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**ANNUAL
REPORT
1978**

**CAMPAIGN FINANCE
DISCLOSURE COMMISSION
STATE OF IOWA**

C O N T E N T S

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CAMPAIGN FINANCE DISCLOSURE COMMISSION

Agency Description

The 65th General Assembly, 1973 Session, created the Campaign Finance Disclosure Commission to review, monitor and make available for public inspection financial disclosure reports filed by political committees and candidate committees in Iowa. The commission operates within four statutory program areas:

Regulation and Compliance includes collection and audit of required reports, investigation of questionable items on reports, identifying violations of the law, processing complaints, conducting administrative hearings, and interpreting the law in the form of declaratory rulings and guideline answers, and adopting administrative rules.

Education and Information requires the Commission to provide reporting forms, compliance manuals, and individual assistance to county auditors, political committees, news media and concerned citizens.

Material Update requires the Commission to design and distribute forms assisting committees in compliance with Chapter 56.

Income Tax Checkoff mandates the Commission to review and audit the income tax checkoff expenditure reports biennially in cooperation with the Revenue Department and Comptroller's Office.

The Commission also serves as a quasi-judicial body. The Commission may gather evidence, hold a hearing and propose a finding of fact and decision based on the conclusions of law as to whether a committee has violated the provisions of Chapter 56 of the Iowa Code. Any eligible elector may file a complaint. The Commission would hear the complaint and propose a decision based on conclusions of law as applied to the facts brought forth by the complainant. If the Commission would find reasonable grounds to believe that a violation of the law occurred, the complaint may be referred to the appropriate prosecuting authority.

REGULATION AND COMPLIANCE

CAMPAIGN FINANCE DISCLOSURE COMMISSION

1978 State Level Report Compliance by
Reporting Periods

	January 25, 1979		October 25, 1978		July 25, 1978		May 25, 1978			
	Total	%	Total	%	Total	%	Total	%		
Number audited	2812	100%	699	100%	726	100%	708	100%	679	100%
Reports without errors	2446	87%	593	85%	626	86%	643	91%	584	86%
Reports with errors	366	13%	106	15%	100	14%	65	9%	95	14%
Amendments asked	293	80%	97	92%	84	84%	53	82%	59	62%
Minor errors (no amend.)	73	20%	9	8%	16	16%	12	18%	36	38%
Reported on outdated forms	34	1%	7	1%	7	1%	9	1%	11	2%
Reports with no activity	264	9%	62	9%	41	6%	100	14%	61	9%
Dissolutions	187	7%	112	16%	25	3%	37	5%	13	2%
Delinquency as of 26th of reporting periods	343	12%	115	16%	100	14%	70	10%	58	9%

Handled 634 more reports in 1978 compared to 1977.

Disclosure reports had 6% more errors in 1978 compared to 1977.

Delinquency dropped 9% in 1978 compared to 1977.

CAMPAIGN FINANCE DISCLOSURE COMMISSION

1978 State Level Report Compliance
By Classification of Committee

			Non-Partisan		Candidates		Others	
	Total	%	Total	%	Total	%	Total	%
Number audited	2,812	100%	421	100%	1,078	100%	1,313	100%
Reports without errors	2,446	87%	388	92%	880	82%	1,178	90%
Reports with errors	366	13%	33	8%	198	18%	135	10%
Amendments asked	293	80%	28	85%	160	81%	105	78%
Minor errors (no amend.)	73	20%	5	15%	38	19%	30	22%
Reported on outdated forms	34	1%	5	1%	9	1%	20	1%
Reports with no activity	264	9%	67	16%	89	8%	108	8%
Dissolutions	187	7%	10	2%	171	16%	6	1%
Delinquency as of 26th of reporting periods	343	12%	62	15%	128	12%	153	12%

Total disclosure reports had 6% more errors in 1978 compared to 1977.

Total delinquency dropped 9% in 1978 compared to 1977.

STATE LEVEL AMOUNT OF FUNDS DISCLOSED

1978

<u>Committees</u>	<u>Contributions</u>	<u>Expenditures</u>
Statewide candidates	\$1,671,044.00	\$1,725,016.00
Representative candidates	734,432.00	717,236.00
Senate candidates	365,568.00	356,549.00
Iowa based PAC's	673,712.00	783,205.00
Out-of-state based PAC's	633,761.00	813,863.00

No annual totals were compiled on state and county statutory committees or women's clubs.

FUNDS DISCLOSED BY OUT-OF-STATE BASED POLITICAL ACTION COMMITTEES

1978

<u>Political Action Committee</u>	<u>Contributions</u>	<u>Expenditures</u>
CWA District 7 PEC	\$ 5,861.73	\$ 5,843.28
Northwestern Officers Trust Account	61,650.17	128,792.80
Quad-City Federation COPE	10,105.75	11,446.62
T.A.P.E.	480,289.62	615,889.52
Transportation Political Education League	2,657.13	5,090.00
Tri-City Building Trades	1,050.00	1,050.00
Wilson Foods Corp. Activities	400.00	400.00
Citizens for Rep. Iowa Division	2,000.00	2,000.00
Women's Campaign Fund	32,581.75	25,581.76
National Conservative PAC	32,162.95	9,518.98
NLT Employees Good Govt.	1,500.00	1,500.00
Continental Group Civic Assoc.	150.00	150.00
United Steel Workers	3,000.00	3,000.00
Labor Political Educ. League	200.00	200.00
COPE - AFL-CIO	- 0 -	3,000.00
Active Ballot Club	151.45	400.00
	<hr/>	<hr/>
Totals	\$ 633,760.55	\$ 813,862.96

LOCAL REPORTS FILED WITH COUNTY AUDITORS
1978

<u>County</u>	<u>No. of Active Committees</u>	<u>No. of Reports filed</u>	<u>County</u>	<u>No. of Active Committees</u>	<u>No. of Reports filed</u>
Adair	11	36	Jefferson	10	30
Adams	12	24	Johnson	30	67
Allamakee	10	28	Jones	18	51
Appanoose	11	33	Keokuk	12	33
Audubon	13	37	Kossuth	17	51
Benton	13	38	Lee	17	45
Black Hawk	15	54	Linn	34	123
Boone	12	39	Louisa	10	27
Bremer	7	24	Lucas	10	29
Buchanan	24	62	Lyon	12	36
Buena Vista	4	10	Madison	15	57
Butler	4	12	Mahaska	24	74
Calhoun	8	20	Marion	7	28
Carroll	8	23	Marshall	20	55
Cass	11	39	Mills	9	26
Cedar	11	23	Mitchell	9	26
Cerro Gordo	18	53	Monona	12	19
Cherokee	7	17	Monroe	11	41
Chickasaw	6	20	Montgomery	9	20
Clarke	8	29	Muscatine	4	6
Clay	10	26	O'Brien	5	14
Clayton	21	66	Osceola	2	8
Clinton	19	75	Page	7	28
Crawford	14	47	Palo Alto	7	17
Dallas	14	45	Plymouth	14	33
Davis	8	30	Pocahontas	8	28
Decatur	18	51	Polk	54	140
Delaware	2	8	Pottawattamie	37	110
Des Moines	13	36	Poweshiek	16	46
Dickinson	5	15	Ringgold	11	35
Dubuque	8	23	Sac	6	18
Emmet	8	32	Scott	27	76
Fayette	15	48	Shelby	5	18
Floyd	8	32	Sioux	7	20
Franklin	4	8	Story	23	55
Fremont	11	30	Tama	7	18
Greene	10	39	Taylor	3	12
Grundy	7	21	Union	11	40
Guthrie	15	51	Van Buren	4	14
Hamilton	11	29	Wapello	28	83
Hancock	13	22	Warren	14	37
Hardin	23	63	Washington	8	23
Harrison	9	30	Wayne	7	19
Henry	8	26	Webster	6	17
Howard	15	36	Winnebago	5	17
Humboldt	14	38	Winneshiek	8	29
Ida	10	18	Woodbury	42	125
Iowa	22	61	Worth	9	20
Jackson	14	41	Wright	7	22
Jasper	19	63			
			Totals	1,261	3,697

Statutory and county candidate committees file quarterly disclosure reports while municipal candidate and ballot issue committees file disclosure reports five days before the election, 30 days after the election and every 30 days until dissolving.

