

**CS FOR SENATE BILL NO. 103(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 3/23/01

Referred: Rules

Sponsor(s): SENATE STATE AFFAIRS COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to election campaigns and legislative ethics."**

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

3 \* **Section 1.** AS 15.13.050(b) is amended to read:

4 (b) If a group intends to support only one candidate [,] or to contribute to or  
5 expend on behalf of one candidate 33 1/3 percent or more of its funds, the name of the  
6 candidate shall be a part of the name of the group. If the group intends to oppose only  
7 one candidate [,] or to contribute its funds in opposition to or make expenditures in  
8 opposition to a candidate, the group's name must clearly state that it opposes that  
9 candidate by using a word such as "opposes," "opposing," "in opposition to," or  
10 "against" in the group's name. Promptly upon receiving the registration, the  
11 commission shall notify the candidate of the group's organization and intent. A  
12 candidate may register more than one group to support the candidate; however,  
13 multiple groups controlled by a single candidate shall be treated as a single group  
14 for purposes of the contribution limit in AS 15.13.070(b)(1).

15 \* **Sec. 2.** AS 15.13.116(a) is amended to read:

1 (a) A candidate who, after the date of the general, special, municipal, or  
 2 municipal runoff election or after the date the candidate withdraws as a candidate,  
 3 whichever comes first, holds unused campaign contributions shall distribute the  
 4 amount held within 90 days. The distribution may only be made to

5 (1) pay bills incurred for expenditures reasonably related to the  
 6 campaign and the winding up of the affairs of the campaign, including a victory or  
 7 thank you party, thank you advertisements, and thank you gifts to campaign  
 8 employees and volunteers, and to pay expenditures associated with post-election fund  
 9 raising that may be needed to raise funds to pay off campaign debts;

10 (2) make donations, without condition, to

11 (A) a political party;

12 (B) the state's general fund;

13 (C) a municipality of the state; or

14 (D) the federal government;

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

18 (4) repay loans from the candidate to the candidate's own campaign  
 19 under AS 15.13.078(b);

20 (5) repay contributions to contributors, but only if repayment of the  
 21 contribution is made pro rata in approximate proportion to the contributions made  
 22 using one of the following, as the candidate determines:

23 (A) to all contributors;

24 (B) to contributors who have contributed most recently; or

25 (C) to contributors who have made larger contributions;

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

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

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

3 (B) \$10,000, if the transfer is made by a candidate for the state  
4 senate;

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

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

9 (8) transfer all or a portion of the unused campaign contributions to a  
10 public office expense term account [OR TO A PUBLIC OFFICE EXPENSE TERM  
11 ACCOUNT RESERVE IN ACCORDANCE WITH (d) OF THIS SECTION]; a  
12 transfer under this paragraph is subject to the following:

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

15 (B) the public office expense term account established under  
16 this paragraph may be used only for expenses associated with the candidate's  
17 serving as a member of the legislature;

18 (C) all amounts expended from the public office expense term  
19 account shall be annually accounted for under AS 15.13.110(a)(4); [AND]

20 (D) a transfer under this paragraph is limited to **\$10,000 for a**  
21 **candidate for the house of representatives and \$20,000 for a candidate for**  
22 **the senate; and**

23 **(E) at the end of the candidate's term of office, a balance in**  
24 **the public office expense term account must be disposed of as provided in**  
25 **this subsection but may not be disposed of as provided in (1), (4), or (6) -**  
26 **(9) of this subsection** [\$5,000 MULTIPLIED BY THE NUMBER OF YEARS  
27 IN THE TERM TO WHICH THE CANDIDATE IS ELECTED]; and

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

30 (A) the authority to transfer is limited to candidates who are  
31 elected to municipal office, including a municipal school board;

1 (B) the municipal office account established under this  
 2 paragraph may be used only for expenses associated with the candidate's  
 3 serving as mayor or as a member of the assembly, city council, or school  
 4 board;

5 (C) all amounts expended from the municipal office account  
 6 shall be annually accounted for under AS 15.13.110(a)(4); and

7 (D) a transfer under this paragraph is limited to \$5,000.

8 \* **Sec. 3.** AS 15.13.116(b) is amended to read:

9 (b) After a general, special, municipal, or municipal runoff election, a  
 10 candidate may retain the ownership of one computer and one printer and of personal  
 11 property, except money, that was acquired by and for use in the campaign. The  
 12 current fair market value of the property retained, exclusive of the computer and  
 13 printer, may not exceed **\$5,000** [\$2,500]. All other property shall be disposed of, or  
 14 sold and the sale proceeds disposed of, in accordance with (a) or (c) of this section.  
 15 Notwithstanding any other provision of this chapter,

