

SENATE BILL NO. 191

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY SENATORS KELLY, Phillips

Introduced: 1/8/96

Referred: STA, JUD

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 raise and carry forward huge surpluses from one
3 campaign to the next, to 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 far 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 those campaign contributions and expenditures more strictly than provided
4 in this chapter.

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

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

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

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

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

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

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

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

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

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

29 (9) prepare and publish a biennial report concerning the activities of the
30 commission, the effectiveness of this chapter, its enforcement by the attorney general's
31 office, and recommendations and proposals for change; the commission shall notify the

1 legislature that the report is available;

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

5 **(11) during the year that is five years after the calendar year of the**
6 **effective date of this Act and every fifth year thereafter, review the limitations,**
7 **expressed in dollars, set out in AS 15.13.070 - 15.13.078 and 15.13.082 and, by**
8 **regulation, adjust those amounts to take into account any significant inflation or**
9 **deflation that has occurred during the immediately preceding five years; in**
10 **reviewing the limitations, the commission shall use a recognized governmental**
11 **index for measuring the effect of inflation or deflation in the purchase of**
12 **consumer goods.**

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

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

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

23 (g) The provisions of (a) of this section do not apply if a candidate
24 (1) indicates, on a form prescribed by the commission, an intent not to
25 raise and not to expend more than \$1,000 in seeking election;
26 (2) accepts contributions totaling not more than \$1,000 in seeking
27 election; and
28 (3) makes expenditures totaling not more than \$1,000 in seeking
29 election.

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

31 Sec. 15.13.050. **REGISTRATION BEFORE CONTRIBUTION OR**

1 **EXPENDITURE** [GROUPS]. **Before** [EACH GROUP, BEFORE] making an
2 expenditure **in support** [ON BEHALF] of [,] or in opposition to [,] a candidate, **before**
3 **making** [OR] a contribution to a candidate, **or before making an expenditure in**
4 **support of or in opposition to a ballot proposition or question, each person or**
5 **publicly-funded entity** shall register, on forms provided by the commission, with the
6 commission. [IF THE GROUP INTENDS TO SUPPORT OR OPPOSE ONLY ONE
7 CANDIDATE, OR TO CONTRIBUTE TO OR EXPEND ON BEHALF OF, OR IN
8 OPPOSITION TO, ONE CANDIDATE 50 PERCENT OR MORE OF ITS FUNDS,
9 THE NAME OF THE CANDIDATE SHALL BE A PART OF THE NAME OF THE
10 GROUP. PROMPTLY UPON RECEIVING THE REGISTRATION, THE
11 COMMISSION SHALL NOTIFY THE CANDIDATE OF THE GROUP’S
12 ORGANIZATION AND INTENT.]

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

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

16 (b) Only an individual who has registered under AS 15.13.050, a group that,
17 if required by AS 15.13.050 to register, is registered, or a group not required to
18 register under AS 15.13.050, may make contributions concerning the election of a
19 candidate.

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

22 (1) the candidate;

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

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

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

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

31 (b) An individual may contribute not more than

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

3 (A) governor or lieutenant governor;

4 (B) the state legislature;

5 (C) delegate to a constitutional convention;

6 (D) judge seeking electoral confirmation; or

7 (E) municipal office;

8 (2) \$250 per year to a group that is not a political party;

9 (3) \$5,000 per year to a political party.

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

13 (1) governor or lieutenant governor;

14 (2) the state legislature;

15 (3) delegate to a constitutional convention;

16 (4) judge seeking electoral confirmation; or

17 (5) municipal office.

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

20 (1) \$50,000 per year, if the election is for governor or lieutenant
21 governor; and

22 (2) \$5,000 per year, if the election is for

23 (A) the state legislature;

24 (B) delegate to a constitutional convention;

25 (C) judge seeking electoral confirmation; or

26 (D) municipal office.

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

28 **Sec. 15.13.072. RESTRICTIONS ON SOLICITATION AND ACCEPTANCE**
29 **OF CONTRIBUTIONS.** (a) A candidate may not solicit or accept a contribution from

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

1 (2) an individual who is not a resident of the state at the time the
2 contribution is made;

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

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

8 (b) A candidate or a group may not solicit or accept a cash contribution that
9 exceeds \$25.

10 (c) 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 that is the later of the date that

13 (A) the person

14 (i) becomes a candidate; or

15 (ii) files with the commission the document necessary
16 to permit the person to incur certain election-related expenses as
17 authorized by AS 15.13.100; or

18 (B) is 11 months before the date of the general or regular
19 municipal election or that is before the date of the proclamation of the special
20 election at which the person seeks election to public office; or

21 (2) later than the 30th day

22 (A) after the date of a primary election if the person

23 (i) has been nominated at the primary election or is
24 running as a write-in candidate; and

25 (ii) is not opposed at the general election; or

26 (B) after the date of the general election, or after the date of a
27 municipal or municipal runoff election, if the person was opposed at the
28 general, municipal, or municipal runoff election.

