



IOWA HOUSE DEMOCRATS

BILL SUMMARY

Confidentiality of Nonprofit Information HF 697

Status of Bill: House Calendar
Committee: Judiciary Committee (20-1)
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Lead Democrat: Rep. Derry
Floor Manager: Rep. Hinson

Bill Summary

HF 697 prohibits a public agency from:

- Requiring a federally recognized 501(c) entity to provide the public agency with personal information.
- Release, publicize, or otherwise disclose the personal information of the public agency without the express, written permission of every member, supporter, volunteer and donor of a tax-exempt entity.
- Request or require a current or prospective contractor with the public agency to provide the agency with a list of 501(c) entities to which the contractor has provided financial or nonfinancial support.

The bill also updates the Iowa Revised Nonprofit Corporations Act to prevent obtaining personal information by any person as required under the bill.

“Personal information” includes any information that directly or indirectly identifies a person as a member, supporter, volunteer, or donor to an entity that is exempt from taxation under the Federal Internal Revenue Code 501(c). This does not include information reportable to the Secretary of State or information provided to the Attorney General or State Auditor as required by law. “Public Agency” includes a state or municipal governmental unit, including a Department, agency, office, commission, board, or division; a political subdivision of the state; or a state or local court or other judicial body.

The bill does not prohibit:

- Disclosure of personal information pursuant to a warrant.
- Disclosure of personal information pursuant to a lawful request for discovery if there is a compelling need for the personal information by clear and convincing evidence and the requestor obtains a protective order barring disclosure of the personal information to anyone not directly involved in the litigation.
- Disclosure of personal information between a public agency and a 501(c) entity where there is an agreement.

If a court orders the inspection of nonprofit records containing personal information, the inspection must be made under seal from public disclosure. Anyone that violates this seal is subject to civil and criminal penalties as required by the bill.

A person that knowingly violates these new disclosure prohibitions is guilty of a serious misdemeanor and may be punished by incarceration of not more than 90 days and/or a fine of not more than \$1,000. A person alleging a violation of these new disclosure requirements may bring a civil action for injunctive relief, damages, or both. Damages may include not less than \$2,500 in compensatory damages for injury and loss

for each violation. For an intentional violation, these civil damages are increased to at least \$7,500 per violation.

HF 697 does not impact state campaign finance requirements.