

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 317

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE FINKELSTEIN

Introduced: 1/8/96

Referred: State Affairs, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to election campaigns, election campaign financing, the oversight
2 and regulation of election campaigns by the Alaska Public Offices Commission, the
3 activities of lobbyists that relate to election campaigns, and the definitions of
4 offenses of campaign misconduct; and providing for an effective date."**

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that, under existing
7 laws,

**8 (1) campaigns for elective public office last too long, are often uninformative,
9 and are too expensive;**

**10 (2) highly qualified citizens are dissuaded from running for public office due
11 to the high cost of election campaigns;**

**12 (3) organized special interests are responsible for raising a significant portion
13 of all election campaign funds and may thereby gain an undue influence over election
14 campaigns and elected officials, particularly incumbents;**

1 (4) incumbents enjoy a distinct advantage in raising money for election
2 campaigns, and many elected officials forward surpluses from one campaign to the next, to
3 the disadvantage of challengers;

4 (5) because, under existing laws, candidates are completely free to convert
5 campaign funds to personal income, there is great potential for bribery and political
6 corruption; and

7 (6) penalties for violations of the existing campaign finance laws are too
8 lenient to deter misconduct.

9 (b) It is the purpose of this Act to substantially revise Alaska's election campaign
10 finance laws in order to restore the public's trust in the electoral process and to foster good
11 government.

12 * **Sec. 2.** AS 15.13.010(a) is amended to read:

13 (a) This chapter applies
14 (1) in every election for governor, lieutenant governor, a member of the
15 state legislature, a delegate to a constitutional convention, or judge seeking electoral
16 confirmation;

17 (2) [. IT ALSO APPLIES] to every candidate for election to a
18 municipal office in a municipality with a population of more than 1,000 inhabitants
19 according to the latest United States census figures or estimates of population certified
20 as correct for administrative purposes by the Department of Community and Regional
21 Affairs **unless the municipality has exempted itself from the provisions of this**
22 **chapter; a** [. A] municipality may exempt its elected municipal officers from the
23 requirements of this chapter if a majority of the voters voting on the question at a
24 regular election, as defined by AS 29.71.800(20), or a special municipality-wide
25 election called for that purpose, **votes** [VOTE] to exempt its elected municipal officers
26 from the requirements of this chapter; **the** [. THE] question of exemption from the
27 requirements of this chapter may be submitted by the governing body by ordinance or
28 by initiative election. [THIS CHAPTER DOES NOT PROHIBIT A MUNICIPALITY
29 FROM REGULATING BY ORDINANCE CAMPAIGN CONTRIBUTIONS AND
30 EXPENDITURES.]

31 * **Sec. 3.** AS 15.13.010 is amended by adding a new subsection to read:

1 (c) This chapter does not prohibit a municipality from regulating by ordinance
2 election campaign contributions and expenditures in municipal elections, or from
3 regulating election campaign contributions and expenditures in municipal elections
4 when the regulation imposes a requirement or standard that is not less stringent than
5 a requirement or standard provided in this chapter.

6 * **Sec. 4.** AS 15.13.030 is amended to read:

7 Sec. 15.13.030. DUTIES OF THE COMMISSION. The commission shall

8 (1) develop and provide all forms for the reports and statements
9 required to be made under this chapter, AS 24.45, and AS 39.50;

10 (2) prepare and publish a manual setting out uniform methods of
11 bookkeeping and reporting for use by persons required to make reports and statements
12 under this chapter and otherwise assist candidates, groups, and individuals in
13 complying with the requirements of this chapter;

14 (3) receive and hold open for public inspection reports and statements
15 required to be made under this chapter and, upon request, furnish copies at cost to
16 interested persons;

17 (4) compile and maintain a current list of all filed reports and
18 statements;

19 (5) prepare a summary of each report filed under AS 15.13.110 and
20 make copies of this summary available to interested persons at their actual cost;

21 (6) notify, by registered or certified mail, all persons who are
22 delinquent in filing reports and statements required to be made under this chapter;

23 (7) report within 60 days after the election the names of all persons and
24 groups who have failed to comply with any of the provisions of this chapter to the
25 office of the attorney general;

26 (8) examine, investigate, and compare all reports, statements, and
27 actions required by this chapter, AS 24.45, and AS 39.50 and report to the attorney
28 general the names of all persons or groups that the commission has substantial reason
29 to believe have violated this chapter, AS 24.45, or AS 39.50;

30 (9) prepare and publish a biennial report concerning the activities of the
31 commission, the effectiveness of this chapter, its enforcement by the attorney general's

1 office, and recommendations and proposals for change; the commission shall notify the
2 legislature that the report is available;

3 (10) adopt regulations necessary to implement and clarify the provisions
4 of AS 24.45, AS 39.50, and this chapter, subject to the provisions of AS 44.62
5 (Administrative Procedure Act);

6 **(11) during the year that is five years after the calendar year of the**
7 **effective date of this Act and every fifth year thereafter, review the limitations on**
8 **amounts of political contributions, expressed in dollars, set out in AS 15.13.070**
9 **and 15.13.072 and, by regulation, adjust those amounts to take into account any**
10 **significant inflation or deflation that has occurred during the immediately**
11 **preceding five years; in reviewing the limitations, the commission shall use a**
12 **recognized governmental index for measuring the effect of inflation or deflation**
13 **in the purchase of consumer goods.**

14 * **Sec. 5.** AS 15.13.040(a) is amended to read:

15 (a) **Except as provided in (g) of this section, each** [EACH] candidate shall
16 make a full report, upon a form prescribed by the commission, listing the date and
17 amount of all expenditures made by the candidate, the total amount of all
18 contributions, including all funds contributed by the candidate, and for all contributions
19 in excess of \$100 in the aggregate a year, the name, address, principal occupation, and
20 employer of the contributor and the date and amount contributed by each contributor.
21 The report shall be filed in accordance with AS 15.13.110 and shall be certified correct
22 by the candidate or campaign treasurer.

