

SENATE CS FOR CS FOR HOUSE BILL NO. 177(RLS) am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE

Amended: 5/5/01

Offered: 5/3/01

Sponsor(s): HOUSE RULES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act regulating nongroup entities and certain tax-exempt organizations under**
2 **Alaska's election campaign finance statutes; and requiring disclosure of the true source**
3 **of campaign contributions."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
6 to read:

7 SHORT TITLE. This Act may be known as the Full Disclosure of Campaign Finance
8 Act.

9 *** Sec. 2.** AS 15.13.010(b) is amended to read:

10 (b) Except as otherwise provided, this chapter applies to contributions,
11 expenditures and communications made by a candidate, group, nongroup entity,
12 municipality or individual for the purpose of influencing the outcome of a ballot
13 proposition or question as well as those made to influence the nomination or election
14 of a candidate.

1 * **Sec. 3.** AS 15.13.040(b) is amended to read:

2 (b) Each group shall make a full report upon a form prescribed by the
3 commission, listing

4 (1) the name and address of each officer and director;

5 (2) the aggregate amount of all contributions made to it; and, for all
6 contributions in excess of \$100 in the aggregate a year, the name, address, principal
7 occupation, and employer of the contributor, and the date and amount contributed by
8 each contributor; **for purposes of this paragraph, "contributor" means the true**
9 **source of the funds, property, or services being contributed;** and

10 (3) the date and amount of all contributions made by it and all
11 expenditures made, incurred or authorized by it.

12 * **Sec. 4.** AS 15.13.040(d) is amended to read:

13 (d) Every individual, person, **nongroup entity**, or group making a
14 contribution or expenditure shall make a full report, upon a form prescribed by the
15 commission, of

16 (1) contributions made to a candidate or group and expenditures made
17 on behalf of a candidate or group

18 (A) as soon as the total contributions and expenditures to that
19 candidate or group reaches \$500 in a year; and

20 (B) for all subsequent contributions and expenditures to that
21 candidate or group in a year whenever the total contributions and expenditures
22 to that candidate or group that have not been reported under this paragraph
23 reaches \$500;

24 (2) unless exempted from reporting by (h) of this section, any
25 expenditure whatsoever for advertising in newspapers or other periodicals, on radio, or
26 on television; or [,] for the publication, distribution, or circulation of brochures, flyers,
27 or other campaign material for any candidate or ballot proposition or question.

28 * **Sec. 5.** AS 15.13.040(h) is amended to read:

29 (h) The provisions of (d)(2) of this section do not apply to one or more
30 expenditures made by an individual acting independently of any group **or nongroup**
31 **entity** and independently of any other individual if the expenditures

- 1 (1) cumulatively do not exceed \$250 during a calendar year; and
 2 (2) are made only for billboards, signs, or printed material concerning
 3 a ballot proposition as that term is defined by AS 15.13.065(c).

4 * **Sec. 6.** AS 15.13.040 is amended by adding a new subsection to read:

5 (j) Each nongroup entity shall make a full report in accordance with
 6 AS 15.13.110 upon a form prescribed by the commission and certified by the
 7 nongroup entity's treasurer, listing

8 (1) the name and address of each officer and director of the nongroup
 9 entity;

10 (2) the aggregate amount of all contributions made to the nongroup
 11 entity for the purpose of influencing the outcome of an election; and, for all such
 12 contributions in excess of \$100 in the aggregate a year, the name, address, principal
 13 occupation, and employer of the contributor, and the date and amount contributed by
 14 each contributor; for purposes of this paragraph, "contributor" means the true source
 15 of the funds, property, or services being contributed; and

16 (3) the date and amount of all contributions made by the nongroup
 17 entity, and, except as provided for certain independent expenditures in
 18 AS 15.13.135(a), all expenditures made, incurred, or authorized by the nongroup
 19 entity, for the purpose of influencing the outcome of an election; a nongroup entity
 20 shall report contributions made to a different nongroup entity for the purpose of
 21 influencing the outcome of an election and expenditures made on behalf of a different
 22 nongroup entity for the purpose of influencing the outcome of an election as soon as
 23 the total contributions and expenditures to that nongroup entity for the purpose of
 24 influencing the outcome of an election reach \$500 in a year and for all subsequent
 25 contributions and expenditures to that nongroup entity in a year whenever the total
 26 contributions and expenditures to that nongroup entity for the purpose of influencing
 27 the outcome of an election that have not been reported under this paragraph reach
 28 \$500.

29 * **Sec. 7.** AS 15.13.065(a) is amended to read:

30 (a) Individuals, groups, nongroup entities, and political parties may make
 31 contributions to a candidate. An individual, [OR] group, or nongroup entity may

1 make a contribution to a group, to a nongroup entity, or to a political party.

