

IOWA

CAMPAIGN FINANCE AND BALLOT MEASURE GUIDE

These resources are current as of 6/19/14. We do our best to periodically update these resources and welcome any comments or questions regarding new developments in the law. Please email us at advocacy@afj.org.

What's New in This Guide

The following changes/additions have been made since the previous version of this guide:

- ◆ “Paid for” disclaimers required on social media pages
- ◆ Updated discussion of how the corporate prohibition applies to LLCs and LLPs

This guide summarizes key aspects of state campaign finance law and regulations. It is not intended to provide legal advice or to serve as a substitute for legal advice.

In some jurisdictions, city and/or county regulations may also apply to certain political activities. Check with the appropriate local jurisdiction before undertaking any activity.

Important Note: Contained in this document are links to the Iowa Code as posted on the Iowa Ethics & Campaign Disclosure Board’s website. This is an unofficial version of the Code for reference only; please confirm contents of the Code via an official version.

Table of Contents

- I. **Contribution Limits and Source Restrictions**
 - a. No Contribution Limits
 - b. Source and Timing Restrictions
 - i. Corporate Contributions
 - ii. Contributions during legislative session
 - iii. Union contributions
 - iv. In-kind contributions
 - v. Anonymous contributions prohibited
 - vi. Contributions from foreign nationals prohibited
- II. **Communications**
 - a. Issue Advocacy vs. Express Advocacy
 - b. Issue Advertising by Section 527 Organizations
 - c. Member Communications
 - d. Independent Expenditures
 - e. Disclaimers
- III. **Registration and Reporting Requirements**
 - a. Note on Electronic Filing
 - b. In-State PACs
 - i. Registration
 - ii. Administration
 - iii. Reporting
 - iv. Reporting schedule
 - c. Non-Political Organizations (Permanent Organizations)
 - d. Out-of-State PACs
- IV. **Ballot Measures**
- V. **Enforcement and Penalties**
- VI. **Contact Information for State and Local Agencies**

CONTRIBUTION LIMITS AND SOURCE RESTRICTIONS

	To Candidates			To Committees		
	Statewide	Legislative	Local	Political	Parties	Ballot Measures
From ↓						
Individuals	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
PACs	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Corporations	\$0	\$0	\$0	\$0	\$0	Unlimited

No Contribution Limits

- Iowa does not impose any limitation on the amount of money that a campaign or political committee may receive from any one donor.

Source and Timing Restrictions

- Corporate Contributions – Corporations, as well as financial institutions and insurance companies, are prohibited from making campaign contributions to candidates, state PACs, county central committees, and state parties (except for state party building funds). These entities are permitted to make contributions to state and local ballot issue committees, voter registration drives, to make independent expenditures, and to make contributions to Utility Franchise Committees. [Iowa Code § 68A.503](#). This prohibition does not apply to an LLC, LLP or any other organization that does not file articles of incorporation. [Iowa Administrative Rule 351—4.44](#); [AO-IECDB 2011-07](#).
- Contributions during legislative session – Registered lobbyists and PACs may not (with certain exceptions) make contributions to Iowa statewide and general assembly candidates and officeholders during legislative session. This prohibition extends for an additional thirty (30) days following adjournment for the Governor and gubernatorial candidates. [Iowa Code § 68A.504](#).
- Union Contributions
 - Iowa law permits labor unions – other than public employee unions, see [Iowa Code § 20.26](#) – to make contributions from their general treasury funds (dues money) to candidates and other political committees.
 - Iowa law permits labor unions to make monetary and in-kind contributions of up through \$750 in a calendar year in the aggregate without registration of an Iowa PAC. When the amount exceeds \$750, the labor union must register as a PAC within 10

days and file periodic reports until the PAC dissolves.

- Unions may volunteer the use of their offices and union halls to candidates for the purpose of setting up phone banks. The union must keep track of the value of the phone bank and notify the benefited candidate of this cost, which can either be reimbursed to the union by the candidate's committee or donated as an in-kind contribution by the union.
- Union "get out the vote" calls that do not request the citizen to vote for a specific candidate, but only to be sure to vote, are not subject to disclosure reporting.
- In-kind Contributions
 - In-kind contributions such as goods or services are treated just as monetary contributions. [Iowa Code § 68A.102\(10\)](#); [351 Iowa Admin. Code § 4.53\(2\)](#).
- Anonymous Contributions Prohibited
 - Candidates and committees are not permitted to expend funds received from an unknown or unidentifiable source (such funds shall escheat to the state). [Iowa Code § 68A.501](#).
 - Persons are prohibited from making political contributions in the name of another person, and candidates and committees are prohibited from *knowingly* accepting contributions made in the name of another. [Iowa Code § 68A.502](#).
- Contributions from Foreign Nationals Prohibited
 - Foreign nationals are prohibited from making contributions – whether directly or indirectly – and independent expenditures in connection with a state or local campaign or election in Iowa, including making independent expenditures. [351 Iowa Admin. Code § 4.28](#).