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

24 (g) The provisions of (a) of this section do not apply if a candidate

25 (1) indicates, on a form prescribed by the commission, an intent not to
26 raise and not to expend more than \$1,000 in seeking election;

27 (2) accepts contributions totaling not more than \$1,000 in seeking
28 election; and

29 (3) makes expenditures totaling not more than \$1,000 in seeking
30 election.

31 * **Sec. 7.** AS 15.13.050 is amended to read:

1 Sec. 15.13.050. **REGISTRATION BEFORE EXPENDITURE** [GROUPS].
2 **(a) Before** [EACH GROUP, BEFORE] making an expenditure **in support** [ON
3 BEHALF] of [,] or in opposition to [,] a candidate or **before making an expenditure**
4 **in support of or in opposition to a ballot proposition or question, each person,**
5 **publicly-funded entity, or group** [A CONTRIBUTION TO A CANDIDATE,] shall
6 register, on forms provided by the commission, with the commission.

7 **(b)** If **a** [THE] group intends to **make expenditures in** support **of** or **in**
8 **opposition to** [OPPOSE] only one candidate, or to **make expenditures in support**
9 [CONTRIBUTE TO OR EXPEND ON BEHALF] of, or in opposition to, one
10 candidate **of** 50 percent or more of its funds, the name of the candidate shall be a part
11 of the name of the group. Promptly upon receiving the **group's** registration **under (a)**
12 **of this section**, the commission shall notify the candidate of the group's organization
13 and intent.

14 * **Sec. 8.** AS 15.13 is amended by adding new sections to read:

15 Sec. 15.13.065. WHO MAY MAKE CONTRIBUTIONS. (a) Only an
16 individual may make a contribution to a group.

17 (b) An individual or a group may make contributions to a candidate.

18 Sec. 15.13.067. WHO MAY MAKE EXPENDITURES. Only the following
19 may make an expenditure in an election for candidates for elective office:

- 20 (1) the candidate;
21 (2) individuals who are registered under AS 15.13.050; and
22 (3) a group.

23 * **Sec. 9.** AS 15.13.070 is repealed and reenacted to read:

24 Sec. 15.13.070. LIMITATIONS ON AMOUNT OF POLITICAL
25 CONTRIBUTIONS. (a) An individual or group may make contributions, subject only
26 to the limitations of this chapter and AS 24.45, including the limitations on the
27 maximum amounts set out in this section.

28 (b) An individual may contribute

29 (1) not more than \$500 per year to a candidate, or to a person who
30 conducts a write-in campaign as a candidate, for

31 (A) governor or lieutenant governor;

- 1 (B) the state legislature;
2 (C) delegate to a constitutional convention;
3 (D) judge seeking electoral confirmation; or
4 (E) municipal office;
5 (2) not more than \$250 per year to a group that is not a political party;
6 (3) not more than \$5,000 per year to a political party.

7 (c) A group that is not a political party may contribute not more than \$500 per
8 year to a candidate, or to a person who conducts a write-in campaign as a candidate,
9 for

- 10 (1) governor or lieutenant governor;
11 (2) the state legislature;
12 (3) delegate to a constitutional convention;
13 (4) judge seeking electoral confirmation; or
14 (5) municipal office.

15 (d) A political party may contribute to a candidate, or to a person who
16 conducts a write-in campaign, for the following offices an amount not to exceed

- 17 (1) \$50,000 per year, if the election is for governor or lieutenant
18 governor; and
19 (2) \$5,000 per year, if the election is for
20 (A) the state legislature;
21 (B) delegate to a constitutional convention;
22 (C) judge seeking electoral confirmation; or
23 (D) municipal office.

24 * **Sec. 10.** AS 15.13 is amended by adding new sections to read:

25 Sec. 15.13.072. RESTRICTIONS ON SOLICITATION AND ACCEPTANCE
26 OF CONTRIBUTIONS. (a) A candidate may not solicit or accept a contribution from
27 an individual or group not authorized by law to make a contribution.

28 (b) A candidate may not solicit or accept contributions from the following:

- 29 (1) an individual who is not a resident of the state at the time the
30 contribution is made; or
31 (2) a group organized under the laws of another state or qualified to do

1 business only under the laws of another state; however, the limitation of the paragraph
2 does not apply to a group all of whose members are residents of this state at the time
3 the contribution is made.

4 (c) A candidate or a group may not solicit or accept a cash contribution that
5 exceeds \$100.

6 (d) A person, or a person acting directly or indirectly on behalf of that person,
7 may not solicit or accept a contribution

8 (1) before the date for which contributions may be made as determined
9 under AS 15.13.074(c)(1) or (2); or

10 (2) later than the day after which contributions may not be made as
11 determined under AS 15.13.074(c)(3).

12 (e) A candidate or a person who has filed with the commission the document
13 necessary to permit the person to incur election-related expenses under AS 15.13.100
14 may not solicit or accept a contribution if the legislature is convened in a regular or
15 special legislative session, and the candidate or person is

16 (1) the governor or lieutenant governor;

17 (2) a member of the legislature; or

18 (3) employed by

19 (A) the governor or lieutenant governor as a member of the
20 staff of their respective offices; or

21 (B) a legislator as a member of the legislator's staff or as a
22 member of the staff of a legislative committee.

