

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS COMMITTEE

February 22, 2001
3:37 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Randy Phillips, Vice Chair
Senator Drue Pearce
Senator Bettye Davis

MEMBERS ABSENT

Senator Rick Halford

COMMITTEE CALENDAR

SENATE BILL NO. 103

"An Act relating to election campaigns and legislative ethics; and providing for an effective date."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

No previous action recorded.

WITNESS REGISTER

Joe Balash
Senate State Affairs Staff
Alaska Capitol Building Room 121
Juneau, AK 99811-1182

POSITION STATEMENT: Explained SB 103

Brooke Miles, Assistant Director
Alaska Public Offices Commission
2221 E. Northern Lights Room 128
Anchorage, AK 99508-4149

POSITION STATEMENT: Answered questions about SB 103

Susie Barnett, Executive Director
Select Committee on Legislative Ethics
P.O. Box 101468
Anchorage, AK 99510-1468

POSITION STATEMENT: Answered questions about SB 103

ACTION NARRATIVE

TAPE 01-8, SIDE A

Number 001

CHAIRMAN GENE THERRIAULT called the Senate State Affairs Committee meeting to order at 3:37 p.m. Present were Senators Davis Pearce and Phillips and Chairman Therriault.

SB 103 was the only item on the agenda.

#SB 103

SB 103-ELECTION CAMPAIGNS AND LEGISLATIVE ETHICS

CHAIRMAN THERRIAULT advised committee members that a fiscal note from Alaska Public Offices Commission (APOC) and informational letters from Brooke Miles of APOC and Mike Frank were in committee packets.

He said he has looked at vetoed legislation dealing with election campaigns and legislative ethics and tried to remove the parts that were objected to for this legislation.

JOE BALASH, staff to Senate State Affairs Committee, called SB 103 a clean up bill that "addresses some of the gray areas and puts into statute common practices that occur within that gray area based on formal and informal decisions and opinions from both APOC and the ethics committee."

Section 1 allows candidates to register multiple groups that would be treated as a single group for purposes of the contribution limits for that candidate.

Section 2 includes thank you advertisements as an allowable use of campaign funds. According to APOC, this is currently common practice so putting it into statute would make it clear that this is the intention of the legislature.

Section 3 increases the total value of personal property that a candidate may keep from \$2,500 to \$5,000. It also enumerates additional items that may be retained after the campaign. These items include photographs, seasonal greeting cards and campaign signs.

Section 4 allows the interest accrued on a public office expense term (POET) reserve account to be transferred to a POET account. This makes it clear that principle and interest can be transferred

from the reserve account.

Section 5 provides that money held by public entities may be used to influence the outcome of a ballot proposition or question under limited circumstances.

Section 6 excludes certain items from the definition of campaign contributions. Professional services provided by volunteers to political parties, mass mailings provided by parties for each race around the state and certain poll results limited to issues and not designed by the candidate or designed to benefit the candidate.

Number 359

Section 7 adds new exceptions and clarifies some of the prohibitions on the use of public assets such as legislative offices, phones, and computers. Legislative ethics are brought into play for some of the non-legislative purposes. It also clarifies the prohibition and use of public assets for certain political uses including support or opposition of initiatives or constitutional amendments that will appear on the ballot.

Section 8 gives the effective date for the legislation as January 1, 2002, which would follow the next election cycle.

CHAIRMAN THERRIAULT called for questions and received no response. He asked Brooke Miles if she had anything to add to the discussion that she hadn't covered in her letter to the committee.

BROOKE MILES, assistant director Alaska Public Offices Commission, said that, as stated in her letter, the commission hasn't had the opportunity to review the bill. However, she was concerned about certain provisions in Section 6. There is concern about removing polls from the definition of a contribution. This will not only require the commission to evaluate the content and intention of polls to determine whether the poll is intended to benefit a candidate, it may also create a loophole through which prohibited entities could contribute significantly to campaigns. It could allow lobbyists to purchase issue polls and then give them to certain candidates even though lobbyists are specifically prohibited from contributing to legislative campaigns other than those in the district where they are registered to vote. Corporations could do the same and since this would not be considered a contribution, the public would have no knowledge of this.

Excluding mass mailings creates difficulties as well. After contributing the maximum allowed by law, parties could conceivably become involved in multiple mass mailings for their slate or become

involved in municipal elections.

CHAIRMAN THERRIAULT asked how parties assign value to a particular candidate for party slate and absentee mailings where congressional and district candidates are mentioned on the same mailing.

MS. MILES said the party reports to APOC, the cost of the mailing divided by the number of candidates mentioned. She noted that congressional oversight is not part of APOC's purview.

CHAIRMAN THERRIAULT asked for confirmation that the congressional candidates were included in the formula.

MS. MILES said yes, that the congressional portion wouldn't be reported to APOC but it would be subtracted from the total.

SENATOR PHILLIPS noted that Ms. Miles' memo had an error in the effective date.

CHAIRMAN THERRIAULT said there was confusion about whether all excess money could be transferred from the POET reserve to the POET account or just the principle. He couldn't understand the need for the reserve account and asked her to comment.

MS. MILES said that the suggestion for the two accounts didn't come from the commission. Reasoning behind the two accounts was that there might be a tax liability in keeping the funds in just one account. She went on to say that there was significant confusion about the double accounts and there seems to be no reason for the requirement. The basics wouldn't change with just one account. For instance, " a senator could hold up to \$20,000 and a house member up to \$10,000 or \$5,000 for each year of the term and spend up to \$5,000 to augment their expenses, which is reported on an annual report."

Number 904

CHAIRMAN THERRIAULT asked whether there would be a restriction to spend no more than \$5,000 from the POET account if he had carried \$7,000 forward.

MS. MILES said that was correct and that this amount was determined as campaign finance reform progressed through the legislative process.

CHAIRMAN THERRIAULT asked for questions, then called on Susie Barnett.

SUSIE BARNETT, Executive Director Legislative Ethics Committee,

said that the committee hadn't reviewed the legislation so she was not commenting on behalf of the committee.

She did have a comment on page 9 lines 19 and 20, subsection G, dealing with "reasonable use of the Internet by a legislator or a legislative employee except if the use is for election campaign purposes;". Although this doesn't appear to be unreasonable, it conflicts with page 8, line 25, a subsection that specifically addresses using government assets or resources for the purpose of political fund raising or campaigning. She questioned including subsection (G) in the legislation.

CHAIRMAN THERRIAULT asked whether she meant that it should be placed elsewhere or worded more clearly.

MS. BARNETT said that on lines 10 and 11 and at the bottom of page 8, there are general office items mentioned and the intent is clear that there can be common sense use of the Internet. However, meshing this with subsection (G) may cause interpretive difficulties for the committee if they received a request for advice or had a complaint filed.

CHAIRMAN THERRIAULT thanked Ms. Barnett and asked for further testimony. There was none.

He announced that SB 103 would be held in committee.

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The meeting was adjourned at 3:55 p.m.