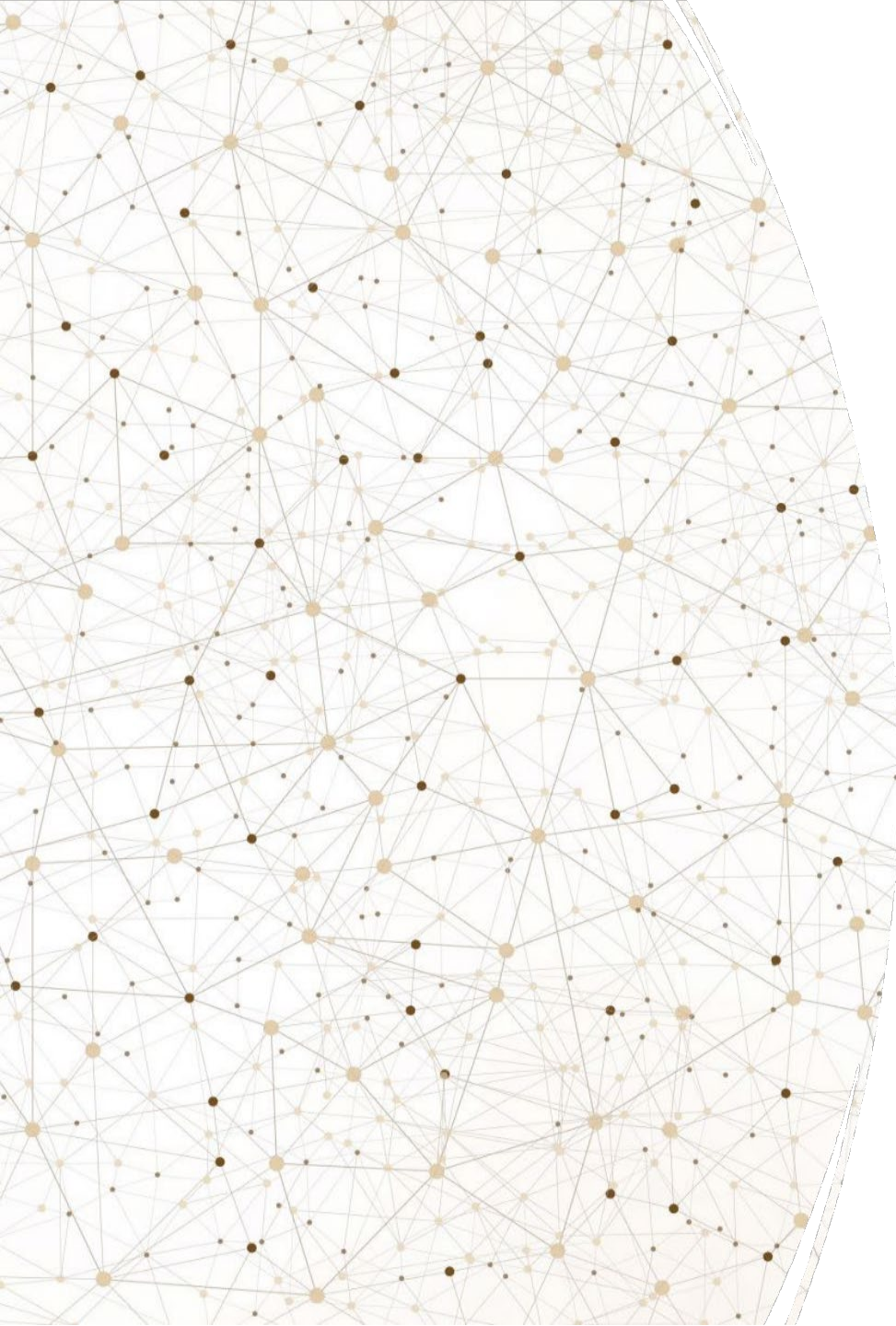


SB 116
Campaign
Finance Limits



Why is this bill necessary?

BACKGROUND

In 2021, a federal court ruled that Alaska's lower than average campaign contribution limits unconstitutionally restricted free speech. Governor Dunleavy declined to have the matter reconsidered and the legislature took no action.

This leaves Alaska's elections vulnerable to unlimited contributions on state elections by wealthy donors and having no limit magnifies the influence that these wealthy individuals have over elected officials.

When money is speech, the average citizen's voice can be easily drowned out. It's time for Alaska to set reasonable limits on campaign finance.