29 (d) A candidate or a person who has filed with the commission the document
30 necessary to permit the person to incur election-related expenses under AS 15.13.100
31 may not solicit or accept

1 (1) a contribution if the legislature is convened in a regular or special
2 legislative session, and the candidate or person is

3 (A) the governor or lieutenant governor;

4 (B) a member of the legislature; or

5 (C) employed

6 (i) by the governor or lieutenant governor as a member
7 of the staff of their respective offices; or

8 (ii) by a legislator or employed as a member of the
9 legislator's staff or as a member of the staff of a legislative committee;
10 or

11 (2) an honorarium if, at the time the honorarium is offered or at the
12 time of performance of the service for which the honorarium is tendered, the person
13 is a state officer described in (1)(A) or (B) of this subsection.

14 Sec. 15.13.074. PROHIBITED CONTRIBUTIONS. (a) A person may not
15 make a contribution or pay an honorarium if the making of the contribution or
16 payment of the honorarium would violate this chapter.

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

19 (c) A person may not make a contribution to a candidate

20 (1) before the date that is the later of the date that

21 (A) the person to whom the contribution would be made

22 (i) becomes a candidate; or

23 (ii) files with the commission the document necessary
24 to permit the person to whom the contribution would be made to incur
25 certain election-related expenses as authorized by AS 15.13.100;

26 (B) is 11 months before the date of the general or regular
27 municipal election or that is before the date of the proclamation of the special
28 election at which the person seeks election to public office; or

29 (2) later than the 30th day

30 (A) after the date of a primary election if the person

31 (i) has been nominated at the primary election or is

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running as a write-in candidate; and

(ii) is not opposed at the general election; or

(B) after the date of the general election, or after the date of a municipal or municipal runoff election, if the person was opposed at the general, municipal, or municipal runoff election.

(d) A person may not make a contribution or offer or pay an honorarium to a candidate or a person who is prohibited by AS 15.13.072(d) from accepting it.

(e) A person may not make a cash contribution that exceeds \$25.

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

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

(1) candidate may be received only by

(A) the candidate; or

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

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

Sec. 15.13.078. CONTRIBUTIONS AND LOANS FROM THE CANDIDATE AND THE CANDIDATE'S FAMILY MEMBERS. (a) The provisions of this chapter do not prohibit a candidate from giving any amount of the candidate's own money or other thing of value to the campaign of the candidate. Donations made by the candidate to the candidate's own campaign shall be reported as contributions in

1 accordance with AS 15.13.040 and 15.13.110.

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

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

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

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

11 (i) the legislature; or

12 (ii) delegate to a constitutional convention;

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

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

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

20 (c) A member of the candidate's immediate family may make loans to a
21 candidate.

22 (d) When a person who is a member of the candidate's immediate family loans
23 money to the election campaign of a candidate, the money loaned to the candidate is
24 not reportable as a contribution if the

25 (1) total of all loans from all members of the candidate's immediate
26 family does not exceed \$1,000 per calendar year;

27 (2) money was not obtained from a person other than the maker of the
28 loan under an agreement that the money be loaned to the candidate's campaign; and

29 (3) existence of the loan is put in writing when the money is received
30 by the candidate's campaign, and a copy of the document is filed with the commission.

31 (e) A candidate may repay a loan received from a person described in (c) of

1 this section if, within five days of receipt of the loan, the candidate notifies the
2 commission, on a form provided by the commission, of the candidate's intention to
3 repay the loan under AS 15.13.116(a)(5). However, a candidate may not repay to a
4 person described in (c) of this section

5 (1) that portion of a loan or loans made by the person that exceeds
6 \$1,000 per year; the amount of the excess shall be reported as a contribution in
7 accordance with AS 15.13.040 and 15.13.110; or

8 (2) a loan or loans that have not been reported under this subsection
9 or that do not qualify for treatment under (d) of this section.

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

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

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

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

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

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

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

26 **(1) identify the contributor and the candidate and all groups**
27 **receiving contributions;**

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

29 **(3)** state that the contributor is not [A PERSON OR GROUP]
30 prohibited by law from contributing and that the contribution consists of funds or
31 property belonging to the contributor and has not been given or furnished by another

1 person or group.

2 (c) The contributor's statement shall be filed with the commission by the
3 contributor no later than 10 days after the contribution is made.

4 (d) The contributor filing the statement shall furnish a [A] copy of the
5 statement to [SHALL BE FURNISHED] the candidate or group or to the candidate's
6 or group's [,] campaign treasurer [,] or deputy campaign treasurer at the time the
7 contribution is filed with the commission [MADE].

