

ALASKA



END CORPORATE RULE. LEGALIZE DEMOCRACY.

MOVE TO AMEND

January 31, 2022

Dear Representative Kreiss-Tomkins and members of the House State Affairs Committee,

Alaska Move to Amend would like to weigh-in in support of HB 234 and HB 245 which aim to salvage our campaign finance law in the wake of court decisions gutting it. We have analyzed these bills in detail and have arrived at a position which is a little stricter than these policy proposals. As background, let me review the history.

How We Got Here

Alaska's Campaign Finance Law is one of the strictest in the country, and we want it that way. In 1995, citizens were disgusted with the corruption in politics. We filed an initiative to strictly regulate campaign ethics and finances, including lowering the limits on individual campaign contributions from \$1000 to \$500. The legislature stepped up and enacted the new law, thus making the initiative moot.

The stated purpose of the new law was "to restore the public's trust in the electoral process and to foster good government." That was the very year that a major corruption scandal emerged in Alaska. Six legislators, known as the Corrupt Bastards Club, were ultimately indicted for accepting bribes from Bill Allen of the oil field services company VECO.

Seven years later, the legislature went and raised the limits back up to \$1000. We the people of Alaska were furious. We stepped up again and reinstated the \$500 limits through a citizens' initiative, which passed with overwhelming, 73% support. Clearly, Alaskans want strong campaign finance laws to ensure that our elected officials answer to all of us, not just to the biggest donors and grifters. Voters said in effect we want the law to be strict: it protects our balance of power as voters and constituents. It limits the disproportionate influence and corrupting power of big money in our elections.

Come 2010, the Supreme Court ruling in Citizens United struck down provisions of the solidly bi-partisan federal Campaign Finance Act, holding that spending by corporations could not be limited. The Alaska AG advised the Alaska Public Offices Commission to stop enforcing the corresponding section of Alaska's law. As a predictable result, between 2008 and 2018, unregulated independent expenditures increased from 3% to 36% of campaign spending in our state, and nearly two thirds of this new money was from Outside donors. Including the ballot measures, independent expenditures for the 2020 election exceeded \$23 million. This flood of big money into Alaska elections is a source of concern for Alaskans across the political spectrum.

And of course now the Ninth Circuit Court of Appeals has struck down three more provisions of Alaska law that imposed reasonable and even-handed limits on expenditures to influence state and local elections in Alaska. If the Legislature does nothing, the APOC plans to triple the individual contribution limits from 500 to \$1500, and triple the group limits from \$1000 to \$3000. This is exactly counter to what we as Alaskans want.

Our Position

There is nothing we can do to remedy the fundamental problem short of a Constitutional Amendment. All we can do at the state level is mitigate the damage while we continue to seek a more comprehensive solution. We therefore recommend legislation that makes the new limits tailored as closely as possible to the limits in the voter-approved, 2006 version of the law and still survive a Constitutional challenge. In our reading of the court decisions, this means inflation adjusting the three limits that were struck down, and rounding up to the nearest 100.

Table 1 below shows our calculations of inflation adjustments to the 2006 law.

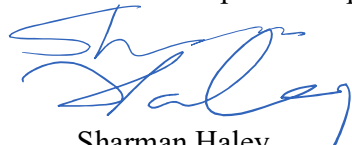
Table 1. CPI-based adjustment to 2006 campaign finance limits				
		2006	1st half 2021	% change
	Alaska Urban CPI	177.3	232.679	23.8%
Ballot Measure 1 (2006) decreased the amounts				
➤	an individual may give a candidate or group:	from \$1,000 to...	\$500	\$619
➤	an individual may give a political party:	from \$10,000 to...	\$5,000	\$6,190
➤	a group may give a candidate or group:	from \$2,000 to...	\$1,000	\$1,238
➤	a group may give to a political party:	from \$4,000 to...	\$1,000	\$1,238
➤	candidates could receive from nonresidents:	to...	\$3,000	\$3,714

Table 2 shows our recommended amounts for the new legislation. Our logic is this:

- inflation adjust the individual and group contribution limits from the 2006 law and round up to the nearest \$100.
- Inflation adjustments should be every 4 years to coincide with the campaign cycles.
- The limits on nonresident contributions and independent expenditures have been deemed unconstitutional and are currently unenforced by APOC. We dispute this interpretation of the Constitution and stand by the 2006 Alaska Law as written. While we understand that it will not be enforced in the interim, we see no reason to cave and rewrite these portions of our law. We are, however, willing to inflation adjust the nonresident limits to candidates.

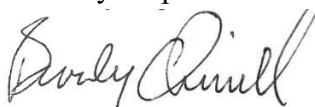
We look forward to testifying in support of this legislation and communicating our perspectives. We will do what we can as citizens to help advance this legislation.

With respect and appreciation for your public service,



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Alaska Move to Amend

<https://www.akmovetoamend.org/>

<https://www.facebook.com/groups/242863499112569/>

Table 2. Comparison of Current Law with Pre-filed Bills and Alaska Move to Amend Recommendations

	<u>2006 Law</u>	<u>APOC default</u>	<u>HB234</u>	<u>SB155A</u>	<u>HB245A</u>	<u>AkMTA Recommended</u>
Sec. 15.13.070.						
(b) An individual may contribute not more than:						
(1) to a candidate						
for governor or lieutenant governor	\$500	\$1,500	\$1,000	\$1,000	\$1,500	\$700
for state senator	\$500	\$1,500	\$1,000	\$1,000	\$1,000	\$700
for state house of representatives	\$500	\$1,500	\$1,000	\$1,000	\$700	\$700
(1) to a nongroup entity or group not a political party	\$500	\$1,500	\$1,000	\$1,000	\$1,000	\$700
(2) to a political party	\$5,000	no change	\$5,000	\$5,000	\$5,000	\$5,000
(c) A group that is not a political party may contribute not more than					twice the limit for an individual	
(1) to a candidate	\$1,000	\$3,000	\$2,000	\$2,000		\$1,400
(2) to another group, to a nongroup entity, or to a political party.	\$1,000	\$3,000	\$2,000	\$2,000		\$1,400
(d) A political party may contribute to a candidate an amount not to exceed						
(1) for governor or lieutenant governor;	\$100,000	no change	no change	no change	no change	no change
(2) for the state senate;	\$15,000	no change	no change	no change	no change	no change
(3) for the state house of representatives;	\$10,000	no change	no change	no change	no change	no change
(f) A nongroup entity may contribute not more than					twice the limit for an individual	
to a candidate	\$1,000	\$3,000	\$2,000	\$2,000		\$1,400
to a group, or a political party	\$1,000	\$3,000	\$2,000	\$2,000		\$1,400
to another nongroup entity	\$1,000	\$3,000	\$2,000	\$2,000		\$1,400
(h) the above limits do not apply to independent expenditures (per CU decision)	NA	default				Stand by 2006 Law
(i) inflation adjustment	NA		every 10 years	every 4 years	every 5 years	every 4 years

Sec. 15.13.072.

(e) A candidate may accept contributions from a nonresident not to exceed		unenforced	repealed	repealed	50% of total	Stand by 2006 Law with inflation adjustments:
(1) for governor or lieutenant governor	\$20,000					\$25,000
(2) for state senator	\$5,000					\$6,500
(3) for state representative or municipal or other office.	\$3,000					\$4,000
(f) A group or political party may accept contributions from nonresidents not to exceed	10%	unenforced	repealed	no change	no change	Stand by 2006 Law
(g) A nongroup entity may accept contributions from nonresidents not to exceed	10%	unenforced	repealed	no change	no change	Stand by 2006 Law