

CS FOR HOUSE BILL NO. 368(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/12/96

Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVE JAMES

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, the definitions of offenses
4 of campaign misconduct, and to the use of the net proceeds of charitable gaming
5 activities in election campaigns; and providing for an effective date."

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

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

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

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

13 (3) organized special interests are responsible for raising a significant portion of
14 all election campaign funds and may thereby gain an undue influence over election campaigns

1 and elected officials, particularly incumbents;

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

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

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

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

13 * **Sec. 2.** AS 05.15.150(a) is amended to read:

14 (a) The authority to conduct the activity authorized by this chapter is contingent
15 upon the dedication of the net proceeds of the charitable gaming activity to the awarding
16 of prizes to contestants or participants and to political, educational, civic, public,
17 charitable, patriotic, or religious uses in the state. "Political, educational, civic, public,
18 charitable, patriotic, or religious uses" means uses benefiting persons either by bringing
19 them under the influence of education or religion or relieving them from disease,
20 suffering, or constraint, or by assisting them in establishing themselves in life, or by
21 providing for the promotion of the welfare and well-being of the membership of the
22 organization within their own community, or through aiding candidates for public office
23 or groups that support candidates for public office, or by erecting or maintaining public
24 buildings or works, or lessening the burden on government, but does not include

25 (1) the direct or indirect payment of any portion of the net proceeds of
26 a bingo or pull-tab game to a lobbyist registered under AS 24.45; [OR]

27 (2) the erection, acquisition, improvement, maintenance, or repair of real,
28 personal, or mixed property unless it is used exclusively for one or more of the permitted
29 uses; or

30 **(3) the direct or indirect payment of any portion of the net proceeds**
31 **of a charitable gaming activity, except the proceeds of a raffle and lottery,**

32 **(A) to aid candidates for public office or groups that support**

1 candidates for public office;

2 (B) to a political party or to an organization affiliated with
3 a political party; or

4 (C) to a group, as that term is defined in AS 15.13.400, that
5 seeks to influence the outcome of an election.

6 * **Sec. 3.** AS 15.13.010(a) is amended to read:

7 (a) This chapter applies

8 (1) in every election for governor, lieutenant governor, a member of the
9 state legislature, a delegate to a constitutional convention, or judge seeking electoral
10 confirmation;

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

24 * **Sec. 4.** AS 15.13.010 is amended by adding a new subsection to read:

25 (c) This chapter does not prohibit a municipality from regulating by ordinance
26 election campaign contributions and expenditures in municipal elections, or from
27 regulating those campaign contributions and expenditures more strictly than provided in
28 this chapter.

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

30 (a) Except as provided in (g) of this section, each [EACH] candidate shall
31 make a full report, upon a form prescribed by the commission, listing the date and
32 amount of all expenditures made by the candidate, the total amount of all contributions,

1 including all funds contributed by the candidate, and for all contributions in excess of
2 \$100 in the aggregate a year, the name, address, principal occupation, and employer of
3 the contributor and the date and amount contributed by each contributor. The report
4 shall be filed in accordance with AS 15.13.110 and shall be certified correct by the
5 candidate or campaign treasurer.

6 * **Sec. 6.** AS 15.13.040(d) is amended to read:

7 (d) Every individual, person, or group making a contribution or expenditure shall
8 make a full report, upon a form prescribed by the commission, of the following
9 contributions or expenditures:

10 (1) any contribution of cash, goods, or services valued at more than \$250
11 a year to any group or candidate; or

12 (2) **unless exempted from reporting by (h) of this section,** any
13 expenditure whatsoever for advertising in newspapers **or other periodicals,** on radio, or
14 on television; or, for the publication, distribution, or circulation of brochures, flyers, or
15 other campaign material for any candidate or ballot proposition or question.

16 * **Sec. 7.** AS 15.13.040 is amended by adding new subsections to read:

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

18 (1) indicates, on a form prescribed by the commission, an intent not to
19 raise and not to expend more than \$2,500 in seeking election;

20 (2) accepts contributions totaling not more than \$2,500 in seeking
21 election; and

22 (3) makes expenditures totaling not more than \$2,500 in seeking
23 election.

24 (h) The provisions of (d)(2) of this section do not apply to one or more
25 expenditures made by an individual acting independently of any group and
26 independently of any other individual if the expenditures

27 (1) cumulatively do not exceed \$250 during a calendar year; and

28 (2) are made only for billboards, signs, or printed material concerning
29 a ballot proposition or question.

