

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS COMMITTEE

April 30, 2001
6:00 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Randy Phillips, Vice Chair
Senator Rick Halford
Senator Drue Pearce

MEMBERS ABSENT

Senator Bettye Davis

COMMITTEE CALENDAR

CS FOR HOUSE JOINT RESOLUTION NO. 27(MLV)
Supporting the erection of monuments in Alaska, Russia, and Canada to commemorate the World War II lend-lease program between the United States and the Union of Soviet Socialist Republics.

MOVED SCS CSHJR 27(STA) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 177(STA)

"An Act placing certain special interest organizations within the definition of 'group' for purposes of Alaska's campaign finance statutes; and requiring disclosure of the true source of campaign contributions."

MOVED SCS CSHB 177(STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

HJR 27 - See State Affairs minutes dated 4/26/01.

HB 177 - See State Affairs minutes dated 4/19/01 and 4/24/01.

WITNESS REGISTER

Alexander Dolitsky
Executive Officer
Alaska-Siberia Research Center
P.O. Box 34871
Juneau, AK 99803

POSITION STATEMENT: Supports HJR 27

Miriam Lancaster
Board of Directors

Alaska-Siberia Research Center
P.O. Box 34871
Juneau, AK 99803
POSITION STATEMENT: Supports HJR 27

Kathryn Kurtz, Attorney
Legislative Legal and Research Services
Legislative Affairs Agency
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Drafted HB 177

Brooke Miles
Assistant Director
Public Offices Commission
Department of Administration
2221 E. Northern Lights Room 128
Anchorage, AK 99508-4149
POSITION STATEMENT: Answered questions on HB 177

ACTION NARRATIVE

TAPE 01-21, SIDE A
Number 001

CHAIRMAN GENE THERRIAULT called the Senate State Affairs Committee meeting to order at 6:00 p.m. Present were Senators Phillips, Pearce and Chairman Therriault.

The first order of business was HJR 27.

#HJR 27

HJR 27-WWII ALASKA-USSR LEND-LEASE MONUMENTS

CHAIRMAN THERRIAULT said a proposed committee substitute (O version) is before the committee; it changes awkward language.

He asked for a motion to adopt the O version.

SENATOR PEARCE moved the O version of HJR 27 dated 4/30/01 as the working document. There was no objection.

ALEXANDER DOLITSKY, Chairman and Executive Director of the Alaska-Siberia Research Center, testified in support of the proposed lend-lease monuments in Alaska. Memorials would be erected in Fairbanks and Nome first and then in Montana, Canada and Russia if there is sufficient interest.

There has been overwhelming support from various organizations, individuals, municipal governments and Alaska's Congressional Delegation. They expect Russian President Putin and other Russian agencies to be interested in the project and lend support.

CHAIRMAN THERRIAULT asked whether the wording changes in the proposed committee substitute were acceptable.

MR. DOLITSKY said it's an important historical document that must be accurate and he is pleased with the proposed changes.

He added he has been working with the governor's office on a proclamation for the lend-lease day that would be announced on May 9, 2001, which is international victory day for World War II.

SENATOR PHILLIPS had no questions on the resolution but asked whether there were women involved in transporting aircraft.

MR. DOLITSKY said women were involved and they talked with the artist, Skip Wallen, about including women on the statue. However, women were not involved in transporting aircraft on the flight legs from Great Falls, Montana, across Canada and Alaska to the Union of Soviet Socialist Republics. Women pilots were actively involved in transporting aircraft from Buffalo, New York to Great Falls, Montana so placing them on the Alaska-USSR statue would be inaccurate. Women pilots will be acknowledged on plaques but not on the statue.

SENATOR PHILLIPS strongly recommended acknowledging the WACS because they were involved.

MR. DOLITSKY agreed that they were involved and would be acknowledged. Without their involvement and the lend-lease program the outcome of the war could well have been different.

CHAIRMAN THERRIAULT moved amendment 1, which would add "Fairbanks," after "at" on page 1, line 14 of the proposed CS. There was no objection.

SENATOR PHILLIPS suggested adding "Alberta" after "Edmonton" on line 13 and "YT" after "Whitehorse" on line 14.