16 **(1)** a candidate may **(A)** [(1)] retain a bulk mailing permit that was  
 17 paid for with campaign funds, and **(B)** [(2)] use personal funds, campaign funds, or  
 18 unused campaign contributions transferred to a public office expense term account  
 19 under (a)(8) of this section to pay the continuing charges for the permit after the  
 20 election; **money** [. MONEY] used to continue the life of the permit is not considered  
 21 to be a contribution under this chapter; **in** [. IN] addition to any other use permitted  
 22 under this chapter, during the candidate's term of office, the candidate may use the  
 23 bulk mailing permit for mailings associated with service in the office to which the  
 24 candidate was elected; **during** [. DURING] the candidate's term of office, if the  
 25 candidate files a declaration of candidacy or **the document necessary to permit the**  
 26 **candidate to incur election-related expenses under AS 15.13.100** [A LETTER OF  
 27 INTENT TO BECOME A CANDIDATE] for the same or a different elective office,  
 28 the candidate may also use the bulk mailing permit in that election campaign;

29 **(2)** **a candidate may retain campaign photographs and use the**  
 30 **photographs for any purpose associated with service in the office to which the**  
 31 **candidate was elected;**

1                    **(3) a candidate may retain seasonal greeting cards purchased with**  
 2                    **campaign funds; and**

3                    **(4) campaign signs prepared for an election that has already taken**  
 4                    **place have no monetary value and may be retained or disposed of at the**  
 5                    **candidate's discretion.**

6 \* **Sec. 4.** AS 15.13.145(b) is amended to read:

7                    (b) Money held by an entity identified in (a)(1) - (3) of this section may be  
 8                    used to influence the outcome of an election concerning a ballot proposition or  
 9                    question **if the use is permitted under AS 24.60.030(a)(5)(G) or** [, BUT ONLY] if  
 10                    the funds have been specifically appropriated for that purpose by a state law or a  
 11                    municipal ordinance.

12 \* **Sec. 5.** AS 15.13.400(3) is amended to read:

13                    (3) "contribution"

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

22                    (B) does not include

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

29                    (ii) [SERVICES PROVIDED BY AN ACCOUNTANT  
 30                    OR OTHER PERSON TO PREPARE REPORTS AND  
 31                    STATEMENTS REQUIRED BY THIS CHAPTER; OR

1 (iii)] ordinary hospitality in a home;

2 **(iii) two or fewer mass mailings before each election**  
 3 **by each political party describing the party's slate of candidates for**  
 4 **election, which may include photographs, biographies, and**  
 5 **information about the party's candidates;**

6 **(iv) the results of a poll limited to issues and not**  
 7 **mentioning any candidate, unless the poll was requested by or**  
 8 **designed primarily to benefit the candidate or provided by an**  
 9 **individual required to register as a lobbyist under AS 24.45; or**

10 **(v) any communication in the form of a newsletter**  
 11 **from a legislator to the legislator's constituents, except a**  
 12 **communication expressly advocating the election or defeat of a**  
 13 **candidate or a newsletter or material in a newsletter that is clearly**  
 14 **only for the private benefit of a legislator or a legislative employee;**

15 \* **Sec. 6.** AS 15.13.400(4) is amended to read:

16 (4) "expenditure"

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

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

23 (ii) use by a political party;

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

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

29 (B) does not include

30 **(i)** a candidate's filing fee or the cost of preparing  
 31 reports and statements required by this chapter; **or**



1 (E) a legislator from using the legislator's private office in the  
 2 capital city during a legislative session, and for the 10 [FIVE] days  
 3 immediately before and the 10 [FIVE] days immediately after a legislative  
 4 session, for nonlegislative purposes if the use does not interfere with the  
 5 performance of public duties and if there is no cost to the state for the use of  
 6 the space and equipment, other than utility costs and minimal wear and tear, or  
 7 the legislator promptly reimburses the state for the cost; an office is considered  
 8 a legislator's private office under this subparagraph if it is the primary space in  
 9 the capital city reserved for use by the legislator, whether or not it is shared  
 10 with others;

11 **(F) a legislator from use of legislative employees to prepare**  
 12 **and send out seasonal greeting cards;**

13 **(G) a legislator from using state resources to transport**  
 14 **computers or other office equipment owned by the legislator but primarily**  
 15 **used for a state function;**

16 **(H) use by a legislator of photographs of that legislator;**

17 **(I) reasonable use of the Internet by a legislator or a**  
 18 **legislative employee except if the use is for election campaign purposes;**

19 **(J) a legislator from soliciting, accepting, or receiving a gift**  
 20 **on behalf of a recognized, nonpolitical charitable organization in a state**  
 21 **facility; or**

22 **(K) a legislator from sending any communication in the**  
 23 **form of a newsletter to the legislator's constituents, except a**  
 24 **communication expressly advocating the election or defeat of a candidate**  
 25 **or a newsletter or material in a newsletter that is clearly only for the**  
 26 **private benefit of a legislator or a legislative employee;**