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

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

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

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

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

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

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

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

29 (1) a candidate may be made only by

30 (A) the candidate; or

31 (B) the candidate's campaign treasurer or a deputy campaign

1 treasurer;

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

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

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

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

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

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

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

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

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

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

25 (3) loaned to a person;

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

28 (5) used to pay a criminal fine;

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

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

5 (B) the candidate, campaign treasurer, and deputy campaign
6 treasurers cooperated in the revelation of the violation and in its immediate
7 correction; or

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

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

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

18 Sec. 15.13.116. DISBURSEMENT OF CAMPAIGN ASSETS AFTER
19 ELECTION. (a) A candidate who, after the date of the general, special, municipal,
20 or municipal runoff election or after the date the candidate withdraws as a candidate,
21 whichever comes first, holds unused campaign contributions shall distribute the amount
22 held within 60 days. The distribution may only be made to

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

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

29 (3) make donations, without condition, to

30 (A) a political party;

31 (B) the state's general fund;

1 (C) a municipality of the state; or

2 (D) the federal government;

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

6 (5) repay loans

7 (A) from the candidate to the candidate's own campaign under
8 AS 15.13.078(b); or

9 (B) from immediate family members made under
10 AS 15.13.078(c); or

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

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

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

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

26 (d) A person who believes a violation of this chapter or a regulation adopted
27 under this chapter has occurred or is occurring may file an action in superior court
28 seeking injunctive relief and civil penalties under AS 15.13.125, or may file an
29 administrative complaint with the commission under (e) of this section. An action may
30 not be commenced under this subsection after two years have elapsed from the date
31 of the alleged violation. The plaintiff in a superior court action shall serve the attorney

1 general and the commission with a copy of the summons and complaint. The
2 commission, represented by the attorney general, may intervene in the action.

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

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

21 * **Sec. 18.** AS 15.13.125 is repealed and reenacted to read:

22 Sec. 15.13.125. CIVIL PENALTIES. (a) A person who violates a provision
23 of this chapter or a regulation adopted under this chapter

24 (1) is subject to a minimum civil penalty of not less than

25 (A) \$1 nor more than \$10 per day for the 1st through the 10th
26 day of a violation;

27 (B) \$10 nor more than \$50 per day for the 11th through the
28 20th day of a violation; and

29 (C) \$50 per day for each day a violation continues more than
30 20 days;

31 (2) that continues more than 20 days is subject to a maximum civil

1 penalty for each

2 (A) negligent or reckless violation of not more than \$250 per
3 violation per day; and

4 (B) knowing or intentional violation of not more than \$500 per
5 violation per day.

6 (b) In establishing the appropriate level of penalties under (a) of this section,
7 the commission or superior court may consider

8 (1) as aggravating factors, whether

9 (A) the violator recklessly, knowingly, or intentionally caused
10 or participated in the violation;

11 (B) the violation was a repeat violation or part of a series or
12 pattern of violations in the same or past campaigns; and

13 (C) the violation may have caused any damage to the election
14 campaign of another; and

15 (2) as mitigating factors, whether

16 (A) the violator corrected the violation within five days after it
17 occurred; and

18 (B) the violator's remedial conduct, if any, taken to correct the
19 violation before the election and taken to prevent future violations.

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

24 (1) suspend imposition of the penalties; and

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

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

- 1 (1) civil penalties under (a) of this section;
2 (2) the commission's costs of investigation and adjudication; and
3 (3) reasonable attorney fees.

4 (e) The commission's determination under this subsection may be appealed to
5 the superior court under AS 44.62 (Administrative Procedure Act).

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

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

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

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

21 (h) In this section, when a provision prescribes a culpable mental state, the
22 culpable mental state that must be proven are the culpable mental states defined in
23 AS 11.81.900(a).

24 * **Sec. 19.** AS 15.13 is amended by adding new sections to read:

25 Sec. 15.13.135. INDEPENDENT EXPENDITURES FOR OR AGAINST
26 CANDIDATES. (a) Only an individual or group may make an independent
27 expenditure supporting or opposing a candidate for election to public office. An
28 independent expenditure supporting or opposing a candidate for election to public
29 office shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110
30 and other requirements of this chapter.

31 (b) An individual or group who makes independent expenditures for a mass

1 mailing, for distribution of campaign literature of any sort, for a television, radio,
2 newspaper or magazine advertisement, or any other communication that supports or
3 opposes a candidate for election to public office

4 (1) shall comply with AS 15.13.090; and

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

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

10 Sec. 15.13.137. RESTRICTIONS ON CONTRIBUTIONS TO INDIVIDUALS
11 MAKING INDEPENDENT EXPENDITURES FOR OR AGAINST CANDIDATES.