COMPLAINTS FILED WITH THE COMMISSION
1978

1. Campaign Finance Disclosure Commission v. Don Mullen for State Representative
Date complaint was filed: June 14, 1978
Nature of complaint: Committee did not file disclosure reports in a timely manner (§56.6).
Disposition: Committee subsequently filed and complaint was dismissed.
2. Campaign Finance Disclosure Commission v. Reelect Rinas Committee
Date complaint was filed: June 14, 1978
Nature of complaint: Committee did not file disclosure report in a timely manner (§56.6).
Disposition: Committee subsequently filed and complaint was dismissed.
3. Campaign Finance Disclosure Commission v. Howard County Democratic Central Committee
Date complaint was filed: June 14, 1978
Nature of complaint: Committee did not file disclosure report in a timely manner (§56.6).
Disposition: Committee subsequently filed and complaint was dismissed.
4. Campaign Finance Disclosure Commission v. Fremont County Republican Central Committee
Date complaint was filed: June 14, 1978
Nature of complaint: Committee did not file disclosure report in a timely manner (§56.6).
Disposition: The commission referred the matter to the Fremont County Attorney who refused to prosecute the committee. The matter was then referred to a district judge in the Fourth Judicial District. When the committee subsequently filed its disclosure report, the judge ruled that the case did not merit prosecution.
5. Campaign Finance Disclosure Commission v. Quad-City Federation C.O.P.E.
Date complaint was filed: June 14, 1978
Nature of complaint: Committee did not file disclosure report in a timely manner (§56.6).
Disposition: Committee subsequently filed and complaint was dismissed.
6. Robert S. Kinsey, Common Cause v. Gene Kennedy
Date complaint was filed: June 16, 1978
Nature of complaint: Individual made contributions to a political committee using the names of other persons (§56.12)
Disposition: The commission referred the matter to the Polk County Attorney who prosecuted the case. The respondent plead guilty and was fined.
7. Campaign Finance Disclosure Commission v. Allan Richards for State Representative
Date complaint was filed: August 15, 1978
Nature of complaint: Committee did not file disclosure report in a timely manner (§56.6).
Disposition: Committee subsequently filed and complaint was dismissed.

Complaints filed with the commission (con't.)

8. Campaign Finance Disclosure Commission v. Committee to Elect Jon Kimple for State Representative

Date complaint was filed: August 18, 1978

Nature of complaint: Committee did not file disclosure report in a timely manner (§56.6).

Disposition: Committee subsequently filed and complaint was dismissed.

9. Iowa City v. Iowa City Apartment Association, Inc.

Date complaint was filed: December 22, 1978

Nature of complaint: Corporation did not organize a political committee in a timely manner (§§56.4, 56.5), file disclosure reports in a timely manner (§56.6), and made a corporate contribution to its political committee (§56.29).

Disposition: The commission determined that no violation of Chapter 56 occurred and dismissed the complaint.

EDUCATION AND INFORMATION

The first of the activities and information programs was the "Education and Information" program. This program was designed to provide information to the public on the various activities and information programs of the Department of Education and Information. The program was held in the Department of Education and Information building on the 15th floor of the Department of Education and Information building. The program was held on the 15th floor of the Department of Education and Information building. The program was held on the 15th floor of the Department of Education and Information building.

In cooperation with the various agencies of the Department of Education and Information, the Department of Education and Information has developed a number of activities and information programs. These activities and information programs are designed to provide information to the public on the various activities and information programs of the Department of Education and Information. The activities and information programs are designed to provide information to the public on the various activities and information programs of the Department of Education and Information.

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EDUCATION AND INFORMATION

EDUCATION AND INFORMATION

As part of its education and information program area, the commission staff attended six Iowa State Association of Counties Legislative Mid-Year Workshops, and the spring and fall schools of instruction during 1978. The commission staff described to the county auditors their responsibilities and duties as prescribed in Chapter 56. Topics covered included filing requirements of school, municipal and ballot issue committees, duties of committee treasurers, the county summary report form and a discussion on utility franchise companies/ballot issue committees and their disclosure responsibilities.

In cooperation with the county auditors' offices, the commission held ten workshops across the state to provide educational assistance to candidates, treasurers, public officials, the news media and concerned citizens.

The commission staff responded to requests from many sources to provide educational and informational assistance. Such assistance was provided by mail, over the phone, visits by individuals to the commission office and invitations to the commission for a speaker to address interested groups or organizations. Requests came from labor groups, schools, the two political parties, political action committees, other states and members of the business and professional community.

As part of its material update program during 1978, the commission provided over 450 disclosure form packets to the county auditors for distribution to municipal, school, ballot issue and county candidate committees. In April, the commission mailed over 680 reporting form packets to committees currently active and filing with the commission. These committees were also contacted thirty days before each of the four filing dates during 1978 to remind them of pending filing dates. The commission provided an additional quantity of reporting form packets to individuals upon request.

ARTICLE 10

Section 10.1. The Board of Directors shall have the authority to...

10.2. The Board of Directors shall have the authority to...

10.3. The Board of Directors shall have the authority to...

Section 10.4. The Board of Directors shall have the authority to...

ARTICLE 11

Section 11.1. The Board of Directors shall have the authority to...

Section 11.2. The Board of Directors shall have the authority to...

Section 11.3. The Board of Directors shall have the authority to...

Section 11.4. The Board of Directors shall have the authority to...

Section 11.5. The Board of Directors shall have the authority to...

MATERIAL UPDATE

CODE REVISIONS

During 1978, Chapter 56 of the 1977 Iowa Code was amended in accordance with the new criminal code. Section 56.16 was amended as follows:

From:

56.16 Penalty. Any person who willfully violates any provisions of this chapter shall upon conviction, be subject to a fine of not more than one thousand dollars or imprisonment in the county jail for not more than thirty days.

To:

56.16 Penalty. Any person who willfully violates any provisions of this chapter shall upon conviction be guilty of a serious misdemeanor.

Further, the commission reviewed, in detail, the provisions of Chapter 56 and on November 2, 1978, recommended changes which are reflected in the following Study Bill.

A BILL FOR

1 An Act to amend and add to the definitions contained in, and to
2 revise the disclosure requirements, complaint procedures
3 and penalties prescribed by the campaign disclosure-income
4 tax checkoff act.

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

1 Section 1. Section fifty-six point two (56.2), subsection
2 four (4), unnumbered paragraph two (2), Code 1979, is amended
3 to read as follows:

4 "Contribution" shall not include services provided without
5 compensation by individuals volunteering their time on behalf
6 of a candidate or political committee except when organized
7 or provided on a collective basis by a business, trade
8 association, labor union, or any other organized group or
9 association. "Contribution" shall not include refreshments
10 served at a campaign function so long as such refreshments
11 do not exceed ~~fifty~~ one hundred dollars in value or
12 transportation provided to a candidate so long as its value
13 computed at a rate of ~~ten~~ fifteen cents per mile does not
14 exceed ~~fifty~~ one hundred dollars in value.

15 Sec. 2. Section fifty-six point two (56.2), Code 1979,
16 is amended by adding the following new subsections:

17 NEW SUBSECTION. "Ballot issue" means a question, other
18 than the decision who is to be elected to a public office,
19 which is placed before the voters of a political subdivision
20 by a county commissioner of elections.

21 NEW SUBSECTION. "Statewide ballot issue" means a question,
22 other than the decision who is to be elected to a public of-
23 fice, which is placed before the voters of the entire state
24 by the state commissioner of elections.