23 Sec. 15.13.074. PROHIBITED CONTRIBUTIONS. (a) A person may not
24 make a contribution if the making of the contribution would violate this chapter.

25 (b) A person may not make a contribution anonymously, using a fictitious
26 name, or using the name of another.

27 (c) A person may not make a contribution

28 (1) to a candidate or a person who files with the commission the
29 document necessary to permit the person to incur certain election-related expenses as
30 authorized by AS 15.13.100 for an office that is to be filled at a general election
31 before the later of the following dates:

1 (A) the date the person
2 (i) becomes a candidate; or
3 (ii) files with the commission the document necessary
4 to permit the person to incur certain election-related expenses as
5 authorized by AS 15.13.100; or
6 (B) January 1 of the year of the general election;
7 (2) to a candidate or a person who files with the commission the
8 document necessary to permit the person to incur certain election-related expenses as
9 authorized by AS 15.13.100 for an office that is to be filled at a special election or
10 municipal election before the later of the following dates:
11 (A) the date the person
12 (i) becomes a candidate; or
13 (ii) files with the commission the document necessary
14 to permit the person to incur certain election-related expenses as
15 authorized by AS 15.13.100;
16 (B) is 11 months before the date of the general or regular
17 municipal election or that is before the date of the proclamation of the special
18 election at which the person seeks election to public office; or
19 (3) to any candidate later than the 45th day
20 (A) after the date of a primary election if the person
21 (i) has been nominated at the primary election or is
22 running as a write-in candidate; and
23 (ii) is not opposed at the general election; or
24 (B) after the date of the general election, or after the date of a
25 municipal or municipal runoff election, if the person was opposed at the
26 general, municipal, or municipal runoff election.
27 (d) A person may not make a cash contribution that exceeds \$100.
28 (e) An individual required to register as a lobbyist under AS 24.45 may not
29 make a contribution to a candidate for the legislature at any time the individual is
30 subject to the registration requirement under AS 24.45 and for one year after the date
31 of the individual's initial registration or its renewal. However, the individual may

1 make a contribution under this section to a candidate for the legislature in a district in
2 which the individual is registered to vote or will be registered to vote on the date of
3 the election. An individual who is subject to the restrictions of this subsection shall
4 report to the commission, on a form provided by the commission, each contribution
5 made while required to register as a lobbyist under AS 24.45. This subsection does
6 not apply to a representational lobbyist as defined in regulations of the commission.

7 Sec. 15.13.076. AUTHORIZED RECIPIENTS OF CONTRIBUTIONS. A
8 contribution to a

9 (1) candidate may be received only by

10 (A) the candidate; or

11 (B) the candidate's campaign treasurer or a deputy campaign
12 treasurer;

13 (2) group may be received only by the group's campaign treasurer or
14 a deputy treasurer.

15 Sec. 15.13.078. CONTRIBUTIONS AND LOANS FROM THE CANDIDATE.

16 (a) The provisions of this chapter do not prohibit the person who is a candidate from
17 giving any amount of the candidate's own money or other thing of value to the
18 campaign of the candidate. Donations made by the candidate to the candidate's own
19 campaign shall be reported as contributions in accordance with AS 15.13.040 and
20 15.13.110.

21 (b) The provisions of this chapter do not prohibit the person who is a
22 candidate from lending any amount to the campaign of the candidate. Loans made by
23 the candidate shall be reported as contributions in accordance with AS 15.13.040 and
24 15.13.110. However, the candidate may not

25 (1) recover, under this section and AS 15.13.116(a)(5), the amount of
26 a loan made by the candidate to the candidate's own campaign that exceeds

27 (A) \$25,000, if the candidate ran for governor or lieutenant
28 governor;

29 (B) \$10,000, if the candidate ran for

30 (i) the legislature; or

31 (ii) delegate to a constitutional convention;

1 (C) \$10,000, if the candidate was a judge seeking electoral
2 confirmation;

3 (D) \$5,000, if the candidate ran in a municipal election; or
4 (2) repay a loan that the candidate has made to the candidate's own
5 campaign unless, within five days of making the loan, the candidate notifies the
6 commission, on a form provided by the commission, of the candidate's intention to
7 repay the loan under AS 15.13.116(a)(5).

8 (c) The provisions of this section apply only to the person who is a candidate,
9 as that term is defined by AS 15.13.199(1)(A), and do not apply to authorize a
10 contribution or loan under this section by a person described in the definition of the
11 term candidate under AS 15.13.199(1)(B).

12 * Sec. 11. AS 15.13.080 is amended to read:

13 Sec. 15.13.080. STATEMENT BY CONTRIBUTOR. **(a) Each of the**
14 **following shall file statements as required by (b) - (d) of this section:**

15 **(1) an individual who contributes to a candidate**

16 **(A) more than** [A PERSON OR GROUP CONTRIBUTING TO
17 A CANDIDATE OVER] \$250; or

18 **(B)** [CONTRIBUTING] goods or services [TO A
19 CANDIDATE] with a value of more than \$250;

20 **(2) an individual who, during the period between the 90th day**
21 **before an election and the date of the election, contributes to more than one group**
22 **and whose contributions to all groups, in money or in the value of goods and**
23 **services, or both, exceed \$1,000 per year** [TO INFLUENCE THE ELECTION OF
24 A CANDIDATE SHALL FURNISH THE COMMISSION A SIGNED STATEMENT,
25 ON A FORM MADE AVAILABLE BY THE COMMISSION].

