different type of committees
 - Candidate committees are required to file reports during both election years and non-election years

Election Year Reporting

Legislative/Statewide Candidates

- **May 19th**
(report covers 01/01 through 05/14)
 - **July 19th**
(report covers 05/15 through 07/14 or end of last report through 7/14)
 - **October 19th**
(report covers 07/15 through 10/14 or end of last report through 10/14)
 - **January 19th**
(report covers 10/15 through 12/31)
- In addition to these reports, a report will be due the Friday before the primary and Friday before the general if contributions received from the end of the last report to the Tuesday preceding the election exceed \$1,000 for a legislative candidate, \$5,000 for a statewide candidate, and \$10,000 for a gubernatorial candidate.

Election Year Reporting

County Candidates

- May 19th (report covers 01/01 through 05/14)
- July 19th (report covers 05/15 through 07/14)
- October 19th (report covers 07/15 through 10/14)
- January 19th (report covers 10/15 through 12/31)

Election Year Reporting

City Candidates/School Board

- **Five Days before primary if held –**
(covering activity through 10 days before primary)
- **Five Days before general –**
(covering activity through 10 days before general)
- **Five Days before runoff if held –**
(covering activity through 10 days before runoff)
- **January 19th of the next year**
(covering activity from last report through Dec 31)

Non-Election and Special Election

■ Non-Election Year Reporting

- January 19th (report covers 01/01 through 12/31)

■ Special Election Reporting

- 5 days preceding election
- Report covers date of initial activity or date of pervious reporting period through ten days prior to the election
- This report in addition to election year reports

What activities require disclosure

- All Contributions in excess of \$25 must be disclosed individually with the name and address or organization who made the contribution.
- Contribution in the amount of \$25 or less can be reported as a lump sum as an “Unitemized” contribution.
- Contributions from committees registered with the Ethics Board must include the ID and the check number.
- All Expenditures must include a name, address and purpose of expenditure.

What activities require disclosure - continued

- All expenditures to Central Committees must include an ID number. The only permitted expenditure to a PAC is for a meal ticket for candidate +1 in which the PAC ID number and purpose needs to be included.
- Unpaid bill or debt owed to business or reimbursement owed to individual must be shown on each report until paid or forgiven.
- Loan made to committee from any source until repaid or forgiven.
- Campaign Property (not yard signs or other disposable property) of \$500 or more.