25 NEW SUBSECTION. "Political action committee" means a com-
26 mittee of the kind described in section fifty-six point twenty-
27 nine (56.29), subsection three (3) of the Code.

28 NEW SUBSECTION. "Commissioner" means the county commis-
29 sioner of elections as defined in section forty-seven point
30 two (47.2) of the Code.

31 NEW SUBSECTION. "State commissioner" means the state com-
32 missioner of elections as defined in section forty-seven point
33 one (47.1) of the Code.

34 Sec. 3. Section fifty-six point six (56.6), subsection
35 three (3), paragraphs b, d and g, Code 1979, are amended to

1 read as follows:

2 b. The name and mailing address of each person who has
 3 made one or more contributions of money to the committee
 4 including the proceeds from any fund-raising events except
 5 those reportable under paragraph "g" of this subsection, and
 6 the date and amount of each contribution reported, when the
 7 aggregate amount in a calendar year exceeds the amount
 8 specified in the following schedule:

9	(1) For any candidate for school or township of-	
10	fice	\$ 25
11	(2) For any candidate for city office	\$ 25
12	(3) For any candidate for county office	\$ 25
13	(4) For any candidate for the general assembly	\$ 50
14	(5) For any candidate for the Congress of the	
15	United States	\$100
16	(6) For any candidate for state-wide office	\$100
17	<u>(7) For any national political party</u>	<u>\$100</u>
18	(7) <u>(8)</u> For any state statutory political com-	
19	mittee	\$100
20	(8) <u>(9)</u> For any county statutory political com-	
21	mittee	\$ 50
22	<u>(10) For any political action committee</u>	<u>\$ 50</u>
23	(9) <u>(11)</u> For any ballot issue	\$ 25

24 d. The name and mailing address of each person who has
 25 made one or more in kind contributions to the committee, and
 26 the date of each in-kind contribution reported, when the
 27 aggregate market value of the in kind contribution in a
 28 calendar year exceeds the amount specified in subsection 3,
 29 paragraph "b," of this section. In kind contributions shall
 30 be designated on a separate schedule from schedules showing
 31 contributions of money.

32 g. The name and mailing address of each person to whom
 33 disbursements or loan repayments have been made by the
 34 committee from contributions during the reporting period and
 35 the amount and date of each disbursement except that

1 disbursements of twenty-five dollars or less than-five-dollars
2 may be shown as miscellaneous disbursements so long as the
3 aggregate miscellaneous disbursements to any one person during
4 a calendar year do not exceed one hundred dollars.

5 Sec. 4. Section fifty-six point eleven (56.11), Code 1979,
6 is amended to read as follows:

7 56.11 COMPLAINTS--PROCEDURE.

8 1. Any eligible elector may file a complaint of an alleged
9 violation with the commission. The complaint shall be verified
10 and supported by affidavit detailing the circumstances of
11 the violation alleged. The commission may initiate action
12 on its own motion by filing a complaint accompanied by such
13 an affidavit. Within twenty-four hours after receipt of a
14 complaint or initiation of its own complaint, the commission
15 shall ~~notify~~ give notice of the complaint by certified mail
16 addressed to the person, candidate or committee against whom
17 the complaint is made ~~of-receipt-or-initiation-of-the~~
18 ~~complaint,-and-until-it-has-done-so-it-shall-make-no~~
19 ~~investigation-of-any-kind-into-the-campaign-affairs-of-the~~
20 ~~person,-candidate-or-committee~~ at the last known address of
21 that individual or committee. The notice is complete when
22 deposited in the United States mail so addressed. Unless
23 the commission concludes that there is no reasonable basis
24 for a complaint which has been filed, it shall set a date
25 for a hearing on the complaint which shall be not more than
26 fifteen days after the date the complaint is received or
27 initiated by the commission. The commission shall serve the
28 person, candidate or committee against whom the complaint
29 is made a copy of the complaint and supporting affidavit and
30 notice of the hearing in the manner provided by the rules
31 of civil procedure. Copies of the complaint, affidavit and
32 notice shall also be sent to each of the other candidates,
33 if any, for the office affected. If a complaint is filed
34 or initiated less than fifteen days before the election at
35 which the office affected is to be filled, the commission

1 shall set the hearing at the earliest possible date so as
2 to allow the issue to be resolved prior to the election.
3 An extension of time for the hearing may be granted when both
4 parties mutually agree on an alternate date for the hearing.

5 2. The commission shall investigate the complaint and
6 conduct the hearing. Upon request of the commission, the
7 county attorney or the attorney general shall assist the
8 commission in any investigation in which the commission is
9 the complainant and report to it as directed. The commission
10 shall have the power to subpoena and review all records of
11 a candidate or committee required to be kept under this
12 chapter. The commission may subpoena and review all records
13 of any person when the records are material and relevant to
14 an investigation being conducted by the commission. Due
15 process, including the right to be represented by counsel,
16 shall be accorded the accused. The commission shall provide
17 for the confidentiality of the records of a candidate or,
18 committee or any other person during the investigation and
19 hearing process and shall provide for confidential hearings
20 only if requested by either party to the complaint, except
21 that if the commission itself is a complainant it may not
22 request a confidential hearing. After the hearing the
23 commission shall determine whether or not there are reasonable
24 grounds to believe that a violation of the provisions of this
25 chapter did occur. The commission shall send a copy of its
26 findings of fact and decision to the person, candidate or
27 committee against which the complaint was filed and to each
28 candidate for the public office affected. The commission
29 may assess the cost of such hearings against either party
30 involved in the hearing.

31 3. If the commission finds reasonable grounds to believe
32 that the person, candidate, or committee has engaged in an
33 act or practice which constitutes a violation of this chapter,
34 the commission shall report the suspected violation of law
35 to the United States attorney, the attorney general, or the

1 county attorney, as the case may be, with a recommendation
2 of appropriate action to be taken.

3 4. Upon receipt of the report and recommendations of the
4 commission, the county attorney or attorney general shall
5 review the report and recommendation and within five twenty
6 days of receiving the report institute the recommended actions
7 and any other action for relief, including a permanent or
8 temporary injunction, restraining order or other appropriate
9 remedy in the district court in and for the county in which
10 the accused resides or shall advise the commission that in
11 his or her judgment the case does not merit prosecution.
12 In the event the county attorney or attorney general does
13 not initiate the recommended action within five twenty days
14 of receipt or if he or she advises against prosecution of
15 the report, the commission may take the report before any
16 judge of the district court, who shall determine if sufficient
17 cause exists to warrant action. If the judge of the district
18 court finds that the report warrants prosecution, the county
19 attorney or attorney general shall immediately commence the
20 action or disqualify himself or herself. In the event of
21 disqualification, the commission may retain an attorney to
22 represent it and commence the action. The county attorney,
23 attorney general, or United States attorney, may also institute
24 criminal action.

25 5. If an eligible elector or the commission would be un-
26 able to obtain timely relief by initiating a complaint under
27 subsection one (1) of this section, the eligible elector or
28 commission may seek appropriate relief by filing a complaint
29 before a magistrate, as provided by section eight hundred
30 four point one (804.1) of the Code, in the county which is
31 the residence of the person, candidate or committee against
32 whom the complaint is made.

33 Sec. 5. Section fifty-six point sixteen (56.16), Code
34 1979, is amended to read as follows:

35 56.16 ~~PENALTY~~ PENALTIES.

1 1. Any person who willfully violates any provisions of
2 this chapter shall upon conviction, be guilty of a serious
3 misdemeanor.

4 2. A committee which fails to file a disclosure report
5 at the time required by section fifty-six point six (56.6),
6 subsection one (1) of the Code shall be sent notice of that
7 fact by certified mail directed to the committee's last known
8 address, and shall be assessed a penalty of ten dollars when
9 the overdue report is filed.