COMMUNICATIONS

Issue Advocacy vs. Express Advocacy

- Iowa imposes different restrictions on communications based on whether or not they contain express advocacy. A communication expressly advocates the election or defeat of a candidate – or the passage or defeat of a ballot issue – when it "includes explicit words that unambiguously indicate that the communication is recommending or supporting a particular outcome in the election." [Iowa Code § 68A.102\(14\)\(b\)](#). Express advocacy includes "any word, term, phrase or symbol that exhorts an

individual to vote for or against” a candidate or ballot issue. [351 Iowa Admin. Code § 4.53\(1\)](#).

- These definitions have been interpreted to mean the state follows the so-called “magic word” test put forth in *Buckley v. Valeo*. See *Iowa Right to Life Committee v. Williams*, 187 F.3rd 963 (8th Cir. 1999) (rejecting a broader definition that include communications that are “unambiguous and suggestive of only one meaning” and about which “reasonable minds could not differ.”).

Issue Advertising by Section 527 Organizations

- A political organization that is required to file reports with the internal revenue service, pursuant to 26 U.S.C. section 527, shall file a report with the Iowa Ethics & Campaign Disclosure Board *if* that organization does both of the following:
 - Creates or disseminates a communication of issue advocacy (defined as print, radio, televised, telephonic, or electronic communication in any form or content, which is disseminated to the general public, that refers to a clearly identified candidate for the general assembly or statewide office) in this state; *and*
 - Receives or expects to receive \$25,000.00 or more in gross receipts in any taxable year.
- The report must disclose:
 - Payments to any person who received an aggregate of \$500 or more in expenditures; *and*
 - Donations from any person who contributed an aggregate of \$200 or more to the organization during the calendar year.

[Iowa Code § 68A.401A](#).

Member Communications

- A nonprofit organization may spend an unlimited amount of money on express advocacy communications to its members. [Iowa Code § 68A.503\(6\)](#). A corporate entity may solicit eligible members to join or contribute to its own corporate-sponsored PAC. Member communications must bear the disclaimers described below. [Iowa Code § 68A.503\(3\)](#); [351 Iowa Admin. Code § 4.39](#).

Independent Expenditures

- An “independent expenditure” means one or more expenditures aggregating over \$750 that expressly advocate the nomination, election,

or defeat of a clearly identified candidate or the passage or defeat of a ballot issue and which is made without the prior approval or coordination with a candidate, candidate's committee, or a ballot issue committee. [Iowa Code § 68A.404\(1\)](#). Persons making independent expenditures are prohibited from engaging or retaining an advertising firm or consultant that has also been engaged or retained within the prior six months by the candidate/candidate committee/ballot measure committee that is being benefited by the independent expenditure. [Iowa Code § 68A.404\(7\)](#).

- In contrast to an independent expenditure, an expenditure is coordinated when there has been arrangement, coordination, or direction by the candidate or his campaign (or by a person involved with a ballot issue committee) prior to the procurement, purchase, publication, distribution, display, or broadcast of an express advocacy communication. An expenditure is presumed to be coordinated when it is:
 - Based on information provided to the expending person by the candidate, his campaign or the ballot issue committee with a view toward having an expenditure made; or
 - Made by or through any person who is or has been authorized to raise or expend funds; who is or has been an officer of the candidate's committee or the ballot issue committee; or who is or has been receiving any form of compensation or reimbursement from the candidate, the candidate's committee or the ballot issue committee.

[351 Iowa Admin. Code § 4.53](#).

- Any person or organization, other than a candidate or a PAC, that makes an independent expenditure aggregating more than \$750 must file an Independent Expenditure Statement within 48 hours with the Ethics and Campaign Disclosure Board. The Board takes the position that it must *receive* the form within 48 hours of the date the expenditure was incurred. Reports must be filed electronically at <https://webapp.iecdb.iowa.gov/>. [Iowa Code § 68A.404\(3\)](#).
- Persons making independent expenditures that are not otherwise registered as a committee (i.e. only makes independent expenditures), are also required to file campaign disclosure reports [Iowa Code §§ 68.402](#) and [68.402A](#) in addition to the Independent Expenditure Statement, in order to disclose the source of funding for the independent expenditure(s). The initial disclosure report is to be filed at the same time as the Independent Expenditure Statement, and subsequent disclosure reports must be filed according to the reporting schedule for the office or election at which the independent expenditure(s) is(are) directed. [Iowa Code § 68.404\(3\)](#).