27 (3) knowingly seek, accept, use, allocate, grant, or award public funds  
 28 for a purpose other than that approved by law, or make a false statement in connection  
 29 with a claim, request, or application for compensation, reimbursement, or travel  
 30 allowances from public funds;

31 (4) require a legislative employee to perform services for the private

1 benefit of the legislator or employee at any time, or allow a legislative employee to  
 2 perform services for the private benefit of a legislator or employee on government  
 3 time; it is not a violation of this paragraph if the services were performed in an  
 4 unusual or infrequent situation and the person's services were reasonably necessary to  
 5 permit the legislator or legislative employee to perform official duties;

6 (5) use or authorize the use of state funds, facilities, equipment,  
 7 services, or another government asset or resource for the purpose of political fund  
 8 raising or campaigning; this paragraph does not prohibit

9 (A) limited use of state property and resources for personal  
 10 purposes if the use does not interfere with the performance of public duties and  
 11 either the cost or value related to the use is nominal or the legislator or  
 12 legislative employee reimburses the state for the cost of the use;

13 (B) the use of mailing lists, computer data, or other information  
 14 lawfully obtained from a government agency and available to the general  
 15 public for nonlegislative purposes;

16 (C) telephone or facsimile use that does not carry a special  
 17 charge;

18 (D) storing or maintaining, consistent with (b) of this section,  
 19 election campaign records in a legislator's office; [OR]

20 (E) a legislator from using the legislator's private office in the  
 21 capital city during a legislative session, and for the 10 [FIVE] days  
 22 immediately before and the 10 [FIVE] days immediately after a legislative  
 23 session, for nonlegislative purposes if the use does not interfere with the  
 24 performance of public duties and if there is no cost to the state for the use of  
 25 the space and equipment, other than utility costs and minimal wear and tear, or  
 26 the legislator promptly reimburses the state for the cost; an office is considered  
 27 a legislator's private office under this subparagraph if it is the primary space in  
 28 the capital city reserved for use by the legislator, whether or not it is shared  
 29 with others;

30 **(F) use by a legislator of photographs of that legislator; or**

31 **(G) use of governmental resources by a legislator or**

1           legislative employee to support or oppose a proposed amendment to the  
 2           state or federal constitution; a legislator or legislative employee may  
 3           support or oppose a proposed constitutional amendment; however, a  
 4           legislator or legislative employee may not use governmental resources to  
 5           solicit or receive contributions for a proposed constitutional amendment.

6           \* **Sec. 8.** AS 24.60.080(c) is amended to read:

7                   (c) Notwithstanding (a) of this section, it is not a violation of this section for a  
 8           legislator or legislative employee to accept

9                           (1) hospitality, other than hospitality described in (4) of this  
 10           subsection,

11                                   (A) with incidental transportation at the residence of a person;  
 12                                   however, a vacation home located outside the state is not considered a  
 13                                   residence for the purposes of this subparagraph; or

14                                   (B) at a social event or meal;

15                           (2) discounts that are available

16                                   (A) generally to the public or to a large class of persons to  
 17                                   which the person belongs; or

18                                   (B) when on official state business, but only if receipt of the  
 19                                   discount benefits the state;

20                           (3) food or foodstuffs indigenous to the state that are shared generally  
 21           as a cultural or social norm;

22                           (4) travel and hospitality primarily for the purpose of obtaining  
 23           information on matters of legislative concern;

24                           (5) gifts from the immediate family of the person;

25                           (6) gifts that are not connected with the recipient's legislative status;

26                           (7) a discount for all or part of a legislative session, including time  
 27           immediately preceding or following the session, or other gift to welcome a legislator  
 28           or legislative employee who is employed on the personal staff of a legislator or by a  
 29           standing or special committee to the capital city or in recognition of the beginning of a  
 30           legislative session if the gift or discount is available generally to all legislators and the  
 31           personal staff of legislators and staff of standing and special committees; this

1 paragraph does not apply to legislative employees who are employed by the  
 2 Legislative Affairs Agency, the office of the chief clerk, the office of the senate  
 3 secretary, the legislative budget and audit committee, or the office of the ombudsman;  
 4 [OR]

5 (8) a gift of legal services in a matter of legislative concern and a gift  
 6 of other services related to the provision of legal services in a matter of legislative  
 7 concern; **or**

8 **(9) a gift of transportation from a legislator to a legislator if the**  
 9 **transportation takes place in the state on or in an aircraft, boat, motor vehicle, or**  
 10 **other means of transport owned or under the control of the donor; this**  
 11 **paragraph does not apply to travel described in (4) of this subsection or travel for**  
 12 **political campaign purposes.**

13 \* **Sec. 9.** AS 15.13.116(d) is repealed.

14 \* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to  
 15 read:

16 TRANSITIONAL PROVISION. A candidate for the state legislature who was elected  
 17 to the state legislature before the effective date of this Act and who holds funds in a public  
 18 office expense term account reserve shall transfer those funds to a public office expense term  
 19 account before January 1, 2002.