30 * **Sec. 8.** AS 15.13.050 is amended to read:

31 Sec. 15.13.050. **REGISTRATION BEFORE EXPENDITURE** [GROUPS].

32 **Before** [EACH GROUP, BEFORE] making an expenditure **in support** [ON BEHALF]

1 of [,] or in opposition to [,] a candidate or **before making an expenditure in support**
2 **of or in opposition to a ballot proposition or question, each person, publicly-funded**
3 **entity, or group** [A CONTRIBUTION TO A CANDIDATE] shall register, on forms
4 provided by the commission, with the commission. If the group intends to support or
5 oppose only one candidate, or to contribute to or expend on behalf of, or in opposition
6 to, one candidate **33 1/3** [50] percent or more of its funds, the name of the candidate
7 shall be a part of the name of the group. Promptly upon receiving the registration, the
8 commission shall notify the candidate of the group's organization and intent.

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

10 Sec. 15.13.065. WHO MAY MAKE CONTRIBUTIONS. (a) An individual
11 may make a contribution to a group or to a political party.

12 (b) A political party may contribute to a subordinate unit of the political party,
13 and a subordinate unit of a political party may contribute to the political party of which
14 it is a subordinate unit.

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

17 (1) the candidate;

18 (2) individuals who are registered under AS 15.13.050; and

19 (3) a group that, if required by AS 15.13.050 to register, is registered,
20 or a group not required to register under AS 15.13.050.

21 * **Sec. 10.** AS 15.13.070 is repealed and reenacted to read:

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

26 (b) An individual may contribute not more than

27 (1) \$500 per year to a candidate, or to a person who conducts a write-in
28 campaign as a candidate;

29 (2) \$250 per year to a group that is not a political party;

30 (3) \$5,000 per year to a political party.

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

1 (1) to a candidate, or to a person who conducts a write-in campaign as
2 a candidate; or

3 (2) to another group or to a political party.

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

6 (1) \$100,000 per year, if the election is for governor or lieutenant
7 governor;

8 (2) \$15,000 per year, if the election is for the state senate;

9 (3) \$10,000 per year, if the election is for the state house of
10 representatives; and

11 (4) \$5,000 per year, if the election is for

12 (A) delegate to a constitutional convention;

13 (B) judge seeking retention; or

14 (C) municipal office.

15 * **Sec. 11.** AS 15.13 is amended by adding new sections to read:

16 Sec. 15.13.072. RESTRICTIONS ON SOLICITATION AND ACCEPTANCE
17 OF CONTRIBUTIONS. (a) A candidate or a person who has filed with the commission
18 the document necessary to permit the person to incur election-related expenses under
19 AS 15.13.100 may not solicit or accept a contribution from

20 (1) an individual or group not authorized by law to make a contribution;

21 (2) an individual who is not a resident of the state at the time the
22 contribution is made except as provided in (b) of this section;

23 (3) a group organized under the laws of another state, resident in another
24 state, or whose participants are not residents of this state at the time the contribution is
25 made; or

26 (4) a person registered as a lobbyist if the contribution violates
27 AS 15.13.074(f) or AS 24.45.121(a)(8).

28 (b) A candidate or a person who has filed with the commission the document
29 necessary to permit the person to incur election-related expenses under AS 15.13.100
30 may solicit or accept contributions from an individual who is not a resident of the state
31 at the time the contribution is made if the amounts contributed by individuals who are
32 not residents do not exceed

1 (1) \$20,000, if the candidate or person is seeking the office of governor
2 or lieutenant governor;

3 (2) \$3,000, if the candidate or person is seeking the office of state
4 senator;

5 (3) \$2,000, if the candidate or person is seeking the office of state
6 representative.

7 (c) A candidate or a person who has filed with the commission the document
8 necessary to permit the person to incur election-related expenses under AS 15.13.100,
9 or a group, may not solicit or accept a cash contribution that exceeds \$100.

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

12 (1) before the date for which contributions may be made as determined
13 under AS 15.13.074(c)(1) - (3); or

14 (2) later than the day after which contributions may not be made as
15 determined under AS 15.13.074(c)(4).