CHAIRMAN THERRIAULT said for consistency, Russian locations might also need more specific identification.

MR. DOLITSKY said that could be confusing.

CHAIRMAN THERRIAULT said Senator Phillips would hold on the

amendment. There were no other amendments offered. He asked for the pleasure of the committee.

SENATOR PEARCE moved SCS CSHJR 27(STA) from committee with individual recommendations.

CHAIRMAN THERRIAULT noted Miriam Lancaster was on line and asked whether she had any comments.

MIRIAM LANCASTER, board member of the Alaska Siberia Research Center, testified in support of HJR 27. She is a Captain in the United States Public Health Service and has worked and lived in Alaska for over 21 years. This is a different type of memorial in that it commemorates the synergy of combined efforts of pilots, mechanics and the common people that worked behind the scenes during the war. It also recognizes the role of women aviators who flew the first leg of the journey in the lend-lease project. It demonstrates the North America and Russian successes during a very difficult time.

Number 840

CHAIRMAN THERRIAULT asked for objections to moving HJR 27 from committee. There were none.

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CHAIRMAN THERRIAULT recessed the meeting to the call of the Chair at 6:10 p.m.

CHAIRMAN THERRIAULT called the meeting back to order at 6:20 p.m. Present were Senators Halford Pearce, Phillips and Chairman Therriault.

#HB 177

HB 177-CAMPAIGN FINANCE: GROUPS & DISCLOSURE

CHAIRMAN THERRIAULT noted the proposed committee substitute (CS) for HB 177. He asked the bill drafter to come forward and explain the new sections encompassed in the CS because it takes the bill in a different direction.

KATHRYN KURTZ, attorney with Legislative Legal and Research Services and bill drafter, explained the changes in the R version of HB 177. Sections 1 and 2 are unchanged. Section 3 is quite different. Previous drafts made an addition to the definition of group and the R version does not do this. It takes the same language from the Alaska Civil Liberties Union (ACLU) court case and uses it to define the term non-group entity. This is a new term

for the Alaska statutes but one the court discussed in the ACLU case where they said those entities couldn't be barred from making contributions and independent expenditures the way you can bar a business corporation or union. It's now in the definition section. There is the definition of non-group entity and the term "person" has been amended to include non-group entities. "Person" can refer to a corporation, a union or any kind of multi-member item as well as a natural individual.

This bill would give non-group entities specific authority to make campaign contributions and expenditures. This is done in AS 15.13.074 and 15.13.135 which are the specific sections addressed in the ACLU decision. It also makes changes to AS 15.13.065(a) on page 2, section 4, and 15.13.067 to make corresponding changes to allow these entities to make contributions and independent expenditures. Currently, groups and individuals have the authority to do those things and this adds non-group entities to that list.

This draft also requires non-group entities to disclose the source of contributions made to them of \$100 or more for the purpose of influencing candidate nominations or elections.

Buckley v. Valeo and the Veco International v. APOC case both upheld disclosure requirements on the theory that there is a value to having an informed electorate that knows where information comes from. Draft R specifically creates a new subsection 15.13.040(j), which requires reporting contributions over \$100 and changes a number of sections to require non-group entities to report the contributions and expenditures made for the purpose of influencing nomination or election of candidates. Sections 15.13.072, 15.13.082(b), 15.13.084, 15.13.090(a) and 15.13.110(a,b&f) fall under the disclosure category.

The Alaska District Court Jacobus decision No. A97-0272-CV discussed limits on contributions to political parties on pages 10 & 11 and concluded they could be limited for purposes of influencing the nomination or election of candidates but not necessarily for other purposes. Language in this draft comes from that case.

CHAIRMAN THERRIAULT asked Ms. Kurtz to speak to the Jacobus decision and the potential problems it held for the House version of the legislation.

MS. KURTZ said the House version would have applied all of the existing statutes relating to groups to non-group entities. Specifically, that case held the existing statute limiting contributions to political parties to \$5,000 was over broad. It

attempted to regulate more than could be justified under the First Amendment because there needs to be a compelling interest and the statute must be narrowly tailored to serve the compelling interest.

