

HOUSE BILL NO. 181

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE VEZEY

Introduced: 3/7/97

Referred: State Affairs, Judiciary

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to separate segregated funds for certain political contributions
2 from corporations and labor organizations."

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

4 * **Section 1.** AS 15.13.065(a) is amended to read:

5 (a) Individuals, groups that are not separate segregated funds, and political
6 parties may make contributions to a candidate. An individual or group that is not a
7 separate segregated fund may make a contribution to a group or to a political party.

8 * **Sec. 2.** AS 15.13.067 is amended to read:

9 **Sec. 15.13.067. Who may make expenditures.** Only the following may make
10 an expenditure in an election for candidates for elective office:

11 (1) the candidate;

12 (2) an individual; and

13 (3) a group that has registered under AS 15.13.050; however, a
14 separate segregated fund may not make an expenditure in an election for a

1 **candidate.**

2 * **Sec. 3.** AS 15.13.070(c) is amended to read:

3 (c) A group that is not a **separate segregated fund or a** political party may
4 contribute not more than \$1,000 per year

5 (1) to a candidate, or to an individual who conducts a write-in
6 campaign as a candidate; or

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

8 * **Sec. 4.** AS 15.13.074(f) is amended to read:

9 (f) A corporation, company, partnership, firm, association, organization,
10 business trust or surety, labor union, or publicly funded entity that does not satisfy the
11 definition of group in AS 15.13.400 may not make a contribution to a candidate or
12 group. **A separate segregated fund may not make a contribution to a candidate**
13 **or group.**

14 * **Sec. 5.** AS 15.13.074(h) is amended to read:

15 (h) Notwithstanding AS 15.13.070, a candidate for governor or lieutenant
16 governor and a group that is not a **separate segregated fund or a** political party and
17 that, under the definition of the term "group," is presumed to be controlled by a
18 candidate for governor or lieutenant governor, may not make a contribution to a
19 candidate for another office, to a person who conducts a write-in campaign as a
20 candidate for other office, or to another group of amounts received by that candidate
21 or controlled group as contributions between January 1 and the date of the general
22 election of the year of a general election for an election for governor and lieutenant
23 governor. This subsection does not prohibit

24 (1) the group described in this subsection from making contributions
25 to the candidates for governor and lieutenant governor whom the group supports; or

26 (2) the governor or lieutenant governor, or the group described in this
27 subsection, from making contributions under AS 15.13.116(a)(3)(A).

28 * **Sec. 6.** AS 15.13 is amended by adding a new section to read:

29 **Sec. 15.13.160. Separate segregated funds for certain contributions from**
30 **corporations and labor organizations.** (a) A corporation organized on a for profit
31 or nonprofit basis or a labor organization may not make a contribution to a political

1 party or to influence the outcome of a ballot proposition or question from money that
2 is withheld from compensation paid to the officers or employees of the corporation or
3 from dues or other fees assessed on the members of the labor organization unless the
4 contribution is made through a separate segregated fund established under this section.

5 (b) A corporation organized on a for profit or nonprofit basis or a labor
6 organization may establish, administer, and solicit contributions to a separate
7 segregated fund to be used for political purposes. A separate segregated fund
8 established under this section may only be used to make contributions to, or
9 expenditures on behalf of, a political party or a ballot proposition or question and for
10 expenses of administering the fund.

11 (c) A corporation organized on a for profit or nonprofit basis or a labor
12 organization may not solicit or obtain contributions for a separate segregated fund
13 established under this section from an individual described in (d) - (f) of this section
14 on an automatic or passive basis, including a payroll deduction plan or reverse
15 checkoff method, unless the individual who is contributing to the fund affirmatively
16 and voluntarily consents to the contribution at least once in every calendar year.

17 (d) A for profit corporation may solicit a contribution to a separate segregated
18 fund established under this section only from the following persons or their spouses:

- 19 (1) stockholders of the corporation or company;
- 20 (2) officers and directors of the corporation or company; and
- 21 (3) employees of the corporation or company who have policy-making,
22 managerial, professional, supervisory, or administrative nonclerical responsibilities.

23 (e) A corporation organized on a nonprofit basis may solicit contribution for
24 a separate segregated fund established under this section only from the following
25 persons or their spouses:

- 26 (1) members of the corporation who are individuals;
- 27 (2) stockholders of members of the nonprofit corporation;
- 28 (3) officers or directors of members of the corporation;
- 29 (4) employees of the members of the corporation who have policy-
30 making, managerial, professional, supervisory, or administrative nonclerical
31 responsibilities;

1 (5) employees of the corporation who have policy-making, managerial,
2 professional, supervisory, or administrative nonclerical responsibilities.

3 (f) A labor organization may solicit a contribution for a separate segregated
4 fund established under this section only from the following individuals or their
5 spouses:

6 (1) members of the labor organization who are individuals;

7 (2) officers or directors of the labor organization;

8 (3) employees of the labor organization who have policy-making,
9 managerial, professional, supervisory, or administrative nonclerical responsibilities.

10 (g) A contribution may not be obtained for a separate segregated fund
11 established under this section by

12 (1) using coercion or physical force;

13 (2) making a contribution a condition of employment or membership;

14 (3) using or threatening to use job discrimination or financial reprisals.

15 (h) If a corporation or labor organization that obtains contributions for a
16 separate segregated fund established under this section from individuals described in
17 subsections (d) - (f) of this section pays to one or more of those individuals a bonus
18 or other remuneration for the purpose of reimbursing those contributions, the
19 corporation or labor organization is subject to a civil penalty equal to two times the
20 total contribution obtained for all the individuals for the separate segregated fund
21 during that calendar year.

22 * **Sec. 7.** AS 15.13.400(5) is amended to read:

23 (5) "group" means

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

25 [AND]

26 (B) **a separate segregated fund under AS 15.13.160; and**

27 (C) any combination of two or more individuals acting jointly who
28 organize for the principal purpose of influencing the outcome of one or more elections
29 and who take action the major purpose of which is to influence the outcome of an
30 election; a group that makes expenditures or receives contributions with the
31 authorization or consent, express or implied, or under the control, direct or indirect,

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

14 * **Sec. 8.** This Act applies to withholdings from compensation made on or after the
15 effective date of this Act.