16 (e) A candidate or a person who has filed with the commission the document
17 necessary to permit the person to incur election-related expenses under AS 15.13.100
18 may not solicit or accept a contribution if the legislature is convened in a regular or
19 special legislative session, and the candidate or person is a member of the legislature, or
20 employed by a legislator or employed as a member of the legislator's staff or as a
21 member of the staff of a legislative committee.

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

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

26 (c) A person may not make a contribution

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

32 (A) the date the person

1 (i) becomes a candidate; or
2 (ii) files with the commission the document necessary to
3 permit the person to incur certain election-related expenses as authorized
4 by AS 15.13.100; or
5 (B) January 1 of the year of the general election;
6 (2) to a candidate for the state legislature or a person who files with the
7 commission the document necessary to permit the person to incur certain election-related
8 expenses as authorized by AS 15.13.100 for the state legislature, when the office is to
9 be filled at a general election, before the later of the following dates:
10 (A) the date the person
11 (i) becomes a candidate; or
12 (ii) files with the commission the document necessary to
13 permit the person to incur certain election-related expenses as authorized
14 by AS 15.13.100; or
15 (B) June 1 of the year of the general election;
16 (3) to a candidate or a person who files with the commission the
17 document necessary to permit the person to incur certain election-related expenses as
18 authorized by AS 15.13.100 for an office that is to be filled at a special election or
19 municipal election before the later of the following dates:
20 (A) the date the person
21 (i) becomes a candidate; or
22 (ii) files with the commission the document necessary to
23 permit the person to incur certain election-related expenses as authorized
24 by AS 15.13.100;
25 (B) is five months before the date of the general or regular
26 municipal election or that is before the date of the proclamation of the special
27 election at which the person seeks election to public office; or
28 (4) to any candidate later than the 45th day
29 (A) after the date of a primary election if the person
30 (i) has been nominated at the primary election or is
31 running as a write-in candidate; and
32 (ii) is not opposed at the general election;

1 (B) after the date of the primary election if the person was not
2 nominated at the primary election; or

3 (C) after the date of the general election, or after the date of a
4 municipal or municipal runoff election, if the person was opposed at the general,
5 municipal, or municipal runoff election.

6 (d) A person may not make a contribution to a candidate or a person who is
7 prohibited by AS 15.13.072(d) from accepting it.

8 (e) A person may not make a cash contribution that exceeds \$100.

9 (f) An individual required to register as a lobbyist under AS 24.45 may not make
10 a contribution to a candidate for the legislature at any time the individual is subject to
11 the registration requirement under AS 24.45 and for one year after the date of the
12 individual's initial registration or its renewal. However, the individual may make a
13 contribution under this section to a candidate for the legislature in a district in which the
14 individual is registered to vote or will be registered to vote on the date of the election.
15 An individual who is subject to the restrictions of this subsection shall report to the
16 commission, on a form provided by the commission, each contribution made while
17 required to register as a lobbyist under AS 24.45. This subsection does not apply to a
18 representational lobbyist as defined in regulations of the commission.

19 Sec. 15.13.076. AUTHORIZED RECIPIENTS OF CONTRIBUTIONS. A
20 contribution to a

21 (1) candidate may be received only by

22 (A) the candidate; or

23 (B) the candidate's campaign treasurer or a deputy campaign
24 treasurer;

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

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

28 (a) The provisions of this chapter do not prohibit the person who is a candidate from
29 giving any amount of the candidate's own money or other thing of value to the
30 campaign of the candidate. Donations made by the candidate to the candidate's own
31 campaign shall be reported as contributions in accordance with AS 15.13.040 and
32 15.13.110.

1 (b) The provisions of this chapter do not prohibit the person who is a
2 candidate from lending any amount to the campaign of the candidate. Loans made by
3 the candidate shall be reported as contributions in accordance with AS 15.13.040 and
4 15.13.110. However, the candidate may not

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

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

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

10 (i) the legislature; or

11 (ii) delegate to a constitutional convention;

12 (C) \$10,000, if the candidate was a judge seeking retention;

13 (D) \$5,000, if the candidate ran in a municipal election; or

14 (2) repay a loan that the candidate has made to the candidate's own
15 campaign unless, within five days of making the loan, the candidate notifies the
16 commission, on a form provided by the commission, of the candidate's intention to
17 repay the loan under AS 15.13.116(a)(5).

18 (c) The provisions of this section apply only to the person who is a candidate,
19 as that term is defined by AS 15.13.400(1)(A), and do not apply to authorize a
20 contribution or loan under this section by a person described in the definition of the
21 term "candidate" under AS 15.13.400(1)(B).