The compelling interest would be avoiding corruption or the appearance of corruption, which is fairly specific to candidates. The court in Jacobus did not see a real threat in educational efforts, get out to vote efforts and other political party efforts and said the existing statute needed to be narrowed. The previous draft could be susceptible to the same type of over-breadth argument by regulating all contributions to and by non-group entities.

Also limited are contributions by non-resident individuals and groups for the purpose of the influence or election of candidates. The limit is 10 percent of the contributions a non-group entity can take within a year, which is similar to an existing statute relating to political parties that was handled in the ACLU case. The court held there was a sufficiently compelling state interest for having that type of restraint on contributions.

Finally, this draft places a \$500 limit on the amount of contributions by non-group entities. That type of limit is discussed in Buckley and ACLU and, to a certain extent, in the Jacobus decision. 15.13.070 and 15.13.114(a) are being adjusted because they relate to contribution limits.

The new draft attempts to address the over breadth concern by speaking in terms of influencing candidate nominations or elections. It also goes into specific sections and enables these groups to make the independent expenditures and contributions the ACLU Court said they must be able to make while putting the same disclosure requirements on them that groups and individuals who now participate are subject to.

CHAIRMAN THERRIault asked for questions. He then encapsulated saying we have statutes that deal with groups and with individuals. The House bill proposed non-group entities be swept into the definition of groups. Because of the Jacobus decision there are potential problems with this due to over breadth.

There is written testimony from the Conservation Voters saying they enjoy rights more along the lines of individuals. However, this didn't work well because if the non-group entities were swept into the definition of individuals, there would be no disclosure on the source of funds because an individual giving a contribution does not have to reveal the source of the funds so long as they are not acting as a conduit. Therefore, a new category was created that has

some of the limitations that are applicable to groups and some that are applicable to individuals. The new category has disclosure of source of funds and places restrictions along individual lines as to the quantity of those disclosed funds that may be passed along to individual candidates.

There is no specific discussion about the right to make other general contributions or expenditures in campaigns such as education of voters and soft money types of expenditures.

MS. KURTZ said he was correct. There are several sections that are specifically limited to influencing candidate nominations or elections in an effort to tailor it to the over breadth concern from the Jacobus decision.

CHAIRMAN THERRIAULT said we are barred from placing many restrictions on soft money contributions.

MS. KURTZ said that is strongly suggested by the Jacobus decision and since it is an Alaska court making that decision, federal precedent would be binding.

CHAIRMAN THERRIAULT said a careful line has been walked between the court decisions and the Conservation Voters legal opinion. The Conservation Voters attorney testified at the previous meeting and said the state did have a right to put some restrictions on expenditures but they saw legal problems with the House version. This version attempts to incorporate the most recent court decision and is a fairly radical departure from the original bill. It departs to a sufficient extent to require a title change.

Different groups around the state have been notified but have not responded. He wanted committee members to have until the next meeting to review the changes if need be.

SENATOR PHILLIPS asked whether Representative Kott agreed with the changes and he received a nod in reply.

CHAIRMAN THERRIAULT asked Brooke Miles from Alaska Public Offices Commission (APOC) if she had any comments.

BROOKE MILES, Assistant Director with the Public Offices Commission, testified via teleconference that she had no comments beyond those given during the April 26, 2001 meeting. She did note that this approach would result in some administrative costs to the commission but the existing fiscal note would probably cover them.

CHAIRMAN THERRIAULT said that would be covered when the bill moved

to the finance committee. He asked whether she saw any technical problems with the bill.

MS. MILES said at first blush she saw none. It appeared that the Jacobus decision was incorporated when soft money for political parties was addressed and that non-group entities would have the limit of an individual.

CHAIRMAN THERRIAULT asked whether anyone else was online or in Juneau that wanted to testify. There was no response.

SENATOR PEARCE moved adoption of the R version by Ms. Kurtz as the working document. There was no objection.

CHAIRMAN THERRIAULT asked for proposed amendments. There were none. He asked for the will of the committee.

SENATOR PEARCE moved CS SCSHB 177(STA) and accompanying fiscal note from committee with individual recommendations. There were no objections.

He noted the concurrent resolution for the title change would be sent directly to the Senate Secretary.

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The meeting was adjourned at 6:40 p.m.