

Guide for Prohibited and Permitted Corporate Activity

Revised 04/10

See chapter 68A and the Board's rules in 351-chapter 4 for more guidance

NOTE: The corporate restrictions and prohibitions in this brochure do not apply to ballot issue (referendum) committees or to utility franchise committees. These committees are allowed to accept corporate contributions (see Addendum at end of brochure).

EXPLAIN THE TERM "CORPORATE ENTITIES"

For purposes of the disclosure law "corporate entities" means both non-profit and for-profit corporations, as well as "P.C.s" (professional corporations).

MAY A CORPORATION PLACE YARD SIGNS ON ITS LAWN OR POST POLITICAL SIGNS ON ITS CORPORATE BUILDING?

See Campaign Sign Brochure

MAY A CORPORATION THAT IS IN THE BUSINESS OF MAKING SIGNS OR PRINTING ADVERTISING PROVIDE A DISCOUNT TO A COMMITTEE?

No, unless it provides the same discount to all other customers under the same circumstances.

HOW ABOUT BUMPER STICKERS ON CORPORATE VEHICLES?

If the car, truck or other vehicle is owned by a corporate entity, the law prohibits placement of any type of political advertising sign on it.

ARE CORPORATIONS ALLOWED TO MAKE MONETARY CONTRIBUTIONS TO COMMITTEES?

In general, the answer is no.

MAY A COMMITTEE USE THE TELEPHONES OF A CORPORATION TO MAKE CAMPAIGN CALLS?

Yes. However, the candidate must reimburse the corporation at \$3 per telephone per hour, plus any actual long distance charges. See rules 351-4.44 through 4.52.

MAY A COMMITTEE USE A PERSONAL COMPUTER, COPY MACHINE OR OTHER EQUIPMENT OF A CORPORATION?

Yes. However, the candidate must reimburse the corporation for the normal and usual charge of the equipment per the commercial market. For example, if it would otherwise cost 10¢ per page to have a brochure copied at a commercial printer, the corporation must be reimbursed 10¢ per page even if its costs and overhead were actually only 5¢ per page. This is true regardless if the equipment was being used after hours. See rules 351-4.44 through 4.52.

MAY OWNERS, OFFICERS OR EMPLOYEES OF A CORPORATION DO VOLUNTEER WORK FOR A COMMITTEE?

Yes, so long as the work is on their own time and not reimbursed by the corporation. The use of corporate equipment would need to be reimbursed in the case of a candidate.

MAY A COMMITTEE USE THE BULK MAIL PERMIT OR POSTAGE METER OF A CORPORATE ENTITY?

Yes. However, the corporation must be reimbursed at the first-class mail rate.

MAY A CORPORATION PROVIDE A MEETING ROOM FOR POLITICAL USE?

Yes. However, the committee must reimburse the corporation at the fair market value that other property in the community would be rented or leased.

HOW ABOUT SPACE ON THE COUNTER OF A BUSINESS FOR DISTRIBUTING BROCHURES OR CAMPAIGN LITERATURE, OR ON A BULLETIN BOARD FOR POSTING CAMPAIGN MATERIALS?

No. However, a bulletin board that is made available for use by any member of the public may be used by candidates.

MAY A CORPORATION COMMUNICATE WITH ITS MEMBERS ON POLITICAL ISSUES?

Non-profit corporations may communicate with dues-paying members on political matters and not be subject to reporting.

DOES THIS MEAN THAT A CORPORATION IS PRECLUDED FROM PARTICIPATING IN VOTER REGISTRATION ACTIVITIES OR OTHER VOTING INFORMATION?

Entities may provide or publicize voter registration procedures, election day information or any other voter education provided the activity is not designed to advocate the election or defeat of any candidate.

HOW ABOUT CORPORATE SPONSORSHIP OF A PAC?

A corporate entity can sponsor a PAC, solicit eligible members to join or contribute and pay the administrative costs of the PAC. The corporate entity should refer to Iowa Code section 68A.503 and rules 351- 4.44 through 4.52 when engaging in PAC activity.

INDEPENDENT EXPENDITURES

Corporations may engage in independent expenditures that advocate for or against candidates so long as the provisions of Iowa Code section 68A.404 are followed and reports filed.

ADDENDUM

All of the corporate restrictions and prohibitions apply to candidates and political committees that are not involved in ballot issues or franchise utility elections. Committees that are involved in referendum questions placed before the voters may accept direct and in-kind contributions from corporations and need not reimburse them. However, if the corporation exceeds \$1000 in a calendar year in political contributions to ballot issues, the corporation is required to temporarily register as a PAC and file at least one disclosure report. The filing is simple and the Board will assist corporations meet the law's requirements. Late filers will be assessed a civil penalty.

DISCLAIMER

This brochure is intended for general guidance and is not a restatement of the law or rules and is not legal advice. Please review Iowa Code chapter 68A and the Board's rules in chapter 351 of the Iowa Administrative Code or contact the Board when questions arise.

FOR MORE INFORMATION CONTACT THE BOARD:

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