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

23 Sec. 15.13.080. STATEMENT BY CONTRIBUTOR. **(a) Each of the**
24 **following shall file statements as required by this section:**

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

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

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

30 **(2) an individual who, during the period between the 90th day before**
31 **an election and the date of the election, contributes to more than one group and**
32 **whose aggregate contributions to all groups, in money or in the value of goods and**

1 services, or both, exceed \$1,000 per year [TO INFLUENCE THE ELECTION OF A
2 CANDIDATE SHALL FURNISH THE COMMISSION A SIGNED STATEMENT, ON
3 A FORM MADE AVAILABLE BY THE COMMISSION].

4 (b) An individual required to file a contributor's statement under (a) of this
5 section shall file on a form made available by the commission. The statement must

6 (1) identify the contributor and the candidate and all groups
7 receiving contributions;

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

9 (3) state that the contributor is not [A PERSON OR GROUP] prohibited
10 by law from contributing and that the contribution consists of funds or property
11 belonging to the contributor and has not been given or furnished by another person or
12 group.

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

18 * **Sec. 13.** AS 15.13 is amended by adding new sections to read:

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

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

26 (c) If a candidate receives a contribution in the form of cash, check, money
27 order, or other negotiable instrument and is subject to being reported to the commission
28 under this chapter, the candidate may neither expend the contribution nor, in the case of
29 a negotiable instrument, convert it to cash unless the candidate, campaign treasurer, or
30 deputy campaign treasurer first records the following information for disclosure to the
31 commission:

32 (1) the name, address, principal occupation, and employer of the

1 contributor; and

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

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

5 Sec. 15.13.086. AUTHORIZED MAKERS OF EXPENDITURES. An
6 expenditure

7 (1) authorized by AS 15.13.067(1) by or in behalf of a candidate may be
8 made only by

9 (A) the candidate; or

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

12 (2) authorized by AS 15.13.067(3) by or in behalf of a group may be
13 made only by the group's campaign treasurer.

14 * **Sec. 14.** AS 15.13.090 is amended by adding a new subsection to read:

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

16 (1) is paid for by an individual acting independently of any group and
17 independently of any other individual;

18 (2) is made concerning a ballot proposition or question; and

19 (3) is made for

20 (A) a billboard or sign; or

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

23 * **Sec. 15.** AS 15.13.110(a) is amended to read:

24 (a) Each candidate and group shall make a full report in accordance with
25 AS 15.13.040 for the period ending three days before the due date of the report and
26 beginning on the last day covered by the most recent previous report. If the report is a
27 first report, it shall cover the period from the beginning of the campaign to the date three
28 days before the due date of the report. If the report is a report due February 15, it shall
29 cover the period beginning on the last day covered by the most recent previous report
30 or on the day that the campaign started, whichever is later, and ending on December 31
31 of the prior year. The report shall be filed

32 (1) 30 days before the election; however, this report is not required if the

1 deadline for filing a nominating petition or declaration of candidacy is within 30 days
2 of the election;

3 (2) one week before the election;

4 (3) 10 days after the election; and

5 (4) February 15 for expenditures made and contributions received that
6 were not reported during the previous year, **including, if applicable, expenditures from**
7 **a legislative office account established under AS 15.13.116(a)(9)**, or when
8 expenditures were not made or contributions were not received during the previous year.

9 * **Sec. 16.** AS 15.13.110(b) is amended to read:

10 (b) Each contribution [OR EXPENDITURE] that exceeds \$250 and that is made
11 within nine days of the election shall be reported to the commission by date, amount, and
12 contributor [OR RECIPIENT] within 24 hours of receipt [OR EXPENDITURE] by the
13 candidate, **group**, [OR] campaign treasurer, **or deputy campaign treasurer**.

14 * **Sec. 17.** AS 15.13.110(c) is amended to read:

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

21 * **Sec. 18.** AS 15.13 is amended by adding new sections to read:

22 Sec. 15.13.112. USES OF CAMPAIGN CONTRIBUTIONS HELD BY
23 CANDIDATE OR GROUP. (a) Campaign contributions held by a candidate or group
24 may be used only to pay the expenses of the candidate or group, and the campaign
25 expenses incurred by the candidate or group, that reasonably relate to election campaign
26 activities, and in those cases only as authorized by this chapter.