- An entity that only makes independent expenditures, without giving contributions or soliciting funds to influence elections, will not need to register as a state PAC, regardless of the amount of its spending.
- Entities other than individuals must receive authorization of the entity's board of directors or similar body prior to making independent expenditures. Such authorization must be given in the same year that the expenditure is made. [Iowa Code § 68A.404\(2\)\(a\)](#).
- Foreign nationals are prohibited from making independent expenditures. [Iowa Code § 68A.404\(2\)\(a\)](#).
- Disclaimer – In addition to the disclaimer information discussed immediately below, disclaimers for independent expenditures must also include a statement that the published material was not authorized by any candidate, candidate's committee, or ballot issue committee. [Iowa Code § 68A.405\(1\)\(h\)](#).

Disclaimers

- “Published material,” including [social media accounts](#), expressly advocating a candidate's election or defeat – or a ballot issue's passage or defeat – must include an attribution statement, as follows:
 - If an individual pays for the published material, the words “paid for by” and the name and address of the person must appear on the material.
 - If more than one individual is responsible, the material must include the words “paid for by,” the names of the individuals, and either the addresses of the individuals or a statement that the addresses of the individuals are on file with the Iowa Ethics and Campaign Disclosure Board.
 - If an entity is responsible for the published material, it must include the words “paid for by,” the name and address of the organization, and the name of one officer of the organization.
 - If a registered PAC is responsible for the material, it must include the words “paid for by” and the PAC's name.
 - For television, video, and motion picture advertisements, the disclaimer must appear on the screen in a clearly readable manner for at least four seconds.[Iowa Code § 68A.405](#).
- “Published material” requiring a disclaimer includes newspapers, magazines, billboards, posters, direct mail, brochures, signs, websites, television, video, motion picture, and other “printed general public political advertising.” [Iowa Code § 68A.405](#).
- No disclaimer is required on:

- Small items including campaign signs, bumper stickers, pins, etc.
- T-shirts, caps, and other articles of clothing.
- Any published material that is subject to federal regulations regarding an attribution requirement.
- Any material published by an individual, acting independently, who spends one hundred dollars or less of the individual's own money to advocate the passage or defeat of a ballot issue.

[Iowa Code § 68A.405.](#)

REGISTRATION AND REPORTING REQUIREMENTS

Note on Electronic Filing

All state PACs are required to file their statements of organizations and disclosure reports electronically with the Secretary of State, using the Iowa Ethics & Campaign Disclosure Board's [Web Reporting System](#). Reports must be filed by 4:30 p.m. the day the report is due. [Iowa Code § 68A.401.](#)

In-State PACs

- A political action committee ("PAC") is an organization that accepts contributions, makes expenditures, or incurs indebtedness in excess of \$750 in the aggregate per 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. [Iowa Code § 68A.102\(18\).](#)
- Registration – A PAC must register with the Iowa Ethics and Campaign Disclosure Board by filing a statement of organization within 10 days of exceeding \$750 in money raised, expenditures made, or debts incurred. [Iowa Code § 68A.201\(1\).](#)
- Administration – A PAC must designate a chairperson and a treasurer; the same person may *not* fill both roles. Either the PAC's funds must be maintained in a bank account opened in an Iowa, or the treasurer must be an Iowa resident. [Iowa Code § 68A.203.](#)
- Reporting – A PAC must file periodic disclosure statements with the Iowa Ethics and Campaign Disclosure Board disclosing the following information:
 - Amount of cash on hand at the beginning of the reporting period;
 - Name and address of each person whose aggregate contributions (including in-kind contributions) or loans to the PAC for the calendar

year exceed \$25, and the total amount of contributions made during the period that do not exceed an aggregate \$25;

- Name and address of each person who received disbursements of \$5 or more, and the date, amount and purpose of those disbursements (disbursements of \$5 or less do not need to be disclosed unless the recipient has received more than \$100 in a series of disbursements under \$5);
- Disbursements to consultants, and the name and address of anyone to whom the consultant makes a disbursement, along with the recipient's name, address, and the amount, date and purpose of the disbursement; and
- The amount and nature of any PAC debts and obligations in excess of \$25.

[Iowa Code § 68A.402A.](#)

Reporting Schedule

The following dates apply to PACs advocating the nomination, election, or defeat of candidates for statewide office or general assembly, or for PACs expressly advocating the passage or defeat of ballot issues.