10 3. A committee which fails to file an overdue disclosure
11 report by the close of business on the fifth working day af-
12 ter receipt of the notice sent under subsection two (2) of
13 this section shall be assessed a further penalty of twenty-
14 five dollars per day for each day beginning with the sixth
15 working day after the committee receives the notice and ending
16 the day the report is filed.

17 4. A committee which fails to file a disclosure report
18 for more than five working days after receipt of a notice
19 sent under subsection two (2) of this section, or has failed
20 to file or update a statement of organization under section
21 fifty-six point five (56.5), subsections one (1), two (2)
22 and three (3) of the Code, may be ordered by the commission
23 or commissioner to accept no further contributions and make
24 no further expenditures until the required report or statement,
25 or both, have been filed.

26 5. A person who has been elected to a public office created
27 under the constitution or laws of this state is not qualified
28 to assume that office if that person has failed to file a
29 disclosure report in substantial compliance with the
30 requirements of this chapter.

31 Sec. 6. Section fifty-six point twenty-two (56.22), sub-
32 section one (1), Code 1979, is amended to read as follows:

33 1. The money accumulated in the Iowa election campaign
34 fund to the account of each political party in the state shall
35 be remitted to the party ~~on-the-first-business-day-of-each~~

1 month by warrant of the state comptroller drawn upon the fund
2 in favor of the state chairperson of that party, when the
3 money is requested by the state chairperson. A state political
4 party chairperson may request remittance of accumulated funds
5 no oftener than once each month. The money received by each
6 political party under this section shall be used as directed
7 by the party's state statutory political committee.

8 EXPLANATION

9 This bill makes a number of additions to and revisions
10 in chapter 56 of the Code, the Campaign Disclosure-Income
11 Tax Checkoff Act.

12 Section 1 raises the value of refreshments which may be
13 served at a campaign function and transportation which may
14 be provided to a candidate, without reporting these items
15 as campaign contributions, from \$50 to \$100.

16 Section 2 adds several defined terms to the chapter, in-
17 cluding "ballot issue" and "statewide ballot issue", referring
18 to questions other than election of a public official decided
19 by voters at an election, and "political action committee",
20 which refers to a committee of the kind described by section
21 56.29, subsection 3 of the Code. That definition is in accord
22 with the common use of this term. Section 2 also adds to
23 chapter 56 definitions of the terms "commissioner" and "state
24 commissioner" of elections. (Actually, these definitions
25 already apply to chapter 56 by virtue of section 39.3.)

26 Section 3 adds the date and amount of individual contri-
27 butions to the information regarding political contributions
28 which must be reported periodically to the Campaign Finance
29 Disclosure Commission, and extends the scope of the reporting
30 requirements to national political party organizations operat-
31 ing in Iowa and to political action committees.

32 Section 4 makes several procedural changes in the way in
33 which complaints of violations are initiated and processed
34 by the Campaign Finance Disclosure Commission.

35 Section 5 adds to the present penalty section in chapter

1 56 a series of specific penalties and sanctions which can
2 be applied by the Campaign Finance Disclosure Commission to
3 enforce the requirement that periodic disclosure statements
4 be filed.

5 Section 6 changes the present requirement that the
6 Comptroller remit money accumulated in the Iowa election
7 campaign fund to the political parties which are entitled
8 to the money, on the first business day of each month. The
9 political parties sometimes prefer to leave this money on
10 deposit with the state temporarily, and have it invested at
11 interest, until the money is needed for the purposes for which
12 the law permits it to be used.

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ADMINISTRATIVE RULES REVISIONS

During 1978, the commission proposed the following new administrative rule which is still involved in the rule review process and has not gone into effect.

190-4.16(56) Out-of-state contributions. Before an Iowa committee accepts a contribution from a committee outside of Iowa, the Iowa committee must contact the commission to determine if the out-of-state committee has submitted a statement of organization and appropriate disclosure reports with the commission. Iowa committees may not accept contributions from out-of-state committees who have not filed a statement of organization and appropriate disclosure reports with the commission.

FORM REVISIONS

There were no changes in the reporting forms during 1978.

DECLARATORY RULINGS AND GUIDELINE ANSWERS

New and Revised
1978

A declaratory ruling is a decision made by the commission regarding a specific question on the commission's interpretation of a section of Chapter 56. A guideline answer is more general and could be applied to similar situations.

During 1978, all declaratory rulings and guideline answers were updated in accordance with previously adopted Code revisions and administrative rule revisions. Following are four new declaratory rulings which were adopted by the commission during 1978.

COMMITTEES

Committees-Organizations qualifying as political committees.

Question - Would the formation and operation of a family fund organization designed to accept contributions and expend monies to defer such expenses as rent, utilities, groceries, and related household expenses incurred by the family of a candidate for political office while such candidate is campaigning, be in violation of any of the provisions of Chapter 56?

Answer - In reviewing the above fact situation, it would appear there are three issues which directly concern provisions in the campaign finance law. One, would the formation of such an organization for the above stated purposes bring such organization under the definition of a political committee as stated in section 56.2(6); two, would such organization if it is interpreted as a political committee under section 56.2(6), be a candidate's committee as defined by section 56.2(13), and as referred to in section 56.13; and three, if such organization is defined as a candidate's committee under section 56.2(13), would the candidate be in violation of section 56.28 regarding a candidate having only one candidate's committee.

Section 56.2(6) states, "'Political committee' means a committee but not a candidate's committee, which shall consist of persons organized for the purpose of accepting contributions, making expenditures, or incurring indebtedness in the aggregate of more than \$100.00 in any one calendar year for the purpose of supporting or opposing a candidate for public office or ballot issue.

In January of 1976, the commission handed down a declaratory ruling regarding political committees filing disclosure reports. The commission stated that if a group which does not at any time support or campaign for or against any candidate or ballot issue or if such group does not contribute to any campaign fund, such group would not be required to file campaign disclosure reports because these activities by definition would not make such a group a political committee. In April of 1976, the commission handed down a similar ruling concerned with the definition of support as found in section 56.2(6). The commission inferred that in order for an organization to be considered a political committee, such organization must lend financial support in addition to philosophical support and/or endorsement.

Therefore, it would appear that in reviewing section 56.2(6) and subsequent declaratory rulings, that an organization which would be accepting contributions to defer the household expenses of a political candidate's family, such activity would bring this organization within the definition of a political committee as stated in section 56.2(6). This support is definitely financial in nature. It would also appear the specific purpose of these contributions and expenditures of this organization would be for the indirect purpose of supporting a candidate for political office. As a practical matter, if it were not for the fact that such candidate was not campaigning for public office, such an organization would probably not exist.

Section 56.2(13) states, "'Candidate's committee' means the committee designated by the candidate to receive contributions, expend funds, or incur indebtedness in excess of \$100.00 in any calendar year on behalf of the candidate."

Section 56.13 states, "Action by any person or political committee on behalf of a candidate, if known and approved by the candidate, shall be deemed action by the candidate. It shall be presumed that a candidate approves such action if he had knowledge thereof and failed to file a statement of disavowal with the commissioner or commission and take corrective action within 72 hours thereof. Any person who makes expenditures or incurs indebtedness other than incidental expenses incurred in performing volunteer work in support or opposition of a candidate for public office shall notify the appropriate committee and provide necessary information for disclosure reports. However, this section shall not be construed to require duplicate reporting of anything reported under this chapter, by a political committee, or of action by any person which does not constitute a contribution."

The apparent intent and purpose of section 56.2(13) was to insure that a candidate maintain a political committee, such being called a candidate's committee. The purpose for the organization of such committee would be that activities by the committee are performed for the sole purpose of supporting that candidate for a political office. This type of committee is to be distinguished from a political committee as defined in section 56.2(6), whereby the purpose of such committee would be general in nature, i.e. such committee's activities would be in support or opposition of many and various candidates for public office.