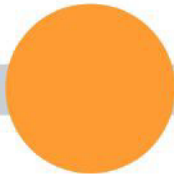
History of Alaska's Political Contribution Limits

Legislature
1974

\$1000

Alaska Legislature
establishes first limits
on campaign
contributions

Ballot Initiative
1995



Citizens begin an
initiative to lower
limit to \$500 and
restrict all out of
state donations

Legislature
1996

\$500

Legislature acts
pre-emptively to the
citizen's initiative
and reduce limits
to \$500

Legislature
2003

\$1000

Legislature
raises limit
to \$1,000

Ballot Initiative
2006

\$500

Citizens' Initiative
passes with 73%
support, lowering
limit to \$500

APOC 2021

\$1500

9th Circuit Court rules
Alaska's limits
unconstitutionally low.
APOC responds with
an Advisory Opinion
recommending
\$1,500 limit

Today

No
Limits

APOC votes down
staff advisory opinion,
resulting in no
contribution limits.
APOC calls on the
Legislature to act.

History of Contribution Limits in Alaska

Year	History	Individual Limit	2021 Equivalent
1974	Legislature - ch. 76 sec. 1, SLA 1974	\$1,000	\$4,725
1996	Citizens' Initiative / Legislature - SB 191	\$500	\$831
2003	Legislature - SB 119	\$1,000	\$1,460
2006	Citizens' Initiative - Ballot Measure 1	\$500	\$669
2021	APOC - Staff Issues Advisory Opinion	\$1,500	N/A
2022	APOC - Commissioners Reject Staff Advisory Opinion	Unlimited in and out-of-state donations	N/A

Thompson v. Hebdon

- **Plaintiffs sued** challenging Alaska's political contribution limits and aggregate out-of-state limits.
- **The District Court and Ninth Circuit Court of Appeals initially upheld the individual limits** as a "sufficiently important state interest" and "closely drawn" to that end, but ruled the out-of-state contribution limits were unconstitutional.
- **The U.S. Supreme Court remanded this decision back to the Ninth Circuit** to reconsider their decision. They urged the Ninth Circuit to apply the "five factor test" in the *Randall v. Sorrell* (2006) decision, which ruled Vermont's \$400 contribution limit unconstitutional.
- **In 2021, the Ninth Circuit struck down Alaska's statutory political contribution limits** on the basis that they were too low and had not been adjusted for inflation since initially implemented.

Where are we now?

- In 2021, the Alaska Public Offices Commission (APOC) issued an advisory opinion under AS 15.13.374 that they would enforce annual \$1,500 individual-to-candidate and \$3,000 group-to-candidate contribution limits.
- APOC's staff based the advisory opinion on the limits established by the Alaska Legislature in 2003 (\$1,000 per year for individual-to-candidate donations) adjusted for inflation.
- On March 3rd, 2022, APOC's five commissioners voted on whether or not to accept the staff's advisory opinion. Three out of the five commissioners voted in support of the advisory opinion. Four votes were required and so the staff's advisory opinion was not accepted.
- APOC, in their decision, "implored" the Legislature to swiftly revisit the state's campaign finance laws in order to balance the federal court's order "with the desire of Alaska voters." So far, despite efforts from proponents of contribution limits, the Legislature has failed to reestablish new limits.
- Now, without action by Alaska voters or the state legislature, **Alaska has no individual-to-candidate limits**, out-of-state contribution limits, or individual-to-group limits, **opening our state and local elections to unlimited funding from anyone, anywhere in the nation.**

Contribution Limits Legislation Overview

- **Reinstates Fair, Reasonable, and Constitutional Contribution Limits** - Reinstates campaign contribution limits enacted by Alaskan voters. These limits based on the 2006 limits adjusted for inflation and the new two-year campaign period.
- **Establishes Per Campaign Period Limits** - Limits to a "per campaign" period, ensuring consistent limits regardless of election timing or candidate entry date.
- **Are the limits indexed for inflation?** - Requires the Alaska Public Offices Commission (APOC) to index political contribution limits every ten years based on inflation, beginning in 2031.