26 **(b) A person required to file a contributor's statement under (a) of this**
27 **section shall file on a form made available by the commission.** The statement **must**

28 **(1) identify the contributor and the candidate and all groups**
29 **receiving contributions;**

30 **(2)** [SHALL] itemize the contributions and goods; and

31 **(3)** state that the contributor is not [A PERSON OR GROUP]

1 prohibited by law from contributing and that the contribution consists of funds or
2 property belonging to the contributor and has not been given or furnished by another
3 person or group.

4 (c) The contributor's statement shall be filed with the commission by the
5 contributor no later than 10 days after the contribution is made. [A COPY OF THE
6 STATEMENT SHALL BE FURNISHED THE CANDIDATE, CAMPAIGN
7 TREASURER, OR DEPUTY CAMPAIGN TREASURER AT THE TIME THE
8 CONTRIBUTION IS MADE.]

9 * **Sec. 12.** AS 15.13 is amended by adding new sections to read:

10 Sec. 15.13.082. LIMITATIONS ON EXPENDITURES. (a) A candidate or
11 group may not make an expenditure in cash that exceeds \$100 unless the candidate,
12 or the campaign treasurer or deputy campaign treasurer, obtains from the person to
13 whom the expenditure is made a written receipt and files a copy of the receipt with
14 the commission.

15 (b) A candidate or group may not make an expenditure unless the source of
16 the expenditure has been disclosed when required by this chapter.

17 (c) If a candidate or group receives a contribution in the form of cash, check,
18 money order, or other negotiable instrument and is subject to being reported to the
19 commission under this chapter, the candidate or group may neither expend the
20 contribution nor, in the case of a negotiable instrument, convert it to cash unless the
21 candidate, campaign treasurer, or deputy campaign treasurer first records the following
22 information for disclosure to the commission:

23 (1) the name, address, principal occupation, and employer of the
24 contributor; and

25 (2) the date and amount of the contribution.

26 Sec. 15.13.084. PROHIBITED EXPENDITURES. A person may not make
27 an expenditure anonymously, using a fictitious name, or using the name of another.

28 Sec. 15.13.086. AUTHORIZED MAKERS OF EXPENDITURES. An
29 expenditure by or in behalf of

30 (1) a candidate may be made only by

31 (A) the candidate; or

1 (B) the candidate's campaign treasurer or a deputy campaign
2 treasurer;

3 (2) a group may be made only by the group's campaign treasurer.

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

5 (b) Each contribution [OR EXPENDITURE] that exceeds \$250 and that is
6 made within nine days of the election shall be reported to the commission by date,
7 amount, and contributor or recipient within 24 hours of receipt [OR EXPENDITURE]
8 by the candidate, group, [OR] campaign treasurer, or deputy campaign treasurer.

9 * **Sec. 14.** AS 15.13.110(c) is amended to read:

10 (c) [THE REPORTS OF CANDIDATES SHALL BE FILED WITH THE
11 COMMISSION'S CENTRAL OFFICE.] All reports required by this chapter **shall be**
12 **filed with the commission's central office and** shall be kept open to public
13 inspection. Within 30 days after each election, the commission shall prepare a
14 summary of each report which shall be made available to the public at cost upon
15 request. Each summary shall use uniform categories of reporting.

16 * **Sec. 15.** AS 15.13 is amended by adding new sections to read:

17 Sec. 15.13.112. USES OF CAMPAIGN CONTRIBUTIONS HELD BY
18 CANDIDATE OR GROUP. (a) Campaign contributions held by a candidate or group
19 may be used

20 (1) as authorized by this chapter; or

21 (2) to pay the expenses of the candidate or group, and the campaign
22 expenses incurred by the candidate or group, that reasonably relate to election
23 campaign activities.

24 (b) Campaign contributions held by a candidate or group may not be

25 (1) used to give a personal benefit to the candidate or to another
26 person;

27 (2) converted to personal income of the candidate;

28 (3) loaned to a person;

29 (4) knowingly used to pay more than the fair market value for goods
30 or services purchased for the campaign;

31 (5) used to pay a criminal fine;

1 (6) used to pay civil penalties; however, campaign contributions held
2 by a candidate or group may be used to pay a civil penalty assessed under this chapter
3 if authorized by the commission after it first determines that

4 (A) the candidate, campaign treasurer, and deputy campaign
5 treasurer did not cause or participate in the violation for which the civil penalty
6 is imposed and exercised a reasonable level of oversight over the campaign;
7 and

8 (B) the candidate, campaign treasurer, and deputy campaign
9 treasurers cooperated in the revelation of the violation and in its immediate
10 correction; or

11 (7) used to make contributions to another candidate or to a group.

12 Sec. 15.13.114. DISPOSITION OF PROHIBITED CONTRIBUTIONS. (a)
13 A candidate or group that receives and accepts a contribution given in violation of
14 AS 15.13.072 or 15.13.074 shall immediately, upon discovery that the contribution is
15 prohibited, return it to the contributor. If the contribution cannot be returned in the
16 same form, the equivalent value of the contribution shall be returned.

17 (b) An anonymous contribution is forfeited to the state unless the contributor
18 is identified within five days of its receipt. Money that forfeits to the state under this
19 subsection shall be delivered immediately to the Department of Revenue for deposit
20 in the general fund.