In reviewing section 56.13, the apparent purpose of this section was to provide a responsible framework for disclosure of political contributions and expenditures by persons or political committees working on behalf of a candidate, if known and approved by the candidate. In reviewing section 56.13(1), it appears the legislative intent was to allow a candidate the choice of being somewhat responsible for the actions of persons working for the benefit and economic support of the candidate, or allowing the candidate the choice of not accepting the responsibility for the actions of other persons or committees working on behalf of the candidate. Without such opportunity for a candidate to approve or disavow the actions of other persons or political committees, it would be virtually impossible to have responsible, complete disclosure by a candidate campaigning for public office. It might also be the legislative intent to assign a responsibility to candidates for the actions of those persons working on their behalf.

Therefore, in regards to petitioner's query, a group of individuals receiving contributions and making expenditures solely on behalf of a political candidate, if such activity was known and approved by the candidate, such activity should be deemed to be action by the candidate. In addition, it could be stated that once this activity is known and approved by the candidate, it might be activity which has been designated by the candidate.

Section 56.28 states, "Each candidate for public office shall organize one, and only one, candidate's committee if the candidate anticipates receiving

contributions, making expenditures, or incurring indebtedness in excess of \$100.00 in a calendar year."

In January of 1976, the commission expounded somewhat on a candidate who has a political committee. The commission stated that since a candidate would be required to file disclosure reports if he or she spends, receives or incurs indebtedness exceeding \$100.00, such candidate must form a political committee to act on his or her behalf in campaign finance matters.

Section 56.28 appears to be very emphatic that a candidate organize only one candidate's committee to receive contributions, make expenditures, or incur indebtedness on behalf of the candidate. If a candidate for a public office would already have organized a political committee with the commission, it would appear that an additional organization organized to receive and expend funds for the sole benefit of the candidate would possibly be an additional candidate's committee, therefore the candidate would not be complying with the letter and intent of section 56.28. Again, it would appear that if the activity of an organization which sole purpose is to promote the economic benefit of a candidate for public office, if such activity was known and approved by the candidate, such activity will be deemed action by the candidate and should be reported by the candidate's committee.

In summary, the commission believes that an organization set up for the sole purpose of indirectly supporting the candidate for public office by expending funds from contributions to defray household expenses, such organization would be a political committee under the definition of the campaign finance law. The commission believes that if the activities of this organization are known and not disavowed by the candidate, then such activities would be deemed as action by the candidate. Therefore, such contributions and expenditures should be reported by the candidate's committee. Under the current law, a candidate is allowed only one candidate's committee, therefore, any such activity would be reported by the present, active candidate's political committee.

Furthermore, the commission comments and suggests that if a candidate would desire to segregate these two types of political contributions and expenditures, such candidate's committee could report under one committee name. However, the report would be filed in two separate divisions, i.e. division "a" and division "b". It would appear that such method of reporting would be in complete compliance with the campaign finance law.

§§56.2(6), 56.2(13), 56.28, Code 1977
Implemented March 22, 1978

CONTRIBUTIONS

Reports-Contributions. Coupon booklets as contributions to a political committee.

Question - A candidate's committee desires to sponsor a potluck dinner fund-raising event at which an admission fee would be charged. In addition to being able to attend such an event, each person would be given the option of receiving at no cost a booklet containing valuable coupons. These persons would be able to realize such value when each of these coupons are presented to various restaurants and similar establishments for redemption. Each restaurant and like establishment would be donating these individual coupons to the political committee, such coupons would then be arranged in booklet form. Petitioner seeks resolution to the following questions:

1. Is the acceptance of these coupons by the political committee a contribution under the provisions of section 56.2(4)?
2. If such acceptance of these coupons are considered contributions under the provisions of Chapter 56, if these coupons were donated by establishments which are incorporated under the laws of Iowa, would such acceptance be in violation of any of the provisions of section 56.29(2)?
3. Assuming such acceptance of these coupons from establishments which are in fact incorporated are in violation of section 56.29(2), would payment by the committee to the corporate fund in the amount of the stated value of the coupons bring the committee and corporation within compliance of the provisions of section 56.29(2)?

Answer - Section 56.2(4) states, "contribution" means:

- a. a gift, loan, advance, deposit, rebate, refund, or transfer of money or a gift in kind.

There appears to be many degrees of economic benefit which may be derived by various persons accepting and using these individual coupons and booklets. When such a coupon is given to the political committee whereby the committee would use such coupon as an inducement to attract persons to attend the fund-raising event, such transfer would appear to bring the transaction within the definition of a political contribution. This political committee is receiving an indirect economic benefit in the form of advertising. Since the coupon booklets are only available from the political committee, if one attends the fundraising event, the apparent purpose for distributing such booklet is to induce many persons to purchase tickets to attend the event. There is also a direct economic benefit to each person accepting these coupons, such benefit would be the redemption of each coupon by presenting such to the various establishments. However, this aspect of the transaction is not relevant to the

issue of the economic benefit derived by the political committee. It is the commission's determination that the acceptance of a coupon contained in a booklet by a political committee would be an inkind contribution and reportable under the provisions of section 56.6(d).

Pertinent provisions of section 56.29 state:

"Except as provided in subsection 3, it shall be unlawful for any...corporation organized pursuant to the laws of this state... whether for profit or not, or any officer, agent, representative thereof acting for such...corporation, to contribute any...thing of value, directly or indirectly, to any committee, or for the purpose of influencing the vote of any elector...."

Pertinent provisions contained in paragraph (2) state:

"Except as provided in subsection 3 of this section, it shall be unlawful for any member of any committee, or employee or representative thereof, or candidate for any office or for the representative of such candidate, to solicit, request, or knowingly receive from any...corporation organized pursuant to the laws of this state...whether for profit or not, or any officer, agent, or representative thereof, anything of value belonging to such...corporation for campaign expenses, or for the purpose of influencing the vote of any elector."

It would appear in reviewing the pertinent provisions of section 56.29(1) that it would be a violation for any corporation to contribute such coupon to any political committee. It would also appear to be a violation of the pertinent provisions of section 56.29(2) for any political committee to accept such coupons from a restaurant or similar entity which would be incorporated under the laws of the State of Iowa. Therefore, it would be the commission's determination that for such a corporate entity to enter into such a transaction with a political committee, both would be in violation of present campaign law.

In response to petitioner's third question, it appears that in order for a political committee to not be in violation of section 56.29(2), it would be necessary for the political committee to purchase the economic value of each coupon given by those establishments which would be incorporated entities. This payment for the value of the coupons would be an expenditure on the part of the political committee because compensation has been given to the corporate establishment. The transaction would no longer be a contribution as defined in section 56.2(4) of the Code.

In summary, it would be the commission's recommendation that if such coupons are accepted by the political committee that such coupons be reported on Schedule E as inkind contributions if the value from each establishment exceeds the reportable amount. It would also be the commission's recommendation that if any of the establishments are incorporated under the laws of Iowa or any other state, that compensation in the amount of the aggregate

coupons of each establishment be remitted to the corporate funds of the entity, such funds being earmarked as payment for the value of the coupons donated to the political committee. Such information should also be noted on Schedule B of the political committee's disclosure report as an expenditure.

§§56.2(4), 56.29(2), Code of Iowa 1977
Implemented March 22, 1978

CORPORATIONS

Corporations-Candidates' committees receiving an inkind contribution of the use of an aircraft from a corporation wholly owned by a single shareholder.

Question - May a candidate for public office receive from a corporation, wholly owned by a single shareholder, the use of an aircraft owned by the corporation where the candidate pays all the direct costs of the operation of the aircraft attributed to his or her use of the aircraft without violating the provisions of section 56.29(2) of the Code of Iowa?

Answer - Section 56.29(2) of the Iowa Code states the following:

"Except as provided in subsection 3 of this section, it shall be unlawful for any member of any committee, or employee or representative thereof, or candidate for any office or the representative of such candidate to solicit, request, or knowingly receive from any insurance company, savings and loan association, bank, incorporation organized pursuant to the laws of this state or any other state, territory, or foreign country, whether for profit or not, or any officer, agent, or representative thereof, any money, property, or thing of value belonging to such insurance company, savings and loan association, bank or corporation for campaign expenses, or for the purpose of influencing the vote of any elector."