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

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

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

30 (3) loaned to a person;

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

1 (5) used to pay a criminal fine;

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

5 (A) the candidate, campaign treasurer, and deputy campaign
6 treasurer did not cause or participate in the violation for which the civil penalty
7 is imposed and exercised a reasonable level of oversight over the campaign; 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) A
13 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 same
16 form, the equivalent value of the contribution shall be returned.

17 (b) An anonymous contribution is forfeited to the state unless the contributor is
18 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 in
20 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, special, municipal, or
23 municipal runoff election or after the date the candidate withdraws as a candidate,
24 whichever comes first, holds unused campaign contributions shall distribute the amount
25 held within 60 days. The distribution may only be made to

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

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

32 (3) make donations, without condition, to

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- (A) a political party;
- (B) the state’s general fund;
- (C) a municipality of the state; or
- (D) the federal government;

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

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

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

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

(8) transfer all or a portion of the unused campaign contributions to an account for a future election campaign; a transfer under this paragraph is limited to

(A) \$50,000, if the transfer is made by a candidate for governor or lieutenant governor;

(B) \$7,500, if the transfer is made by a candidate for the state senate;

(C) \$5,000, if the transfer is made by a candidate for the state house of representatives; and

(D) \$5,000, if the transfer is made by a candidate for an office not described in (A) - (C) of this paragraph;

(9) transfer all or a portion of the unused campaign contributions to a legislative office account; a transfer under this paragraph is subject to the following:

(A) the authority to transfer is limited to candidates who are elected to the state legislature;

(B) the legislative office account established under this paragraph may be used only for expenses associated with the candidate’s serving as a member of the legislature;

1 (C) the expenditures made from the legislative office account
2 shall be annually accounted for under AS 15.13.110(a)(4); and

3 (D) a transfer under this paragraph is limited to

4 (i) \$10,000, for a candidate elected to the state senate; and

5 (ii) \$5,000, for a candidate elected to the state house of
6 representatives.

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

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

16 * **Sec. 19.** AS 15.13.120(d) is repealed and reenacted to read:

17 (d) Whenever a person believes a violation of this chapter or a regulation
18 adopted under this chapter has occurred or is occurring, the person may file an
19 administrative complaint with the commission under (e) of this section. If, after 60 days
20 following the filing of the complaint, the commission staff has not completed a report
21 of a preliminary investigation as authorized by commission regulation adopted under
22 AS 15.13.030(10) or AS 24.60.220, the person may file an action in the superior court
23 seeking injunctive relief and civil penalties under AS 15.13.125. However, an action
24 may not be commenced in the superior court under this subsection after two years have
25 elapsed from the date of the alleged violation. The plaintiff in a superior court action
26 shall serve the attorney general and the commission with a copy of the summons and
27 complaint. The commission, represented by the attorney general, may intervene in the
28 action.

29 * **Sec. 20.** AS 15.13.120(e) is repealed and reenacted to read:

30 (e) A member of the commission, the commission's executive director, or a
31 person who believes a violation of a provision of this chapter or a regulation adopted
32 under this chapter has occurred, may file an administrative complaint with the

1 commission. The commission shall expeditiously make an investigation of the
2 complaint. If a member of the commission has filed the complaint, the member may not
3 participate as a commissioner in any proceeding of the commission with respect to the
4 complaint. After affording a person notice and an opportunity for hearing, if the
5 commission finds that the person has engaged in or is about to engage in an act or
6 practice that constitutes or will constitute a violation of a provision of this chapter or a
7 regulation adopted under this chapter, the commission shall enter an order requiring the
8 violation to cease and to be remedied, and shall assess civil penalties under
9 AS 15.13.125. An action may not be commenced by the commission under this
10 subsection after four years have elapsed from the date of the alleged violation. The
11 commission's exercise of jurisdiction under this subsection is not exclusive. A person
12 who files a complaint under this subsection may withdraw it at any time and, unless
13 more than two years have elapsed since the date of the alleged violation, proceed under
14 (d) of this section.

