

**SENATE CS FOR CS FOR HOUSE BILL NO. 177(RLS)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE

Offered: 5/3/01

Referred: Today's Calendar

Sponsor(s): HOUSE RULES COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act regulating nongroup entities and certain tax-exempt organizations under**  
2 **Alaska's election campaign finance statutes; and requiring disclosure of the true source**  
3 **of campaign contributions."**

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

5 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 SHORT TITLE. This Act may be known as the Full Disclosure of Campaign Finance  
8 Act.

9 \* **Sec. 2.** AS 15.13.010(b) is amended to read:

10 (b) Except as otherwise provided, this chapter applies to contributions,  
11 expenditures and communications made by a candidate, group, **nongroup entity**,  
12 municipality or individual for the purpose of influencing the outcome of a ballot  
13 proposition or question as well as those made to influence the nomination or election  
14 of a candidate.

1 \* **Sec. 3.** AS 15.13.040(b) is amended to read:

2 (b) Each group shall make a full report upon a form prescribed by the  
3 commission, listing

4 (1) the name and address of each officer and director;

5 (2) the aggregate amount of all contributions made to it; and, for all  
6 contributions in excess of \$100 in the aggregate a year, the name, address, principal  
7 occupation, and employer of the contributor, and the date and amount contributed by  
8 each contributor; **for purposes of this paragraph, "contributor" means the true**  
9 **source of the funds, property, or services being contributed;** and

10 (3) the date and amount of all contributions made by it and all  
11 expenditures made, incurred or authorized by it.

12 \* **Sec. 4.** AS 15.13.040(d) is amended to read:

13 (d) Every individual, person, **nongroup entity,** or group making a  
14 contribution or expenditure shall make a full report, upon a form prescribed by the  
15 commission, of

16 (1) contributions made to a candidate or group and expenditures made  
17 on behalf of a candidate or group

18 (A) as soon as the total contributions and expenditures to that  
19 candidate or group reaches \$500 in a year; and

20 (B) for all subsequent contributions and expenditures to that  
21 candidate or group in a year whenever the total contributions and expenditures  
22 to that candidate or group that have not been reported under this paragraph  
23 reaches \$500;

24 (2) unless exempted from reporting by (h) of this section, any  
25 expenditure whatsoever for advertising in newspapers or other periodicals, on radio, or  
26 on television; or [,] for the publication, distribution, or circulation of brochures, flyers,  
27 or other campaign material for any candidate or ballot proposition or question.

28 \* **Sec. 5.** AS 15.13.040(h) is amended to read:

29 (h) The provisions of (d)(2) of this section do not apply to one or more  
30 expenditures made by an individual acting independently of any group **or nongroup**  
31 **entity** and independently of any other individual if the expenditures

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

2 (2) are made only for billboards, signs, or printed material concerning  
3 a ballot proposition as that term is defined by AS 15.13.065(c).

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

5 (j) Each nongroup entity shall make a full report in accordance with  
6 AS 15.13.110 upon a form prescribed by the commission and certified by the  
7 nongroup entity's treasurer, listing

8 (1) the name and address of each officer and director of the nongroup  
9 entity;

10 (2) the aggregate amount of all contributions made to the nongroup  
11 entity for the purpose of influencing the outcome of an election; and, for all such  
12 contributions in excess of \$100 in the aggregate a year, the name, address, principal  
13 occupation, and employer of the contributor, and the date and amount contributed by  
14 each contributor; for purposes of this paragraph, "contributor" means the true source  
15 of the funds, property, or services being contributed; and

16 (3) the date and amount of all contributions made by the nongroup  
17 entity, and all expenditures made, incurred, or authorized by the nongroup entity, for  
18 the purpose of influencing the outcome of an election; a nongroup entity shall report  
19 contributions made to a different nongroup entity for the purpose of influencing the  
20 outcome of an election and expenditures made on behalf of a different nongroup entity  
21 for the purpose of influencing the outcome of an election as soon as the total  
22 contributions and expenditures to that nongroup entity for the purpose of influencing  
23 the outcome of an election reach \$500 in a year and for all subsequent contributions  
24 and expenditures to that nongroup entity in a year whenever the total contributions and  
25 expenditures to that nongroup entity for the purpose of influencing the outcome of an  
26 election that have not been reported under this paragraph reach \$500.