12 An individual who makes an independent expenditure supporting or opposing a
13 candidate may not accept a contribution to help pay for the expenditure from another
14 individual or group that exceeds the amount an individual may contribute to a group
15 under AS 15.13.070(b)(2).

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

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

21 (1) shall be reported in accordance with AS 15.13.040 and 15.13.100 -
22 15.13.110 and other requirements of this chapter; and

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

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

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

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

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

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

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

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

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

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

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

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

21 (1) the publication of the date and location of an election;
22 (2) the education of students about voting and elections;
23 (3) the sponsorship of open candidate debate forums;
24 (4) participation in get-out-the-vote or voter registration drives that do
25 not favor a particular candidate, political party, or political position;

26 (5) the dissemination of the views of all candidates running for a
27 particular office.

28 Sec. 15.13.400. DEFINITIONS. In this chapter,

29 (1) "candidate"

30 (A) means a person who files for election to the state
31 legislature, for governor, for lieutenant governor, for municipal office, for

1 retention in judicial office, or for constitutional convention delegate, or who
2 campaigns as a write-in candidate for any of these offices; and

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

6 (i) a candidate's campaign treasurer and a deputy
7 campaign treasurer;

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

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

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

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

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

15 (3) "contribution"

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

24 (B) does not include

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

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

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(iii) ordinary hospitality in a home;

(4) "expenditure"

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

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

(ii) use by a political party;

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

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

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

(5) "group" means

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

(B) any combination of two or more individuals acting jointly who organize for the principal purpose to influence the outcome of one or more elections and who take action the major purpose of which is to influence the outcome of an election; a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of a candidate shall be considered to be controlled by that candidate; a group whose major purpose is to further the nomination, election, or candidacy of only one person, or intends to expend more than 50 percent of its money on a single candidate, shall be considered to be controlled by that candidate and its actions done with the candidate's knowledge and consent unless, within 10 days from the date the candidate learns of the existence of the group the candidate files with the commission, on a form

1 provided by the commission, an affidavit that the group is operating without
2 the candidate's control; a group organized for more than one year preceding an
3 election and endorsing candidates for more than one office or more than one
4 political party is presumed not to be controlled by a candidate; however, a
5 group that contributes more than 50 percent of its money to or on behalf of one
6 candidate shall be considered to support only one candidate for purposes of
7 AS 15.13.070, whether or not control of the group has been disclaimed by the
8 candidate;

9 (6) "honorarium"

10 (A) means a payment of money or anything of value by any
11 person to a public official or to any other individual as consideration for an
12 appearance, speech, or article made in connection with the duties of the public
13 official or because of the individual's candidacy for a public office;

14 (B) does not include the payment of a salary or an expense
15 reimbursement to which the recipient might otherwise be entitled as an
16 employee of the person;

17 (7) "immediate family" means the spouse, parents, children, including
18 a stepchild and an adoptive child, and siblings of an individual;

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

24 (9) "individual" means a natural person;

25 (10) "person" has the meaning given in AS 01.10.060, and includes a
26 labor union.

27 * **Sec. 20.** 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 C felony.

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 A 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 class B misdemeanor, except
13 that a sentence of imprisonment may not be imposed and the court shall impose a fine
14 of not less than \$300.

15 Sec. 15.56.018. APPLICABILITY OF CAMPAIGN MISCONDUCT
16 PROVISIONS. (a) For purposes of AS 15.56.012(a), 15.56.015(a)(4), and
17 15.56.016(a)(1), each day a violation continues constitutes a separate offense.

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

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

25 * **Sec. 21.** AS 24.45.121(a) is amended to read:

26 (a) A lobbyist may not

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

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

31 (3) intentionally deceive or attempt to deceive any public official with

1 regard to any material fact pertinent to pending or proposed legislative or
2 administrative action;

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

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

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

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

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

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

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

28 * **Sec. 22.** AS 24.60.031(b) is amended to read:

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

31 * **Sec. 23.** AS 15.13.120(a), 15.13.130; AS 15.56.010, and 15.56.020 are repealed.

1 * **Sec. 24.** CONSTRUCTION AND APPLICATION. Each provision of this Act shall be
2 construed to avoid a conflict with any federal law that, under the supremacy clause of art. VI
3 of the United States Constitution, prevails over the state provision.

4 * **Sec. 25.** APPLICABILITY OF AS 15.13 TO PERSONS OTHER THAN INDIVIDUALS.
5 If a court determines that, under the federal or state constitutions, persons who are not
6 individuals must be allowed to contribute to candidates or groups, then the requirements,
7 monetary limitations, and restrictions of AS 15.13 are applicable to those persons.

8 * **Sec. 26.** This Act takes effect immediately under AS 01.10.070(c).