21 Sec. 15.13.116. DISBURSEMENT OF CAMPAIGN ASSETS AFTER
22 ELECTION. (a) A candidate who, after the date of the general election, holds unused
23 campaign contributions shall distribute the amount of unused campaign contributions
24 held not later than February 15 following the general election. A candidate who, after
25 the date of a special, municipal, or municipal runoff election or after the date the
26 candidate withdraws as a candidate from any election, whichever comes first, holds
27 unused campaign contributions shall distribute the amount of unused campaign
28 contributions held within 90 days. The distribution may only be made to

29 (1) pay bills incurred for expenditures reasonably related to the
30 campaign and the winding up of the affairs of the campaign, and to pay expenditures
31 associated with post-election fund raising that may be needed to raise funds to pay off

1 campaign debts;

2 (2) pay for a victory or a thank you party costing less than \$500, or to
3 give a thank you gift of a value of less than \$50 to a campaign employee or volunteer;

4 (3) make donations, without condition, to

5 (A) a political party;

6 (B) the state's general fund;

7 (C) a municipality of the state; or

8 (D) the federal government;

9 (4) make donations, without condition, to organizations qualified as
10 charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not
11 controlled by the candidate or a member of the candidate's immediate family;

12 (5) repay loans from the candidate to the candidate's own campaign
13 under AS 15.13.078(b);

14 (6) repay contributions to contributors, but only if repayment of the
15 contributions is made to all contributors pro rata in approximate proportion to the
16 contributions made; or

17 (7) establish a fund for, and, from that fund, to pay attorney fees or
18 costs incurred in, the prosecution or defense of an administrative or civil judicial action
19 that directly concerns a challenge to the victory or defeat of the candidate in the
20 election.

21 (b) After a general, special, municipal, or municipal runoff election, a
22 candidate may retain the ownership of personal property, except money, that was
23 acquired by and for use in the campaign. The total value of the property retained may
24 not exceed \$2,500. All other property shall be disposed of, or sold and the sale
25 proceeds disposed of, in accordance with (a) or (c) of this section.

26 (c) Property remaining after disbursements are made under (a) - (b) of this
27 section is forfeited to the state. Within 30 days, the candidate shall deliver the
28 property to the Department of Revenue. The Department of Revenue shall deposit any
29 money received into the general fund and dispose of any other property in accordance
30 with law.

31 * **Sec. 16.** AS 15.13.120(d) is repealed and reenacted to read:

1 (d) A person who believes a violation of this chapter or a regulation adopted
2 under this chapter has occurred or is occurring may file an action in superior court
3 seeking injunctive relief and civil penalties under AS 15.13.125, or may file an
4 administrative complaint with the commission under (e) of this section. An action may
5 not be commenced under this subsection after two years have elapsed from the date
6 of the alleged violation. The plaintiff in a superior court action shall serve the attorney
7 general and the commission with a copy of the summons and complaint. The
8 commission, represented by the attorney general, may intervene in the action.

9 * **Sec. 17.** AS 15.13.120(e) is repealed and reenacted to read:

10 (e) A member of the commission, the commission's executive director, or a
11 person who believes a violation of a provision of this chapter or a regulation adopted
12 under this chapter has occurred, may file an administrative complaint with the
13 commission. The commission shall expeditiously make an investigation of the
14 complaint. If a member of the commission has filed the complaint, then the member
15 may not participate as a commissioner in any proceeding of the commission with
16 respect to the complaint. After affording a person notice and an opportunity for
17 hearing, if the commission finds that the person has engaged in or is about to engage
18 in an act or practice that constitutes or will constitute a violation of a provision of this
19 chapter or a regulation adopted under this chapter, the commission shall enter an order
20 requiring the violation to cease and to be remedied, and shall assess civil penalties
21 under AS 15.13.125. An action may not be commenced by the commission under this
22 subsection after four years have elapsed from the date of the alleged violation. The
23 commission's exercise of jurisdiction under this subsection is not exclusive. A person
24 who files a complaint under this subsection may withdraw it at any time and, unless
25 more than two years have elapsed since the date of the alleged violation, proceed
26 under (d) of this section.

27 * **Sec. 18.** AS 15.13.125 is amended to read:

28 Sec. 15.13.125. CIVIL PENALTY: LATE FILING OF REQUIRED
29 REPORTS. A person who fails to file a properly completed and certified report within
30 the time required by AS 15.13.040(f), 15.13.110(a)(1), (3), or (4), or 15.13.110(f) is
31 subject to a civil penalty of not more than \$50 [\$10] a day for each day the

1 delinquency continues as determined by the commission subject to right of appeal to
2 the superior court. A person who fails to file a properly completed and certified report
3 within the time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil
4 penalty of not more than \$500 [\$50] a day for each day the delinquency continues as
5 determined by the commission subject to right of appeal to the superior court. An
6 affidavit stating facts in mitigation may be submitted to the commission by a person
7 against whom a civil penalty is assessed. However, the imposition of the penalties
8 prescribed in this section or in AS 15.13.120 does not excuse that person from filing
9 reports required by this chapter.

10 * **Sec. 19.** AS 15.13.125 is amended by adding new subsections to read:

11 (b) When an administrative complaint has been filed under AS 15.13.120(e),
12 the commission shall give the person against whom the complaint has been filed due
13 notice and an opportunity to be heard. If, at the conclusions of the hearing, the
14 commission determines that the person against whom the complaint was filed engaged
15 in the alleged violation, the commission shall assess

16 (1) civil penalties under (a) of this section;

17 (2) the commission's costs of investigation and adjudication; and

18 (3) reasonable attorney fees.

19 (c) The commission's determination under (b) of this section may be appealed
20 to the superior court under AS 44.62 (Administrative Procedure Act).

21 (d) When an action has been filed in the superior court under AS 15.13.120(d),
22 upon proof of the violation, the court shall enter a judgment in the amount of the civil
23 penalty authorized by (a) of this section and shall award reasonable attorney fees and
24 costs to the prevailing party.