15 * **Sec. 21.** AS 15.13.125 is amended to read:

16 Sec. 15.13.125. CIVIL PENALTY: LATE FILING OF REQUIRED REPORTS.

17 A person who fails to file a properly completed and certified report within the time
18 required by AS 15.13.040(f), 15.13.110(a)(1), (3), or (4), or 15.13.110(f) is subject to a
19 civil penalty of not more than \$50 [\$10] a day for each day the delinquency continues
20 as determined by the commission subject to right of appeal to the superior court. A
21 person who fails to file a properly completed and certified report within the time required
22 by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of not more than \$500
23 [\$50] a day for each day the delinquency continues as determined by the commission
24 subject to right of appeal to the superior court. An affidavit stating facts in mitigation
25 may be submitted to the commission by a person against whom a civil penalty is
26 assessed. However, the imposition of the penalties prescribed in this section or in
27 AS 15.13.120 does not excuse that person from filing reports required by this chapter.

28 * **Sec. 22.** AS 15.13.125 is amended by adding new subsections to read:

29 (b) When an administrative complaint has been filed under AS 15.13.120(e), the
30 commission shall give the person against whom the complaint has been filed due notice
31 and an opportunity to be heard. If, at the conclusions of the hearing, the commission
32 determines that the person against whom the complaint was filed engaged in the alleged

1 violation, the commission shall assess

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

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

4 (3) reasonable attorney fees.

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

7 (d) When an action has been filed in the superior court under AS 15.13.120(d),
8 upon proof of the violation, the court

9 (1) shall enter a judgment in the amount of three times the amount of the
10 civil penalty authorized to be collected by (a) of this section; however, if the court finds
11 that, in committing the violation, the person against whom the action was brought did
12 not act knowingly and took action to correct the violation within five days after it
13 occurred, the court may enter a judgment in the amount of the civil penalty authorized
14 by (a) of this section; and

15 (2) shall award reasonable attorney fees and costs to the prevailing party.

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

21 (f) If the commission or superior court finds that the violation was not a repeat
22 violation or was not part of a series or pattern of violations, was inadvertent, was quickly
23 corrected, and had no adverse effect on the campaign of another, the commission or the
24 court may

25 (1) suspend imposition of the penalties; and

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

28 * **Sec. 23.** AS 15.13 is amended by adding new sections to read:

29 Sec. 15.13.135. INDEPENDENT EXPENDITURES FOR OR AGAINST
30 CANDIDATES. (a) Only an individual or group may make an independent expenditure
31 supporting or opposing a candidate for election to public office. An independent
32 expenditure supporting or opposing a candidate for election to public office shall be

1 reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110 and other
2 requirements of this chapter.

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

7 (1) shall comply with AS 15.13.090; and

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

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

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

19 Sec. 15.13.140. INDEPENDENT EXPENDITURES FOR OR AGAINST
20 BALLOT PROPOSITION OR QUESTION. (a) This chapter does not prohibit a person,
21 or a publicly funded entity, from making independent expenditures in support of or in
22 opposition to a ballot proposition or question.

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

24 (1) shall be reported in accordance with AS 15.13.040 and 15.13.100 -
25 15.13.110 and other requirements of this chapter; and

26 (2) may not be made if the expenditure is prohibited by AS 15.13.145.

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

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

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

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

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

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

9 (c) Money held by an entity identified in (a)(1) - (3) of this section may be used
10 (1) to disseminate information about the time and place of an election
11 and to hold an election;

12 (2) to provide the public with nonpartisan information about a ballot
13 proposition or question or about all the candidates seeking election to a particular public
14 office.

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

19 Sec. 15.13.150. ELECTION EDUCATIONAL ACTIVITIES NOT
20 PROHIBITED. This chapter does not prohibit a person from engaging in educational
21 election-related communications and activities, including

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

29 Sec. 15.13.155. RESTRICTIONS ON EARNED INCOME AND HONORARIA.

30 (a) A candidate for the state legislature, for governor, or for lieutenant governor,
31 including a person campaigning as a write-in candidate for the office, may not

32 (1) seek or accept compensation for personal services that involves

1 payments that are not commensurate with the services rendered taking into account the
2 higher rates generally charged by specialists in a profession; or

3 (2) accept a payment of anything of value, except for actual and
4 necessarily incurred travel expenses, for an appearance or speech; this paragraph does
5 not apply to the salary paid to the candidate for making an appearance or speech as part
6 of the candidate's normal course of employment.