It appears the basic and primary purpose for section 56.29 concerning the prohibition of corporate contributions to political committees was for the protection of the investment of individual shareholders who owned stock in such corporations. Whenever a corporation donates a contribution from its corporate bank account, the effect of such withdrawal of funds is to deprive the shareholders of a return on their investment in the corporation. This fundamental principle has been adopted by the legislature for many years before the enactment of section 56.29(2). Such principle has been embodied in section 491.69 of the Code of Iowa for many years.

In keeping with similar language and the spirit of section 491.69, the legislature enacted section 56.29(2) of the Iowa Code. However, the legislature

also enacted paragraph 3 which allows for corporations to form political action committees, whereby such committees receive contributions from its stockholders, administrative officers, members, and other employees of the corporation. These funds may be contributed to a political committee for political purposes. These funds are not corporate contributions but personal donations of the corporation's employees and personnel.

In reviewing the instant question before the commission, it would appear that if a candidate's committee or any other political committee received the use of an aircraft owned by a corporation, such receipt would be contrary to the letter of the law as stated in section 56.29(2). If such receipt is not to be contrary to section 56.29(2), it would be necessary for the political committee to compensate the corporation for the use of such aircraft. This transaction would bring the receipt away from the realm of a contribution and place it in the realm of an expenditure by the political committee.

If in fact the political committee is willing to compensate the corporation for the use of the aircraft, it would appear the candidate's committee would have to compensate the corporation for any and all costs which would be related to the operation of the aircraft. If the political committee did not compensate the corporation for all such costs, it would appear the corporation would be contributing something of value to the committee for political purposes. It would appear that if the political committee compensated the corporation for all substantial costs of the operation of the aircraft, i.e. fuel, landing fees, depreciation, and other miscellaneous costs, substantial compensation has taken place. If the corporation is supplying a pilot for the operation of the aircraft, it would appear the political committee should compensate the corporation for this person's time. However, if the corporation is not compensating the pilot of the craft, it would appear such pilot would be volunteering his or her time to the political committee, such would be an inkind contribution from the pilot to the political committee.

In summary, the commission believes that if a political committee compensates a corporation for all substantial costs of the operation of an aircraft which is to be used by a political committee, such receipt of the use of the aircraft would not be a violation of the letter and intent of the provisions of section 56.29(2), Code of Iowa.

§56.29(1)(2), Code of Iowa 1977

Implemented March 22, 1977

CORPORATIONS

Contributions of a corporate political action committee member.

Question - Could a top level executive of a corporate PAC member, such as the president and sole stockholder of the corporation, make a contribution to the PAC on an individual basis?

Answer - Section 56.29 specifically prohibits direct or indirect political contributions by corporations in addition to insurance companies, savings and loan associations and banks, except in connection with utility franchise elections.

The commission sees no problem with any individual making a personal contribution if the original source of the contribution is the individual and not a corporation, and if the contribution is properly disclosed in the political action committee's disclosure report.

However, if facts and circumstances indicate the individual is making the contribution on behalf of the corporation, then such a contribution is prohibited. Section 56.12 states that, "a person shall not make a contribution or expenditure in the name of another".

§§56.29, 56.12, Code of Iowa 1977
Implemented August 31, 1978

APPLICABLE ATTORNEY GENERAL'S OPINIONS
1978

Corporate contribution; Elections; Ballot Issue; Referendum; Disclosure and Reporting. First Amendment, U. S. Constitution. §§56.2(6), 56.2(14), 56.3-7, 56.29(1), 56.29(2), 56.29(3), Code of Iowa 1977. Corporations may not be statutorily prohibited from espousing views on referendum ballot issues and cannot be required to meet the committee creation, reporting and disclosure requirements of Chapter 56 in publicizing its views since Chapter 56 conflicts with the First Amendment. It is therefore lawful in Iowa for a corporation to directly contribute corporate funds to another committee for the purpose of educating the public on a referendum ballot issue, the conflicting terms of Chapter 56 to the contrary notwithstanding. (Salmons to Thompson, 10-18-78) No. 78-10-5

Bribery; Elections, Gifts of Campaign Materials. §722.4, Supplement to the Code, 1977. It is not unlawful to give pencils, matchbooks, emery boards, buttons, bumper stickers, shopping bags and like items with a candidate's name or political message thereon as part of a political campaign so long as the individual value of such items is less than 25 cents. (Turner to Egenes, State Representative, 7-21-78) No. 78-7-12

Bribery; Campaign Contributions; Public Officials. Chapter 56, Code of Iowa, 1977. §§722.1 and 722.2, Supplement to the Code of Iowa, 1977. Senate File 2201, 67th G.A. because it was vetoed did not render campaign contributions unlawful although the bill would have corrected an apparent irreconcilable conflict between the campaign finance disclosure law and the bribery sections by excepting such contributions as gifts thereunder. (Turner to Harbor, State Representative, 7-14-78) No. 78-7-9

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Investigating Policy and Procedure
Adopted November 2, 1978

PART I - POLICY

It is the policy of the commission to

- . investigate every matter brought to its attention if there is sufficient reason to believe a violation of Chapter 56 has occurred;
- . keep investigations confidential until such time as the commission takes formal action regarding the matter;
- . investigate matters and resolve them in a reasonable period of time.

Applicable Legislation

Chapter 56 - Code of Iowa

Section 56.11(1) states,

"...Within twenty-four hours after receipt of a complaint or initiation of its own complaint, the commission shall notify the person, candidate or committee against whom the complaint is made of receipt or initiation of the complaint, and until it has done so it shall make no investigation of any kind into the campaign affairs of the person, candidate or committee...."

Section 56.11(2) states,

"The commission shall investigate the complaint and conduct the hearing. Upon request of the commission, the county attorney or the attorney general shall assist the commission in any investigation and report to it as directed... The commission shall have the power to subpoena and review all records of a candidate or committee required to be kept under this chapter... The commission shall provide for the confidentiality of the records of a candidate or committee during the investigation and hearing process...."

Iowa's Administrative Rules

190--5.7(56) Subpoena power during investigation. If the commission determines that books, papers, records or any other real evidence would be of assistance in an investigation to determine whether a complaint should be filed, the commission shall have the power to issue a subpoena for such evidence. The service of the subpoena shall be made in accordance with the Iowa Rules of Civil Procedure.

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Investigating Policy and Procedure
Adopted November 2, 1978

PART II - PROCEDURES

Investigation Prior to Complaint

1. Immediately upon receipt of written information regarding a possible violation of Chapter 56, the executive director shall notify the commission chairman. If the information is submitted to a commissioner, the commissioner will immediately notify the commission chairman, or the executive director who will immediately notify the commission chairman.
2. The chairman shall, upon notification, determine if the information warrants an investigation, and the chairman will instruct the executive director accordingly. The chairman may require the executive director to poll the other commissioners for a majority vote on the matter of investigating.
3. If the chairman or the commission determines that the information warrants investigation, the executive director shall immediately contact appropriate individuals to schedule fact finding meetings. The executive director shall keep such appointments confidential.
4. At the fact finding meetings, the executive director shall inform the individuals interviewed of the commission's investigation and complaint procedures.
5. The executive director shall record the findings of the investigation and submit them to the commission at the next regularly scheduled commission meeting during executive session.
6. If at any time during the investigation, the executive director determines that "books, papers, records or any other real evidence would be of assistance" (190--5.7(56)), the executive director shall contact the commission chairman who will, upon notification, determine whether a subpoena should be issued for such evidence, and the chairman will instruct the executive director accordingly. The chairman may require the executive director to poll the other commissioners for a majority vote on the matter of issuing a subpoena. "The service of a subpoena shall be made in accordance with the Iowa Rules of Civil Procedure." (190--5.7(56)).
7. Evidence obtained by way of subpoenas will be confidential and will be submitted to the commission at the next regularly scheduled commission meeting along with the findings of the entire investigation, in executive session.
8. Upon receipt of the findings of the investigation and evidence obtained by way of subpoena, the commission shall, during executive session, review the materials and determine:

PART II - PROCEDURES (con't)

Investigation Prior to Complaint

- a. if there should be a formal complaint filed;
- b. if an informal settlement prior to filing a complaint should be pursued;
- c. if the matter requires further investigation;
- d. if the matter does not require further action.