2 * **Sec. 8.** AS 15.13.067 is amended to read:

3 **Sec. 15.13.067. Who may make expenditures.** Only the following may
4 make an expenditure in an election for candidates for elective office:

5 (1) the candidate;

6 (2) an individual; [AND]

7 (3) a group that has registered under AS 15.13.050; and

8 (4) a nongroup entity that has registered under AS 15.13.050.

9 * **Sec. 9.** AS 15.13.070(b) is amended to read:

10 (b) An individual may contribute not more than

11 (1) \$500 per year to a nongroup entity for the purpose of
12 influencing the nomination or election of a candidate, to a candidate, to an
13 individual who conducts a write-in campaign as a candidate, or to a group that is not a
14 political party;

15 (2) \$5,000 per year to a political party.

16 * **Sec. 10.** AS 15.13.070(c) is amended to read:

17 (c) A group that is not a political party may contribute not more than \$1,000
18 per year

19 (1) to a candidate, or to an individual who conducts a write-in
20 campaign as a candidate; or

21 (2) to another group, a nongroup entity, or to a political party.

22 * **Sec. 11.** AS 15.13.070 is amended by adding a new subsection to read:

23 (f) A nongroup entity may contribute not more than \$500 a year to a nongroup
24 entity for the purpose of influencing the nomination or election of a candidate, to a
25 candidate, to an individual who conducts a write-in campaign as a candidate, to a
26 group, or to a political party.

27 * **Sec. 12.** AS 15.13.072 is amended by adding a new subsection to read:

28 (h) A nongroup entity may solicit or accept contributions for the purpose of
29 influencing the nomination or election of a candidate from an individual who is not a
30 resident of the state at the time the contribution is made or from an entity organized
31 under the laws of another state, resident in another state, or whose participants are not

residents of this state at the time the contribution is made. The amounts accepted by the nongroup entity from these individuals and entities for the purpose of influencing the nomination or election of a candidate may not exceed 10 percent of total contributions made to the nongroup entity for the purpose of influencing the nomination or election of a candidate during the calendar year in which the contributions are received.

* **Sec. 13.** AS 15.13.074(a) is amended to read:

(a) A person, [OR] group, or nongroup entity may not make a contribution if the making of the contribution would violate this chapter.

* **Sec. 14.** AS 15.13.074(f) is amended to read:

(f) A corporation, company, partnership, firm, association, entity recognized as tax-exempt under 26 U.S.C. 501(c)(3) (Internal Revenue Code), organization, business trust or surety, labor union, or publicly funded entity that does not satisfy the definition of group or nongroup entity in AS 15.13.400 may not make a contribution to a candidate, [OR] group, or nongroup entity.

* **Sec. 15.** AS 15.13.074 is amended by adding a new subsection to read:

(i) A nongroup entity may not solicit or accept a contribution to be used for the purpose of influencing the outcome of an election unless the potential contributor is notified that the contribution may be used for that purpose.

* **Sec. 16.** AS 15.13.082(b) is amended to read:

(b) A candidate, [OR] group, or nongroup entity may not make an expenditure unless the source of the expenditure has been disclosed as required by this chapter.

* **Sec. 17.** AS 15.13.084 is amended to read:

Sec. 15.13.084. Prohibited expenditures. A person may not make an expenditure

(1) anonymously, unless the expenditure is

(A) paid for by an individual acting independently of any group or nongroup entity and independently of any other individual;

(B) made to influence the outcome of a ballot proposition as that term is defined by AS 15.13.065(c); and

(C) made for

(i) a billboard or sign; or

(ii) printed material, other than an advertisement made
in a newspaper or other periodical;

(2) using a fictitious name or using the name of another.

* **Sec. 18.** AS 15.13.090(a) is amended to read:

(a) All advertisements, billboards, handbills, paid-for television and radio announcements, and other communications intended to influence the election of a candidate or outcome of a ballot proposition or question shall be clearly identified by the words "paid for by" followed by the name and address of the candidate, group, **nongroup entity**, or individual paying for the advertising. In addition, candidates and groups must identify the name of their campaign chairperson.

* **Sec. 19.** AS 15.13.090(b) is amended to read:

(b) The provisions of (a) of this section do not apply when the advertisement

(1) is paid for by an individual acting independently of any group **or**
nongroup entity and independently of any other individual;

(2) is made to influence the outcome of a ballot proposition as that
term is defined by AS 15.13.065(c); and

(3) is made for

(A) a billboard or sign; or

(B) printed material other than an advertisement made in a
newspaper or other periodical.