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

12 Sec. 15.13.400. DEFINITIONS. In this chapter,

13 (1) "candidate"

14 (A) means a person who files for election to the state legislature,
15 for governor, for lieutenant governor, for municipal office, for retention in
16 judicial office, or for constitutional convention delegate, or who campaigns as a
17 write-in candidate for any of these offices; and

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

21 (i) a candidate's campaign treasurer and a deputy
22 campaign treasurer;

23 (ii) a member of the candidate's immediate family;

24 (iii) a person acting as agent for the candidate;

25 (iv) the candidate's campaign committee; and

26 (v) a group that makes expenditures or receives
27 contributions with the authorization or consent, express or implied, or
28 under the control, direct or indirect, of the candidate;

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

30 (3) "contribution"

31 (A) means a purchase, payment, promise or obligation to pay,
32 loan or loan guarantee, deposit or gift of money, goods, or services for which

1 charge is ordinarily made and that is made for the purpose of influencing the
2 nomination or election of a candidate, and in AS 15.13.010(b) for the purpose of
3 influencing a ballot proposition or question, including the payment by a person
4 other than a candidate or political party, or compensation for the personal
5 services of another person, that are rendered to the candidate or political party;

6 (B) does not include

7 (i) services provided without compensation by individuals
8 volunteering a portion or all of their time on behalf of a candidate or
9 ballot proposition or question, but it does include professional services
10 volunteered by individuals for which they ordinarily would be paid a fee
11 or wage;

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

14 (iii) ordinary hospitality in a home;

15 (4) "expenditure"

16 (A) means a purchase or a transfer of money or anything of
17 value, or promise or agreement to purchase or transfer money or anything of
18 value, incurred or made for the purpose of

19 (i) influencing the nomination or election of a candidate
20 or of any individual who files for nomination at a later date and becomes
21 a candidate;

22 (ii) use by a political party;

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

26 (iv) influencing the outcome of a ballot proposition or
27 question;

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

30 (5) "group" means

31 (A) every state and regional executive committee of a political
32 party; and

1 (B) any combination of two or more individuals acting jointly
2 who organize for the principal purpose to influence the outcome of one or more
3 elections and who take action the major purpose of which is to influence the
4 outcome of an election; a group that makes expenditures or receives contributions
5 with the authorization or consent, express or implied, or under the control, direct
6 or indirect, of a candidate shall be considered to be controlled by that candidate;
7 a group whose major purpose is to further the nomination, election, or candidacy
8 of only one person, or intends to expend more than 33 1/3 percent of its money
9 on a single candidate, shall be considered to be controlled by that candidate and
10 its actions done with the candidate's knowledge and consent unless, within 10
11 days from the date the candidate learns of the existence of the group the
12 candidate files with the commission, on a form provided by the commission, an
13 affidavit that the group is operating without the candidate's control; a group
14 organized for more than one year preceding an election and endorsing candidates
15 for more than one office or more than one political party is presumed not to be
16 controlled by a candidate; however, a group that contributes more than 33 1/3
17 percent of its money to or on behalf of one candidate shall be considered to
18 support only one candidate for purposes of AS 15.13.070, whether or not control
19 of the group has been disclaimed by the candidate;

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

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

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

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

29 (10) "political party" means

30 (A) an organized group of voters that represents a political
31 program and that nominated a candidate for governor who received at least
32 three percent of the total votes cast at any one of the last five preceding general

1 elections for governor; and

2 (B) a subordinate unit of the organized group of voters
3 qualifying as a political party under (A) of this paragraph if, consistent with the
4 rules or bylaws of the political party, the unit conducts or supports campaign
5 operations in a municipality, neighborhood, election district, or precinct;

6 (11) "publicly funded entity" means a person, other than an individual,
7 that receives half or more of the money on which it operates during a calendar year from
8 government, including a public corporation.

9 * **Sec. 24.** AS 15.56 is amended by adding new sections to read:

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

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

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

16 Sec. 15.56.014. CAMPAIGN MISCONDUCT IN THE SECOND DEGREE. (a)
17 A person commits the crime of campaign misconduct in the second degree if the person

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

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

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

30 (A) containing false factual information relating to a candidate for
31 an election;

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

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

5 (4) knowingly violates a provision of AS 15.13 or a regulation adopted
6 under AS 15.13.

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

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

9 Sec. 15.56.016. CAMPAIGN MISCONDUCT IN THE THIRD DEGREE. (a)
10 A person commits the crime of campaign misconduct in the third degree

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

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

17 (A) violates AS 15.15.170; or

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

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

22 Sec. 15.56.018. APPLICABILITY OF CAMPAIGN MISCONDUCT
23 PROVISIONS. (a) For purposes of AS 15.56.012(a), 15.56.014(a)(4), and
24 15.56.016(a)(1), each day a violation continues constitutes a separate offense.