9. The matter shall remain confidential until such time as the commission takes formal action to initiate a complaint or pursue an informal settlement. Upon the commission's determination of the disposition of the matter, the executive director shall immediately act accordingly.

10. Information submitted by the executive director to the commission as a result of the investigation and subpoenas, may be submitted as evidence in a complaint or informal settlement.

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Investigating Policy and Procedure
Adopted November 2, 1978

PART III - PROCEDURES

Investigation After Complaint is Filed

1. Immediately upon the filing of a complaint, the executive director shall notify the commission chairman.
2. The chairman shall, upon notification, determine if the complaint warrants an investigation by the executive director. The chairman may require the executive director to poll the other commissioners for a majority vote on the matter of investigating.
3. Within twenty-four hours after a complaint is filed, the commission shall notify the person, candidate or committee against whom the complaint is made, and "until it has done so, it shall make no investigation of any kind into the campaign affairs of the person, candidate or committee". (§56.11(1)).
4. After appropriate notification is made, and if the chairman or commission determines that the complaint warrants investigation by the executive director, the executive director shall immediately contact appropriate individuals to schedule fact finding meetings. The executive director shall keep such appointments confidential.
5. At the fact finding meetings, the executive director shall inform the individuals interviewed of the commission's investigation and complaint procedures.
6. The executive director shall record the findings of the investigation and submit them to the commission prior to the scheduled hearing.
7. If at any time during the investigation, the executive director determines that "books, papers, records or any other real evidence would be of assistance" (190--5.7(56)), the executive director shall contact the commission chairman who will, upon notification, determine whether a subpoena should be issued for such evidence, and the chairman will instruct the executive director accordingly. The chairman may require the executive director to poll the other commissioners for a majority vote on the matter of issuing a subpoena. "The service of a subpoena shall be made in accordance with the Iowa Rules of Civil Procedure." (190--5.7(56)).
8. Evidence obtained by way of subpoenas will be confidential and will be submitted to the commission prior to the scheduled hearing along with the findings of the entire investigation.
9. Information submitted by the executive director to the commission as a result of the investigation and subpoenas may be submitted by the hearing officer as evidence at the hearing.

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Investigating Policy and Procedure
Adopted November 2, 1978

PART IV - PROCEDURES

Other Investigations

It is possible that during the course of an investigation by the executive director, a complaint is filed by a party other than the commission.

If this should occur, the executive director shall suspend all investigative efforts and proceed according to the prescribed procedure entitled, "Investigation After a Complaint has been Filed".

Finally, regardless of the commission's decision whether or not to pursue an investigation, the executive director shall submit to the commission a report of the staff's knowledge surrounding each complaint filed, whether it be filed by the commission or by another party. The report will be submitted to the commission prior to the scheduled hearing date.

INCOME TAX CHECKOFF

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Income Tax Checkoff Comparison
By Fiscal Year

	1974	1975	1976	1977	1978
Republicans	\$ 60,870	\$ 89,474	\$ 91,023	\$ 93,214	\$ 94,334
Democrats	92,376	136,354	129,107	129,386	121,555
Total	\$153,246	\$225,828	\$220,130	\$222,600	\$215,889
No. of Processed Returns	1,060,821	1,105,713	1,110,090	1,149,776	1,184,566
% of Rep. Checkoff \$ Returns to Total Processed Returns	6%	8%	8%	8%	8%
% of Demo. Checkoff \$ Returns to Total Processed Returns	9%	12%	12%	11%	10%
% of Republican \$'s to Total \$'s	40%	40%	41%	42%	44%
% of Democrat \$'s to Total \$'s	60%	60%	59%	58%	56%
% of Total \$'s Checkoff Returns to Total Processed Returns	14%	20%	20%	19%	18%

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Income Tax Checkoff Comparison
1977-78 Fiscal Year

	December		January		February		March	
	1976	1977	1977	1978	1977	1978	1977	1978
Republicans	\$ 63	\$ 244	\$ 299	\$ 21	\$11,814	\$ 10,173	\$ 10,327	\$10,204
Democrats	91	331	474	24	21,682	17,669	19,267	17,897
Total	\$ 154	\$ 575	\$ 773	\$ 45	\$33,496	\$ 27,842	\$ 29,594	\$28,101
Number of Processed Returns	1,746	4,219	3,405	1,447	131,870	110,598	160,822	153,629
% of Republican Checkoff \$ Returns to Total Processed Returns	4%	6%	9%	2%	9%	9%	6%	7%
% of Democratic Checkoff \$ Returns to Total Processed Returns	5%	8%	16%	2%	16%	16%	12%	12%
% of Republican \$'s to Total \$'s	41%	42%	35%	47%	35%	37%	35%	36%
% of Democratic \$'s to Total \$'s	59%	58%	65%	53%	65%	63%	65%	64%
% of Total \$'s Checkoff Returns to Total Processed Returns	20%	14%	25%	4%	25%	25%	18%	18%

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Income Tax Checkoff Comparison
1977-78 Fiscal Year

	April		May		June	
	1977	1978	1977	1978	1977	1978
Republicans	\$13,829	\$12,890	\$12,684	\$16,255	\$11,959	\$ 8,567
Democrats	21,533	18,259	15,842	18,619	13,810	9,594
Total	\$35,362	\$31,149	\$28,526	\$34,874	\$25,769	\$18,161
No. of Processed Returns	210,980	189,201	210,655	219,066	140,660	141,567
% of Rep. Checkoff \$ Returns to Total Processed Returns	7%	7%	6%	7%	8%	6%
% of Demo. Checkoff \$ Returns to Total Processed Returns	10%	10%	8%	8%	10%	7%
% of Republican \$'s to Total \$'s	39%	41%	44%	47%	46%	47%
% of Democrat \$'s to Total \$'s	61%	59%	56%	53%	54%	53%
% of Total \$'s Checkoff Returns to Total Processed Returns	17%	17%	14%	15%	18%	13%

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Income Tax Checkoff Comparison
1977-78 Fiscal Year

	July		August		September	
	1977	1978	1977	1978	1977	1978
Republicans	\$12,889	\$10,253	\$10,309	\$ 9,896	\$ 5,375	\$ 9,825
Democrats	15,240	11,538	11,229	10,620	6,115	10,544
Total	\$28,129	\$21,791	\$21,538	\$20,516	\$11,490	\$20,369
No. of Processed Returns	133,049	120,605	82,148	108,283	41,563	78,980
% of Rep. Checkoff \$ Returns to Total Processed Returns	10%	8%	12%	9%	13%	12%
% of Demo. Checkoff \$ Returns to Total Processed Returns	11%	10%	14%	10%	15%	13%
% of Republican \$'s to Total \$'s	46%	47%	48%	48%	47%	48%
% of Democrat \$'s to Total \$'s	54%	53%	52%	52%	53%	52%
% of Total \$'s Checkoff Returns to Total Processed Returns	21%	18%	26%	19%	28%	25%

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Income Tax Checkoff Comparison
1977-78 Fiscal Year
(FINAL REPORT)