25 (e) A person who filed a civil action under AS 15.13.120(d), upon proof of the
26 violation by the person against whom the action was filed, may execute on the
27 judgment and is entitled to half of any amount recovered as a civil penalty exclusive
28 of any attorney fees and costs awarded by the court. The remainder of any amount
29 recovered as a civil penalty shall be deposited in the state's general fund.

30 (f) If the commission or superior court finds that the violation was not a repeat
31 violation or was not part of a series or pattern of violations, was inadvertent, was

1 quickly corrected, and had no adverse effect on the campaign of another, the
2 commission or the court may

3 (1) suspend imposition of the penalties; and

4 (2) order the penalties set aside if the person does not engage in a
5 similar violation for a period of one year.

6 * **Sec. 20.** AS 15.13 is amended by adding new sections to read:

7 Sec. 15.13.135. INDEPENDENT EXPENDITURES FOR OR AGAINST
8 CANDIDATES. (a) Only an individual or group may make an independent
9 expenditure supporting or opposing a candidate for election to public office. An
10 independent expenditure supporting or opposing a candidate for election to public
11 office shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110
12 and other requirements of this chapter.

13 (b) An individual or group who makes independent expenditures for a mass
14 mailing, for distribution of campaign literature of any sort, for a television, radio,
15 newspaper or magazine advertisement, or any other communication that supports or
16 opposes a candidate for election to public office

17 (1) shall comply with AS 15.13.090; and

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

20 This NOTICE TO VOTERS is required by Alaska law. (I/we)
21 certify that this (mailing/literature/advertisement) is not authorized, paid
22 for, or approved by the candidate.

23 Sec. 15.13.137. RESTRICTIONS ON CONTRIBUTIONS TO INDIVIDUALS
24 MAKING INDEPENDENT EXPENDITURES FOR OR AGAINST CANDIDATES.
25 An individual who makes an independent expenditure supporting or opposing a
26 candidate may not accept a contribution to help pay for the expenditure from another
27 individual or group that exceeds the amount an individual may contribute to a group
28 under AS 15.13.070(b)(2).

29 Sec. 15.13.140. INDEPENDENT EXPENDITURES FOR OR AGAINST
30 BALLOT PROPOSITION OR QUESTION. (a) This chapter does not prohibit a
31 person, or a publicly funded entity, from making independent expenditures in support

1 of or in opposition to a ballot proposition or question.

2 (b) An independent expenditure for or against a ballot proposition or question

3 (1) shall be reported in accordance with AS 15.13.040 and 15.13.100 -
4 15.13.110 and other requirements of this chapter; and

5 (2) may not be made if the expenditure is prohibited by AS 15.13.084.

6 Sec. 15.13.145. MONEY OF THE STATE AND ITS POLITICAL
7 SUBDIVISIONS. (a) Except as provided in (b) and (c) of this section, each of the
8 following may not use money held by the entity to influence the outcome of the
9 election of a candidate to a state, municipal, municipal runoff, or federal office:

10 (1) the state, its agencies, and its corporations;

11 (2) the University of Alaska and its Board of Regents;

12 (3) municipalities, school districts, and regional educational attendance
13 areas, or another political subdivision of the state; and

14 (4) an officer or employee of an entity identified in (1) - (3) of this
15 subsection.

16 (b) Money held by an entity identified in (a)(1) - (3) of this section may be
17 used to influence the outcome of an election concerning a ballot proposition or
18 question, but only if the funds have been specifically appropriated for that purpose by
19 a state law or a municipal ordinance.

20 (c) Money held by an entity identified in (a)(1) - (3) of this section may be
21 used

22 (1) to disseminate information about the time and place of an election
23 and to hold an election;

24 (2) to provide the public with nonpartisan information about a ballot
25 proposition or question or about all the candidates seeking election to a particular
26 public office.

27 (d) When expenditure of money is authorized by (b) and (c) of this section and
28 is used to influence the outcome of an election, the expenditures shall be reported to
29 the commission in the same manner as an individual is required to report under
30 AS 15.13.040.

31 Sec. 15.13.150. ELECTION EDUCATIONAL ACTIVITIES NOT

1 PROHIBITED. This chapter does not prohibit a person from engaging in educational
2 election related communications and activities, including

- 3 (1) the publication of the date and location of an election;
- 4 (2) the education of students about voting and elections;
- 5 (3) the sponsorship of open candidate debate forums;
- 6 (4) participation in get-out-the-vote or voter registration drives that do
7 not favor a particular candidate, political party, or political position; or
- 8 (5) the dissemination of the views of all candidates running for a
9 particular office.

10 Sec. 15.13.155. RESTRICTIONS ON EARNED INCOME AND
11 HONORARIA. (a) A candidate for the state legislature, for governor, or for
12 lieutenant governor, including a person campaigning as a write-in candidate for the
13 office, may not

- 14 (1) seek or accept compensation for personal services that involves
15 payments that are not commensurate with the services rendered taking into account the
16 higher rates generally charged by specialists in a profession; or
- 17 (2) accept a payment of anything of value, except for actual and
18 necessarily incurred travel expenses, for an appearance or speech; this paragraph does
19 not apply to the salary paid to the candidate for making an appearance or speech as
20 part of the candidate's normal course of employment.

21 (b) Notwithstanding (a) of this section, a candidate for the state legislature, for
22 governor, or for lieutenant governor, including a person campaigning as a write-in
23 candidate for the office, may accept a payment for an appearance or speech if the
24 appearance or speech is not connected with the person's status as a state official or as
25 a candidate.