25 (b) When a person is convicted of violating AS 15.56.014(a), in addition to
26 imposition of a sentence as authorized by AS 12.55.015, notwithstanding
27 AS 12.55.015(c), the court shall order suspension, for a period of one year, of any
28 license held by the defendant that allows the defendant to do business in the state.

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

32 * Sec. 25. AS 24.45.121(a) is amended to read:

- 1 (a) A lobbyist may not
- 2 (1) engage in any activity as a lobbyist before registering under
- 3 AS 24.45.041;
- 4 (2) do anything with the intent of placing a public official under personal
- 5 obligation to the lobbyist or to the lobbyist's employer;
- 6 (3) intentionally deceive or attempt to deceive any public official with
- 7 regard to any material fact pertinent to pending or proposed legislative or administrative
- 8 action;
- 9 (4) cause or influence the introduction of a legislative measure solely for
- 10 the purpose of thereafter being employed to secure its passage or its defeat;
- 11 (5) cause a communication to be sent to a public official in the name of
- 12 any fictitious person or in the name of any real person, except with the consent of that
- 13 person;
- 14 (6) accept or agree to accept any payment in any way contingent upon
- 15 the defeat, enactment, or outcome of any proposed legislative or administrative action;
- 16 (7) serve as a member of a state board, or commission, if the lobbyist's
- 17 employer may receive direct economic benefit from a decision of that board or
- 18 commission;
- 19 (8) serve as a campaign manager or director, serve as a campaign
- 20 treasurer or deputy campaign treasurer on a finance or fund-raising committee, host a
- 21 fund-raising event, **directly or indirectly collect contributions for, or deliver**
- 22 **contributions to, a candidate** or otherwise [ACTIVELY] engage in the fund-raising
- 23 activity of a legislative campaign **or campaign for governor or lieutenant governor**
- 24 if the lobbyist has registered, **or is required to register as a lobbyist, under this**
- 25 **chapter**, during the calendar year; this paragraph does not apply to a representational
- 26 lobbyist as defined in the regulations of the Alaska Public Offices Commission, and does
- 27 not prohibit a lobbyist from making personal contributions to **a candidate as authorized**
- 28 **by AS 15.13** or personally advocating on behalf of a candidate;
- 29 (9) offer, solicit, initiate, facilitate, or provide to or on behalf of a person
- 30 covered by AS 24.60, during a legislative session, a gift, other than food or beverage for
- 31 immediate consumption;
- 32 (10) make or offer a gift or a campaign contribution whose acceptance

1 by the person to whom it is offered would violate AS 24.60.

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

3 (b) In this section, "contribution" has the meaning given in **AS 15.13.400**
4 [AS 15.13.130].

5 * **Sec. 27.** AS 15.13.120(a), 15.13.130; AS 15.56.010, and 15.56.020 are repealed.

6 * **Sec. 28.** CONSTRUCTION AND APPLICATION. Each provision of this Act shall be
7 construed to avoid a conflict with any federal law that, under the supremacy clause of art. VI
8 of the United States Constitution, prevails over the state provision.

9 * **Sec. 29.** APPLICABILITY OF AS 15.13 TO PERSONS OTHER THAN INDIVIDUALS.

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

13 * **Sec. 30.** SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the
14 application thereof to any person or circumstance, is held invalid, the remainder of this Act and
15 the application to other persons or circumstances is not affected thereby.

16 * **Sec. 31.** TAKING EFFECT OF ACT MADE CONDITIONAL. Sections 1 - 30 of this Act
17 take effect only if, under art. XI, sec. 4, Constitution of the State of Alaska, and AS 15.45.210,
18 the lieutenant governor determines that secs. 1 - 30 of this Act are substantially the same as the
19 law proposed to be enacted by the Initiative entitled "An Initiative relating to election campaign
20 financing and the Alaska Public Offices Commission; and providing for an effective date,"
21 identified by the division of elections as Initiative Petition 95 CFPO, filed with the lieutenant
22 governor by the Initiative sponsors under AS 15.45.140 on December 15, 1995.

23 * **Sec. 32.** If secs. 1 - 30 of this Act take effect, they take effect January 1, 1997.