

Sponsor Statement

CSHB 409(STA), Version S: Campaign Expenditures Sponsored by House State Affairs Committee

HB 409 tries to balance the needs of government to hold fair and transparent elections with the First Amendment rights of corporations and labor unions to engage in political speech.

The U.S. Supreme Court recently ruled that federal law prohibiting “independent expenditures” for campaign purposes by corporations and labor unions is unconstitutional. As a result, similar provisions in the statutes of Alaska and many other states are likely unconstitutional.

Although such speech may not be suppressed altogether, the Court ruled that government may regulate corporate political advertising through disclosure and disclaimer requirements. Alaska needs new legislation to fill the “gap” on campaigning accountability because our current prohibitions on independent expenditures by certain organizations are no longer compliant.

HB 409 expands Alaska’s current disclosure and disclaimer laws on candidates, groups and individuals to include corporations and labor unions under the definition of “persons,” specifically when it comes to standards for reporting and identification of expenditures.

The bill requires a corporation or labor union to report to the Alaska Public Offices Commission within 24 hours of making an independent expenditure. The report must include an itemized list of expenditures occurred or authorized; the names, addresses and nationality of the board of directors; the amount of contributions made towards the political expenditure; the address and employer of anyone who has contributed \$100 in a calendar year; and whether the expenditure was made to support or oppose a ballot initiative or candidate.

A report by a person that is not an individual must be certified as correct by the treasurer or fiscal officer of the “person.” Also, the principal officer must certify to APOC in writing that the officer reviewed the communication, and based on the officer’s knowledge, it is not defamatory.

Under HB 409, all campaign communications made by corporations and unions shall be clearly identified with information such as: the person’s principal officer and officer’s title; a statement from the principal officer approving the communication; the address of the person’s principal place of business; and the name, city and state of residence or principal place of business, as applicable, of each of the person’s three largest contributors.

The Supreme Court Decision has changed the campaign landscape across the United States, and Alaska is no exception. The disclosure and disclaimer provisions of HB 409 attempt to keep these independent expenditures as transparent as possible while striking a balance between the right to free speech and the right to fair elections.