26 Sec. 15.13.199. DEFINITIONS. In this chapter,

27 (1) "candidate"

28 (A) means a person who

29 (i) files for election under AS 15.25.030 - 15.25.130 or
30 under AS 15.25.140 - 15.25.200 for the state legislature, for governor,
31 or for lieutenant governor;

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- (ii) files for municipal office;
- (iii) files for retention in judicial office;
- (iv) files for constitutional convention delegate; or
- (v) campaigns as a write-in candidate for an office

described in (i) - (iv) of this subparagraph; and

(B) when used in a provision of this chapter that limits or prohibits the donation, solicitation, or acceptance of campaign contributions, or limits or prohibits an expenditure, includes

- (i) a candidate's campaign treasurer and a deputy campaign treasurer;
- (ii) a member of the candidate's immediate family;
- (iii) a person acting as agent for the candidate;
- (iv) the candidate's campaign committee; and
- (v) a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of the candidate;

(2) "commission" means the Alaska Public Offices Commission;

(3) "contribution"

(A) means purchase, payment, promise or obligation to pay, loan or loan guarantee, deposit or gift of money, goods or services for which charge is ordinarily made and that is made for the purpose of influencing the nomination or election of a candidate, and in AS 15.13.010(b) for the purpose of influencing a ballot proposition or question, including the payment by a person other than a candidate or political party, or compensation for the personal services of another person that are rendered to the candidate or political party;

(B) does not include

- (i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or ballot proposition or question, but it does include professional services volunteered by individuals for which they

1 ordinarily would be paid a fee or wage;

2 (ii) services provided by an accountant or other person
3 to prepare reports and statements required by this chapter; or

4 (iii) ordinary hospitality in a home;

5 (4) "expenditure"

6 (A) means a purchase or a transfer of money or anything of
7 value, or promise or agreement to purchase or transfer money or anything of
8 value, incurred or made for the purpose of

9 (i) influencing the nomination or election of a candidate
10 or of any individual who files for nomination at a later date and
11 becomes a candidate;

12 (ii) use by a political party;

13 (iii) the payment by a person other than a candidate or
14 political party of compensation for the personal services of another
15 person that are rendered to a candidate or political party; or

16 (iv) influencing the outcome of a ballot proposition or
17 question;

18 (B) does not include a candidate's filing fee or the cost of
19 preparing reports and statements required by this chapter;

20 (5) "group" means

21 (A) every state and regional executive committee of a political
22 party; and

23 (B) any combination of two or more individuals acting jointly
24 who organize for the principal purpose to influence the outcome of one or more
25 elections and who take action the major purpose of which is to influence the
26 outcome of an election; a group that makes expenditures or receives
27 contributions with the authorization or consent, express or implied, or under the
28 control, direct or indirect, of a candidate shall be considered to be controlled
29 by that candidate; a group whose major purpose is to further the nomination,
30 election, or candidacy of only one person, or intends to expend more than 50
31 percent of its money on a single candidate, shall be considered to be controlled

1 by that candidate and its actions done with the candidate's knowledge and
2 consent unless, within 10 days from the date the candidate learns of the
3 existence of the group the candidate files with the commission, on a form
4 provided by the commission, an affidavit that the group is operating without
5 the candidate's control; a group organized for more than one year preceding an
6 election and endorsing candidates for more than one office or more than one
7 political party is presumed not to be controlled by a candidate; however, a
8 group that contributes more than 50 percent of its money to or on behalf of one
9 candidate shall be considered to support only one candidate for purposes of
10 AS 15.13.070, whether or not control of the group has been disclaimed by the
11 candidate;

12 (6) "immediate family" means the spouse, parents, children, including
13 a stepchild and an adoptive child, and siblings of an individual;

14 (7) "independent expenditure" means an expenditure that is made
15 without the direct or indirect consultation or cooperation with, or at the suggestion or
16 the request of, or with the prior consent of, a candidate, a candidate's campaign
17 treasurer or deputy campaign treasurer, or another person acting as a principal or agent
18 of the candidate;

19 (8) "individual" means a natural person;

20 (9) "person" has the meaning given in AS 01.10.060, and includes a
21 labor union;

22 (10) "political party" has the definition given the term "political party"
23 in AS 15.60.010 and, in addition, includes a subordinate unit of the organized group
24 of voters qualifying as a political party under that definition;

25 (11) "publicly funded entity" means a person that receives any public
26 money.

27 * **Sec. 21.** AS 15.56 is amended by adding new sections to read:

28 Sec. 15.56.012. CAMPAIGN MISCONDUCT IN THE FIRST DEGREE. (a)
29 A person commits the crime of campaign misconduct in the first degree if the person
30 intentionally violates a provision of AS 15.13 or a regulation adopted under authority
31 of AS 15.13.

1 (b) Violation of this section is a corrupt practice.

2 (c) Campaign misconduct in the first degree is a class A misdemeanor.