Election Year	
Report Due	Covering Period
May 19	January 1 through May 14
July 19	May 15 or Wednesday preceding primary election through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 or Wednesday preceding general election through December 31

The following dates apply to PACs advocating the nomination, election, or defeat of candidates for statewide office or general assembly. *For PACs expressly advocating the passage or defeat of ballot issues, only one non-election year report needs to be filed (due January 19 covering the period of January 1 through December 31 of the previous year).*

Non-Election Year	
Report Due	Covering Period
July 19	January 1 through June 30
January 19 (next calendar year)	July 1 through December 31

[Iowa Code § 68A.402\(6\)](#).

Non-Political Organizations (Permanent Organizations)

- A permanent organization established for a purpose other than engaging in political activity must temporarily register as a PAC, file disclosure reports, and keep the money related to that political activity segregated from its operating funds, if it engages in express advocacy and raises money, expends funds, or incurs debts in excess of \$750. [Iowa Code § 68A.402\(9\)](#).

Out-of-State PACs

- Federal PACs and Out-of-State PACs that are registered in a state with reporting requirements substantially similar to Iowa's may make contributions to influence Iowa elections *without* registering or reporting in Iowa as an in-state PAC. Instead, the out-of-state PAC may simply file a Verified Statement of Registration ("VSR") with the Iowa Ethics and Campaign Disclosure Board each time it makes a contribution in excess of \$50. VSRs are required to be filed electronically. [Iowa Code § 68A.201A](#).
- The out-of-state PAC must designate an Iowa resident to receive service on its behalf. [351 Iowa Admin. Code § 4.32\(2\)\(e\)](#).
- The VSR must be filed within 15 days of the contribution and include the following information:
 - The out-of-state PAC's name, address, and telephone number;
 - The state or federal agency with which it is registered;
 - All parent entities, affiliates or sponsors of the out-of-state PAC;
 - The purpose of the out-of-state PAC;
 - The name and address of the committee to whom the contribution is made, along with the date, amount and description of the contribution;

- An attested statement that the out-of-state PAC's home jurisdiction has reporting requirements substantially similar to Iowa's. If the home state permits corporate contributions, the out-of-state PAC must conduct its Iowa activity from a segregated account that does not accept contributions that would be prohibited in Iowa, unless the out-of-state PAC's contribution is being made to an Iowa ballot committee.
[351 Iowa Admin. Code § 4.32\(2\)](#).
- An out-of-state PAC based in a jurisdiction whose requirements are not substantially similar to Iowa's may file a VSR if they "enhance" their home-state reports to meet Iowa's requirements. See [351 Iowa Admin. Code § 4.32\(6\)](#).

BALLOT MEASURES

- A "ballot issue" means a question, other than the nomination or election of a candidate to a public office, which has been approved by a political subdivision or the general assembly or is required by law to be placed before the voters of the political subdivision by a commissioner of elections, or to be placed before the voters by the state commissioner of elections. [Iowa Code § 68A.102\(1\)](#).
- Iowa does not have a process of legislating by direct vote of the people; groups of voters cannot add a question to the ballot through a petition process. All ballot measures must be approved by the General Assembly or political subdivision before placement on the ballot.

ENFORCEMENT AND PENALTIES

- The Iowa Ethics and Campaign Disclosure Board administers the state's election and campaign finance laws, investigates alleged violations, and has the authority to issue civil penalties. If after a hearing the Board determines a violation of the law has occurred, it may resolve the matter informally or do one or more of the following:
 - Issue a cease and desist order.
 - Issue an order requiring the violator to take any remedial action deemed appropriate by the board.
 - Issue an order requiring the violator to comply with the reporting requirements of the Board.
 - Public reprimand.
 - Impose a civil penalty of up to \$2,000 per violation.

- Refer the complaint and supporting information to the attorney general or appropriate county attorney with a recommendation for prosecution or enforcement of criminal penalties.

[Iowa Code § 68B.32D.](#)

CONTACT INFORMATION FOR STATE AND LOCAL AGENCIES

Iowa Ethics and Campaign Disclosure Board

Staff directory and individual contact information at:

http://www.iowa.gov/ethics/board/staff_contacts.htm

510 East 12th, Suite 1A

Des Moines, Iowa 50319

Tel: 515.281.3489

Fax: 515.281.3701 (general)

515.281.4073 (to fax reports)

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FOR FURTHER ASSISTANCE

For assistance regarding these resources or for more information about federal law, please contact our attorney one-on-one counseling service:

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