	October		November		12th Month	12th Month
	1977	1978	1977	1978	1976-77	1977-78
Republicans	\$1,558	\$3,173	\$2,108	\$2,833	\$ 93,214	\$ 94,334
Democrats	1,753	3,428	2,350	3,032	129,386	121,555
Total	\$3,311	\$6,601	\$4,458	\$5,865	\$222,600	\$215,889
No. of Processed Returns	14,783	32,623	18,095	24,348	1,149,776	1,184,566
% of Rep. Checkoff \$ Returns to Total Processed Returns	11%	10%	12%	12%	8%	8%
% of Demo. Checkoff \$ Returns to Total Processed Returns	12%	11%	13%	12%	11%	10%
% of Republican \$'s to Total \$'s	47%	48%	47%	48%	42%	44%
% of Democrat \$'s to Total \$'s	53%	52%	53%	52%	58%	56%
% of Total \$'s Checkoff Returns to Total Processed Returns	23%	20%	25%	24%	19%	18%

Interest earned for fiscal year ending November 30, 1978:

Democrats - \$4,993.57
Republicans - \$2,463.65

(Figures not included in totals of report)

PARTY CHECKOFF RECEIPTS AND EXPENDITURES

January 1, 1975 - December 31, 1976

Campaign fund reports and supporting material were submitted to the Campaign Finance Disclosure Commission in 1977 by the chairmen of the Republican and Democratic Parties of Iowa as required by section 56.23 of the Iowa Code. In 1978, examination by the Campaign Finance Disclosure Commission of the reports and supporting materials indicates that there is no evidence of the use of election campaign funds clearly for non-legitimate purposes as defined by Chapter 2 of the joint rules of the Campaign Finance Disclosure Commission, the Comptroller, and the Director of Revenue.

The Democratic Party reported receiving \$266,238.58 in income tax checkoff funds and \$10,625.56 in interest. They reported disbursing \$276,863.14, leaving a balance of \$1.00.

The Democratic Party reported the following:

Staff salaries, benefits, and expenses.	\$107,067.94
Committee meeting expenses.	3,033.70
Building Rental, maintenance, utilities	4,407.42
Telephone	19,390.31
Computer service.	70,907.20
Checkoff promotion.	3,063.95
Office supplies & expense	10,143.43
Fundraising expense	2,018.85
Postage freight	10,074.56
Advertising-printing.	5,784.58
Service charge.	71.20
Federal candidate contributions	30,000.00
State candidate contributions	10,900.00
Total	<u>\$276,863.14</u>

The Republican Party reported receiving \$186,571.42 in income tax checkoff funds, all of which they reported as having been disbursed.

The Republican Party reported the following:

Staff salaries, benefits, and expenses.	\$ 63,200.03
Computer services	15,874.18
Van rental and expenses	2,382.54
Advertising and printing.	4,673.40
Office supplies and equipment	265.27
Federal candidate contributions	88,076.00
State candidate contributions	12,100.00
Total	<u>\$186,571.42</u>

INCOME TAX CHECKOFF PROMOTIONAL ACTIVITIES

For the first time since its organization in 1973, the Campaign Finance Disclosure Commission joined the two political parties and Common Cause in promoting taxpayer checkoff to the Iowa Election Campaign Fund. They were joined by seventeen organizations which made up the Iowans for the Income Tax Checkoff Coalition.

A press conference was held at the State Capitol Building by Common Cause, Campaign Finance Disclosure Commission and the two political parties to promote the checkoff and to answer questions from the news media. A press release was mailed to all news media outlets within the state and editors of Iowa newspapers were asked their editorial assistance in encouraging taxpayers to check off one dollar of their income tax for the political party of their choice. Over 8,000 pieces of mail were sent to members of the Iowa Bar Association and the Iowa Society of Certified Public Accountants urging their support in reminding clients to check off on their 1978 Iowa Income Tax return.

A television public service announcement was produced by the coalition with assistance from a local television station and distributed to major stations around the state for viewing. The Society of Certified Public Accountants produced a public service announcement urging taxpayers to check off prior to filing their Iowa Income Tax returns.

RESOURCES

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Receipts and Expenditures

This annual report covers a program year from January to December, and the state's fiscal year includes July to June. The program year covered in this report includes portions of two fiscal years. As a result, included here is the final financial report for the fiscal year ending June 30, 1978. Also included is the financial projection for the fiscal year ending June 30, 1979 which contains actual expenses through March 31, 1979.

Expense Fiscal Year Ending June 30, 1978

	Actual	% to Total	Budget	Over (Under)
Salaries	\$58,497.64	75%	\$58,684.00	\$(186.36)
Travel	1,592.63	2%	2,720.00	(1,127.37)
Office Supplies & Expense	5,227.31	7%	4,858.00	369.31
Printing & Binding	3,596.37	5%	8,700.00	(5,103.63)
Telephone and Telegraph	1,688.97	2%	1,310.00	378.97
Office Rental	4,505.90	6%	4,541.00	(35.10)
Office Equipment	200.39	-0-	941.00	(740.61)
Board Member Per Diem and Travel	1,945.59	2%	6,600.00	(4,654.41)
Professional & Scientific Services	423.05	1%	1,943.00	(1,519.95)
TOTALS	\$77,677.85	100%	\$90,297.00	\$(12,619.15)
			Misc. receipts	(857.52)
			To revert to General Fund	<u><u>\$(13,476.67)</u></u>

State Appropriation Fiscal Year 1977-78	\$ 85,875.00
Salary Adjustment Fiscal Year 1977-78	4,422.00
Misc. Receipts Fiscal Year 1977-78	<u>857.52</u>
	\$ 91,154.52
Fiscal year expenses 1977-78	(77,677.85)
To revert to General Fund	\$ 13,476.67

CAMPAIGN FINANCE DISCLOSURE COMMISSION

Financial Outlook for Fiscal Year 1978-79
(Expense through March 31, 1979)

Account Name	Actual Thru 3rd Qtr. 1978-79	4th Qtr. Appropriation 3/1 - 6/30	Total	Budget	Over (Under) Budget
Salaries	\$48,373.36	\$17,500.00	\$65,873.36	\$63,052.00	\$ 2,821.36
Travel	941.30	700.00	1,641.30	3,000.00	(1,358.70)
Office Supplies & Expense	3,340.87	2,850.00	6,190.87	5,018.00	1,172.87
Printing & Binding	2,240.65	1,500.00	3,740.65	6,011.00	(2,270.35)
Telephone & Telegraph	416.76	1,000.00	1,416.76	1,350.00	66.76
Rental - Building	3,222.55	2,650.00	5,872.55	4,541.00	1,331.55
Office Equipment	- 0 -	100.00	100.00	748.00	(648.00)
Board Members Per Diem and Travel	1,954.64	1,000.00	2,954.64	6,621.00	(3,666.36)
Professional & Scientific Services	1,050.35	500.00	1,550.35	1,650.00	(99.65)
Totals	\$61,540.48	\$27,800.00	\$89,340.48	\$91,991.00	\$ (2,650.52)
State Appropriation	\$ 91,991.00				
Receipts	1,299.65				
Total	\$ 93,290.65				
Actual exp. thru 3rd qtr.	(61,540.48)				
Total	\$ 31,750.17				
4th quarter appropriation	(27,800.00)				
Projected excess	\$ 3,950.17				

COMMISSION PERSONNEL

<u>Commissioners</u>	<u>Residence</u>	<u>Term Expires:</u>
Robert Fulton, Chairman	Waterloo	6/30/83
Elwin D. Farwell, Vice-Chairman	Decorah	6/30/79
Jolene Stevens	West Des Moines	6/30/81
Charles Rehling	Bettendorf	6/30/79
Herbert Selby	Newton	6/30/83
Mary Louise Smith	Des Moines	Resigned 3/9/78

Mr. Selby was appointed to fill vacancy of Mary Louise Smith.

Staff

Cynthia P. Eisenhauer, Executive Director

Steven C. Johnson, Deputy Director

Earl D. Lemons, Accountant and Audit Adviser

Gloria K. Estes, Secretary

Richard E. Connolly, Jr., resigned as executive director on 8/11/78

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