3 Sec. 15.56.014. CAMPAIGN MISCONDUCT IN THE SECOND DEGREE.

4 (a) A person commits the crime of campaign misconduct in the second degree if the
5 person

6 (1) knowingly circulates or has written, printed or circulated a letter,
7 circular, or publication relating to an election, to a candidate at an election, or an
8 election proposition or question without the name and address of the author appearing
9 on its face;

10 (2) knowingly prints or publishes an advertisement, billboard, placard,
11 poster, handbill, paid-for television or radio announcement or other communication
12 intended to influence the election of a candidate or outcome of a ballot proposition or
13 question without the words "paid for by" followed by the name and address of the
14 candidate, group or individual paying for the advertising or communication and, if a
15 candidate or group, with the name of the campaign chair;

16 (3) knowingly writes or prints and circulates, or has written, printed and
17 circulated, a letter, circular, bill, placard, poster or advertisement in a newspaper, on
18 radio or television

19 (A) containing false factual information relating to a candidate
20 for an election;

21 (B) that the person knows to be false; and

22 (C) that would provoke a reasonable person under the
23 circumstances to a breach of the peace or damages the candidate's reputation
24 for honesty, integrity, or the candidate's qualifications to serve if elected to
25 office; or

26 (4) knowingly violates a provision of AS 15.13 or a regulation adopted
27 under AS 15.13.

28 (b) Violation of this section is a corrupt practice.

29 (c) Campaign misconduct in the second degree is a class B misdemeanor.

30 Sec. 15.56.016. CAMPAIGN MISCONDUCT IN THE THIRD DEGREE. (a)

31 A person commits the crime of campaign misconduct in the third degree

1 (1) if the person recklessly or with criminal negligence violates a
2 provision of AS 15.13 or a regulation adopted under AS 15.13; or

3 (2) if, during the hours the polls are open and after election judges
4 have posted warning notices as required by AS 15.15.170 or at the required distance
5 in the form and manner prescribed by the chief municipal elections official in a local
6 election, the person intentionally is within 200 feet of an entrance to a polling place,
7 and

8 (A) violates AS 15.15.170; or

9 (B) circulates cards, handbills, or marked ballots, or posts
10 political signs or posters relating to a candidate at an election or election
11 proposition or question.

12 (b) Campaign misconduct in the third degree is a violation.

13 Sec. 15.56.018. APPLICABILITY OF CAMPAIGN MISCONDUCT
14 PROVISIONS. (a) For purposes of AS 15.56.012(a), 15.56.015(a)(4), and
15 15.56.016(a)(1), each day a violation continues constitutes a separate offense.

16 (b) When a person is convicted of violating AS 15.56.012(a), in addition to
17 imposition of a sentence as authorized by AS 12.55.015, notwithstanding
18 AS 12.55.015(c), the court shall order suspension, for a period of one year, of any
19 license held by the defendant that allows the defendant to do business in the state.

20 Sec. 15.56.019. DEFINITIONS. In AS 15.56.012 - 15.56.018, the terms
21 "intentionally," "knowingly," "recklessly," and "with criminal negligence" have the
22 meanings given in AS 11.81.900(a).

23 * **Sec. 22.** AS 24.45.121(a) is amended to read:

24 (a) A lobbyist may not

25 (1) engage in any activity as a lobbyist before registering under
26 AS 24.45.041;

27 (2) do anything with the intent of placing a public official under
28 personal obligation to the lobbyist or to the lobbyist's employer;

29 (3) intentionally deceive or attempt to deceive any public official with
30 regard to any material fact pertinent to pending or proposed legislative or
31 administrative action;

1 (4) cause or influence the introduction of a legislative measure solely
2 for the purpose of thereafter being employed to secure its passage or its defeat;

3 (5) cause a communication to be sent to a public official in the name
4 of any fictitious person or in the name of any real person, except with the consent of
5 that person;

6 (6) accept or agree to accept any payment in any way contingent upon
7 the defeat, enactment, or outcome of any proposed legislative or administrative action;

8 (7) serve as a member of a state board, or commission, if the lobbyist's
9 employer may receive direct economic benefit from a decision of that board or
10 commission;

11 (8) serve as a campaign manager or director, serve as a campaign
12 treasurer or deputy campaign treasurer on a finance or fund-raising committee, host a
13 fund-raising event, **directly or indirectly collect contributions for, or deliver**
14 **contributions to, a candidate** or otherwise [ACTIVELY] engage in the fund-raising
15 activity of a legislative campaign **or campaign for governor or lieutenant governor**
16 if the lobbyist has registered, **or is required to register as a lobbyist, under this**
17 **chapter**, during the calendar year; this paragraph does not apply to a representational
18 lobbyist as defined in the regulations of the Alaska Public Offices Commission, and
19 does not prohibit a lobbyist from making personal contributions to **a candidate as**
20 **authorized by AS 15.13** or personally advocating on behalf of a candidate;

21 (9) offer, solicit, initiate, facilitate, or provide to or on behalf of a
22 person covered by AS 24.60, during a legislative session, a gift, other than food or
23 beverage for immediate consumption;

24 (10) make or offer a gift or a campaign contribution whose acceptance
25 by the person to whom it is offered would violate AS 24.60.

26 * **Sec. 23.** AS 24.60.031(b) is amended to read:

27 (b) In this section, "contribution" has the meaning given in **AS 15.13.199**
28 [AS 15.13.130].

29 * **Sec. 24.** AS 15.13.120(a), 15.13.130; AS 15.56.010, and 15.56.020 are repealed.

30 * **Sec. 25.** CONSTRUCTION AND APPLICATION. Each provision of this Act shall be
31 construed to avoid a conflict with any federal law that, under the supremacy clause of art. VI

1 of the United States Constitution, prevails over the state provision.

2 * **Sec. 26.** APPLICABILITY OF AS 15.13 TO PERSONS OTHER THAN INDIVIDUALS.

3 If a court determines that, under the federal or state constitutions, persons who are not
4 individuals must be allowed to contribute to candidates or groups, then the requirements,
5 monetary limitations, and restrictions of AS 15.13 are applicable to those persons.

6 * **Sec. 27.** This Act takes effect immediately under AS 01.10.070(c).