27 \* **Sec. 7.** AS 15.13.065(a) is amended to read:

28 (a) Individuals, groups, nongroup entities, and political parties may make  
29 contributions to a candidate. An individual, [OR] group, or nongroup entity may  
30 make a contribution to a group, to a nongroup entity, or to a political party.

31 \* **Sec. 8.** AS 15.13.067 is amended to read:

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

- 3                   (1) the candidate;  
4                   (2) an individual; [AND]  
5                   (3) a group that has registered under AS 15.13.050; **and**  
6                   **(4) a nongroup entity that has registered under AS 15.13.050.**

7 \* **Sec. 9.** AS 15.13.070(b) is amended to read:

8                   (b) An individual may contribute not more than

9                           (1) \$500 per year **to a nongroup entity for the purpose of**  
10 **influencing the nomination or election of a candidate,** to a candidate, to an  
11 individual who conducts a write-in campaign as a candidate, or to a group that is not a  
12 political party;

13                           (2) \$5,000 per year to a political party.

14 \* **Sec. 10.** AS 15.13.070(c) is amended to read:

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

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

19                           (2) to another group, **a nongroup entity,** or to a political party.

20 \* **Sec. 11.** AS 15.13.070 is amended by adding a new subsection to read:

21                   (f) A nongroup entity may contribute not more than \$500 a year to a nongroup  
22 entity for the purpose of influencing the nomination or election of a candidate, to a  
23 candidate, to an individual who conducts a write-in campaign as a candidate, to a  
24 group, or to a political party.

25 \* **Sec. 12.** AS 15.13.072 is amended by adding a new subsection to read:

26                   (h) A nongroup entity may solicit or accept contributions for the purpose of  
27 influencing the nomination or election of a candidate from an individual who is not a  
28 resident of the state at the time the contribution is made or from an entity organized  
29 under the laws of another state, resident in another state, or whose participants are not  
30 residents of this state at the time the contribution is made. The amounts accepted by  
31 the nongroup entity from these individuals and entities for the purpose of influencing

1 the nomination or election of a candidate may not exceed 10 percent of total  
 2 contributions made to the nongroup entity for the purpose of influencing the  
 3 nomination or election of a candidate during the calendar year in which the  
 4 contributions are received.

5 \* **Sec. 13.** AS 15.13.074(a) is amended to read:

6 (a) A person, [OR] group, or nongroup entity may not make a contribution if  
 7 the making of the contribution would violate this chapter.

8 \* **Sec. 14.** AS 15.13.074(f) is amended to read:

9 (f) A corporation, company, partnership, firm, association, entity recognized  
 10 as tax-exempt under 26 U.S.C. 501(c)(3) (Internal Revenue Code), organization,  
 11 business trust or surety, labor union, or publicly funded entity that does not satisfy the  
 12 definition of group or nongroup entity in AS 15.13.400 may not make a contribution  
 13 to a candidate, [OR] group, or nongroup entity.

14 \* **Sec. 15.** AS 15.13.074 is amended by adding a new subsection to read:

15 (i) A nongroup entity may not solicit or accept a contribution to be used for  
 16 the purpose of influencing the outcome of an election unless the potential contributor  
 17 is notified that the contribution may be used for that purpose.

18 \* **Sec. 16.** AS 15.13.082(b) is amended to read:

19 (b) A candidate, [OR] group, or nongroup entity may not make an  
 20 expenditure unless the source of the expenditure has been disclosed as required by this  
 21 chapter.

22 \* **Sec. 17.** AS 15.13.084 is amended to read:

23 **Sec. 15.13.084. Prohibited expenditures.** A person may not make an  
 24 expenditure

25 (1) anonymously, unless the expenditure is

26 (A) paid for by an individual acting independently of any group

27 or nongroup entity and independently of any other individual;

28 (B) made to influence the outcome of a ballot proposition as  
 29 that term is defined by AS 15.13.065(c); and

30 (C) made for

31 (i) a billboard or sign; or

1 (ii) printed material, other than an advertisement made  
 2 in a newspaper or other periodical;

3 (2) using a fictitious name or using the name of another.

4 \* **Sec. 18.** AS 15.13.090(a) is amended to read:

5 (a) All advertisements, billboards, handbills, paid-for television and radio  
 6 announcements, and other communications intended to influence the election of a  
 7 candidate or outcome of a ballot proposition or question shall be clearly identified by  
 8 the words "paid for by" followed by the name and address of the candidate, group,  
 9 **nongroup entity**, or individual paying for the advertising. In addition, candidates and  
 10 groups must identify the name of their campaign chairperson.

