

Law Regulates Corporate Money in Politics

In January, the U.S. Supreme Court opened the door to unlimited corporate money in elections. In response, the Iowa Legislature has passed a law to regulate corporate political activity so the public will be aware of who is spending how much to influence voting.

The Supreme Court ruled in *United v FEC* that corporations are persons and, as such, have a right to participate financially in the election process. With a reputation for clean elections, the goal of the legislation is to protect Iowans from unregulated campaign spending by big corporations and prevent the wealthy and special interests from deciding elections.

The bill, which now heads to Governor Culver for his signature, will require corporations, unions, and other similar groups that engage in political activity to file reports with Iowa's ethics and campaign finance board. This is similar to regulations already placed on contributions and activity by individuals and political action committees (PAC).

The bill, Senate File 2354, requires that any entity that makes independent expenditures must file with the board once one or more expenditures exceed \$750. In addition, the entity must file each time they make an expenditure of \$750. The statement must include whether or not they are advocating for or against a candidate or ballot issue.

An entity can not use its treasury to pay for an independent expenditure without the approval of a majority of the board of directors, executive council, or similar leadership body. Any published material or other media, such as television advertising, must include a disclaimer with the name and address of the corporation and the name and title of the chief executive officer.

These restrictions do not change current law in terms of businesses or unions forming PACS and soliciting their members for contributions. Contributions to the PAC must be voluntary.