* **Sec. 20.** AS 15.13.110(a) is amended to read:

(a) Each candidate, [AND] group, **and nongroup entity** shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it shall cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, it shall cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on December 31 of the prior year. The report

1 shall be filed

2 (1) 30 days before the election; however, this report is not required if
3 the deadline for filing a nominating petition or declaration of candidacy is within 30
4 days of the election;

5 (2) one week before the election;

6 (3) 10 days after the election; and

7 (4) February 15 for expenditures made and contributions received that
8 were not reported during the previous year, including, if applicable, all amounts
9 expended from a public office expense term account established under
10 AS 15.13.116(a)(8) and all amounts expended from a municipal office account under
11 AS 15.13.116(a)(9), or when expenditures were not made or contributions were not
12 received during the previous year.

13 * **Sec. 21.** AS 15.13.110(b) is amended to read:

14 (b) Each contribution that exceeds \$250 and that is made within nine days of
15 the election shall be reported to the commission by date, amount, and contributor
16 within 24 hours of receipt by the candidate, group, campaign treasurer, or deputy
17 campaign treasurer. **Each contribution to a nongroup entity for the purpose of**
18 **influencing the outcome of an election that exceeds \$250 and that is made within**
19 **nine days of the election shall be reported to the commission by date, amount,**
20 **and contributor within 24 hours of receipt by the nongroup entity.**

21 * **Sec. 22.** AS 15.13.110(f) is amended to read:

22 (f) During the year in which the election is scheduled, each of the following
23 shall file the campaign disclosure reports in the manner and at the times required by
24 this section:

25 (1) a person who, under the regulations adopted by the commission to
26 implement AS 15.13.100, indicates an intention to become a candidate for elective
27 state executive or legislative office;

28 (2) a person who has filed a nominating petition under AS 15.25.140 -
29 15.25.200 to become a candidate at the primary election for elective state executive or
30 legislative office;

31 (3) a person who campaigns as a write-in candidate for elective state

1 executive or legislative office at the general election; and

2 (4) a group or nongroup entity that receives contributions or makes
 3 expenditures on behalf of or in opposition to a person described in (1) - (3) of this
 4 subsection, except as provided for certain independent expenditures by nongroup
 5 entities in AS 15.13.135(a).

6 * **Sec. 23.** AS 15.13.114(a) is amended to read:

7 (a) A candidate, [OR] group, or nongroup entity that receives and accepts a
 8 contribution given in violation of AS 15.13.072 or 15.13.074 shall immediately, upon
 9 discovery that the contribution is prohibited, return it to the contributor. A candidate,
 10 [OR] group, or nongroup entity that receives and accepts a contribution in excess of
 11 the limitation on contributions set out in AS 15.13.070 shall immediately, upon
 12 discovery of the prohibited excess contribution, return the excess to the contributor. If
 13 the contribution or excess amount cannot be returned in the same form, the equivalent
 14 value of the contribution or excess amount shall be returned.

15 * **Sec. 24.** AS 15.13.135 is amended to read:

16 **Sec. 15.13.135. Independent expenditures for or against candidates.** (a)
 17 Only an individual, [OR] group, or nongroup entity may make an independent
 18 expenditure supporting or opposing a candidate for election to public office. An
 19 independent expenditure supporting or opposing a candidate for election to public
 20 office, except an independent expenditure made by a nongroup entity with an
 21 annual operating budget of \$250 or less, shall be reported in accordance with
 22 AS 15.13.040 and 15.13.100 - 15.13.110 and other requirements of this chapter.

23 (b) An individual, [OR] group, or nongroup entity who makes independent
 24 expenditures for a mass mailing, for distribution of campaign literature of any sort, for
 25 a television, radio, newspaper, or magazine advertisement, or any other
 26 communication that supports or opposes a candidate for election to public office

27 (1) shall comply with AS 15.13.090; and

28 (2) shall place the following statement in the mailing, literature,
 29 advertisement, or other communication so that it is readily and easily discernible:

30 This NOTICE TO VOTERS is required by Alaska law. (I/we) certify
 31 that this (mailing/literature/advertisement) is not authorized, paid for,

1 or approved by the candidate.

2 * **Sec. 25.** AS 15.13.400(9) is amended to read:

3 (9) "person" has the meaning given in AS 01.10.060, and includes a
4 labor union, **nongroup entity**, and a group;

5 * **Sec. 26.** AS 15.13.400 is amended by adding a new paragraph to read:

6 (12) "nongroup entity" means a person, other than an individual, that
7 takes action the major purpose of which is to influence the outcome of an election, and
8 that

9 (A) cannot participate in business activities;

10 (B) does not have shareholders who have a claim on corporate
11 earnings; and

12 (C) is independent from the influence of business corporations.