11 \* **Sec. 19.** AS 15.13.090(b) is amended to read:

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

13 (1) is paid for by an individual acting independently of any group **or**  
 14 **nongroup entity** and independently of any other individual;

15 (2) is made to influence the outcome of a ballot proposition as that  
 16 term is defined by AS 15.13.065(c); and

17 (3) is made for

18 (A) a billboard or sign; or

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

21 \* **Sec. 20.** AS 15.13.110(a) is amended to read:

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

31 (1) 30 days before the election; however, this report is not required if

1 the deadline for filing a nominating petition or declaration of candidacy is within 30  
2 days 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, all amounts  
7 expended from a public office expense term account established under  
8 AS 15.13.116(a)(8) and all amounts expended from a municipal office account under  
9 AS 15.13.116(a)(9), or when expenditures were not made or contributions were not  
10 received during the previous year.

11 \* **Sec. 21.** AS 15.13.110(b) is amended to read:

12 (b) Each contribution that exceeds \$250 and that is made within nine days of  
13 the election shall be reported to the commission by date, amount, and contributor  
14 within 24 hours of receipt by the candidate, group, campaign treasurer, or deputy  
15 campaign treasurer. **Each contribution to a nongroup entity for the purpose of**  
16 **influencing the outcome of an election that exceeds \$250 and that is made within**  
17 **nine days of the election shall be reported to the commission by date, amount,**  
18 **and contributor within 24 hours of receipt by the nongroup entity.**

19 \* **Sec. 22.** AS 15.13.110(f) is amended to read:

20 (f) During the year in which the election is scheduled, each of the following  
21 shall file the campaign disclosure reports in the manner and at the times required by  
22 this section:

23 (1) a person who, under the regulations adopted by the commission to  
24 implement AS 15.13.100, indicates an intention to become a candidate for elective  
25 state executive or legislative office;

26 (2) a person who has filed a nominating petition under AS 15.25.140 -  
27 15.25.200 to become a candidate at the primary election for elective state executive or  
28 legislative office;

29 (3) a person who campaigns as a write-in candidate for elective state  
30 executive or legislative office at the general election; and

31 (4) a group **or nongroup entity** that receives contributions or makes

1 expenditures on behalf of or in opposition to a person described in (1) - (3) of this  
2 subsection.

3 \* **Sec. 23.** AS 15.13.114(a) is amended to read:

4 (a) A candidate, [OR] group, or nongroup entity that receives and accepts a  
5 contribution given in violation of AS 15.13.072 or 15.13.074 shall immediately, upon  
6 discovery that the contribution is prohibited, return it to the contributor. A candidate,  
7 [OR] group, or nongroup entity that receives and accepts a contribution in excess of  
8 the limitation on contributions set out in AS 15.13.070 shall immediately, upon  
9 discovery of the prohibited excess contribution, return the excess to the contributor. If  
10 the contribution or excess amount cannot be returned in the same form, the equivalent  
11 value of the contribution or excess amount shall be returned.

12 \* **Sec. 24.** AS 15.13.135 is amended to read:

13 **Sec. 15.13.135. Independent expenditures for or against candidates.** (a)  
14 Only an individual, [OR] group, or nongroup entity may make an independent  
15 expenditure supporting or opposing a candidate for election to public office. An  
16 independent expenditure supporting or opposing a candidate for election to public  
17 office shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110  
18 and other requirements of this chapter.

19 (b) An individual, [OR] group, or nongroup entity who makes independent  
20 expenditures for a mass mailing, for distribution of campaign literature of any sort, for  
21 a television, radio, newspaper, or magazine advertisement, or any other  
22 communication that supports or opposes a candidate for election to public office

23 (1) shall comply with AS 15.13.090; and

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

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

29 \* **Sec. 25.** AS 15.13.400(9) is amended to read:

30 (9) "person" has the meaning given in AS 01.10.060, and includes a  
31 labor union, nongroup entity, and a group;

1 \* **Sec. 26.** AS 15.13.400 is amended by adding a new paragraph to read:

2 (12) "nongroup entity" means a person, other than an individual, that  
3 takes action the major purpose of which is to influence the outcome of an election, and  
4 that

5 (A) cannot participate in business activities;

6 (B) does not have shareholders who have a claim on corporate  
7 earnings; and

8 (C) is independent from the influence of business corporations.