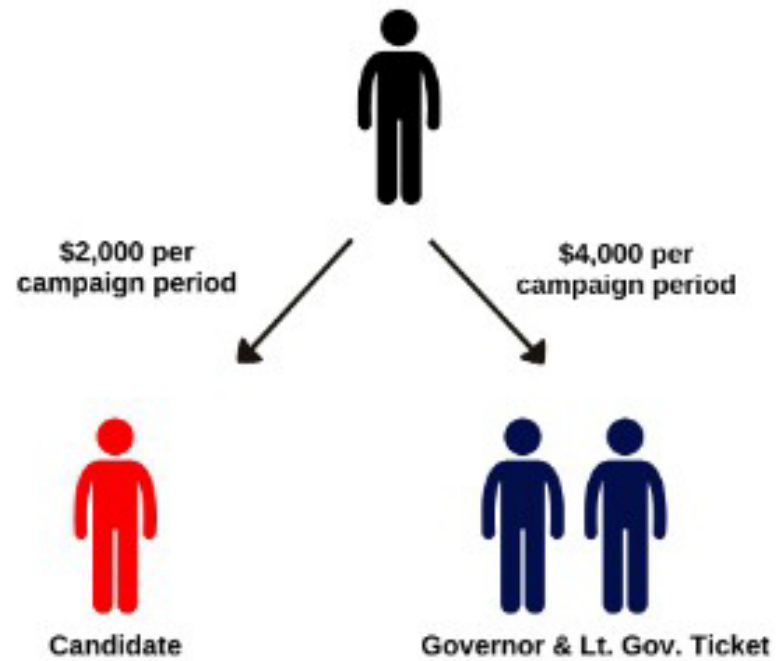


Proposed Contribution Limits

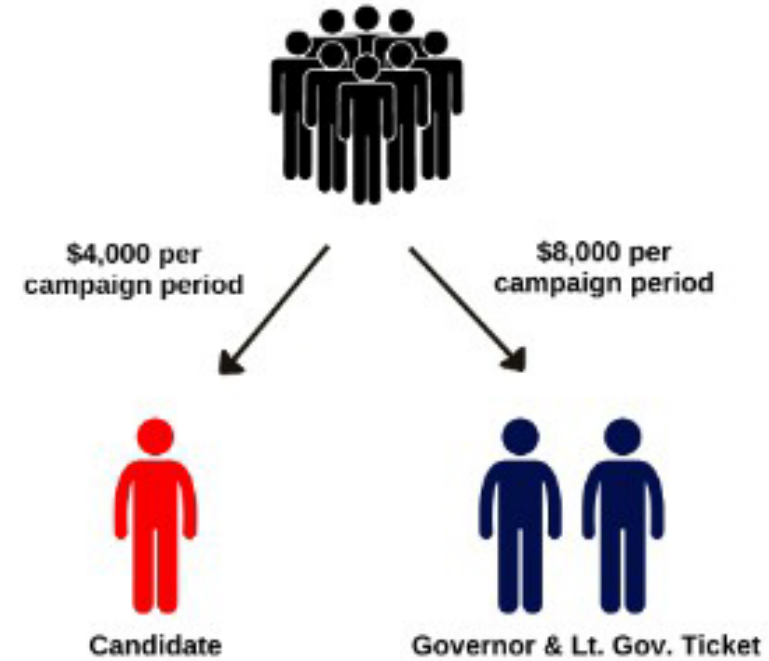
Category	Old Limits	New Limits (Per campaign = 2 fundraising years)
Individual-to-candidate limits	\$500 per year (~\$723*)	\$2,000 per campaign
Group-to-candidate, group, or non-group	\$1,000 per year (~\$1,450*)	\$4,000 per campaign
Individual to joint campaign for Gov. & Lt. Gov	\$1,000 per year (~\$1,450*)	\$4,000 per campaign

*Previous limits adjusted for inflation based on 2022 CPI data from the Alaska Dept. of Labor and Workforce Development

Individual Donation Limits



Group and Non-Group Donation Limits



Constitutionality of New Limits

Applying the “five factor test” from the *Randall v. Sorrell* decision

	2006 Limits	2025 Legislation
Does the limit significantly restrict the amount of funding available for challengers to run competitive campaigns?	Yes	No
Are the political parties subject to the same low limits?	Yes	No
Are volunteer services subject to the limit?	No	No
Are the limits indexed for inflation?	No	Yes
Is there justification for a uniquely low limit?	No	N/A

What this legislation achieves

- **Makes Alaska's Limits Constitutional** - This initiative brings Alaska's individual-to-candidate and individual-to-group political contribution limits in compliance with the Thompson v Hebdon court decision.
- **Reestablishes Limits Alaska's voters support** - This initiative reestablishes the contribution limits previously enacted by voters in 2006, adjusted for inflation.
 - 1996 initiative garnered 73% voter approval, and 85% of those polled supported campaign finance reform.
- **Immediate and Narrow** - This initiative is an immediate and narrow solution to the court's striking down of our voter approved campaign contribution limits.