

**HOUSE BILL NO. 261**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES LEDOUX, Gardner, Doll**

**Introduced: 5/15/07**

**Referred: State Affairs, Judiciary, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing a clean elections program in the state."**

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

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

5 SHORT TITLE. This Act may be known as the Clean Elections Act.

6 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 FINDINGS. The legislature finds that providing a voluntary clean elections system for  
9 all primary and general elections would enhance democracy in the state in the following  
10 principal ways:

11 (1) it would affirm the principle of "one person, one vote," reduce the  
12 disproportionate and deleterious influence of large contributors, and restore the rights of  
13 citizens of all backgrounds to equal and meaningful participation in the democratic process;

14 (2) it would slow the escalating cost of elections;

15 (3) it would enable voters and candidates to hear and to be heard in the

1 political process, and restore open and robust debate on issues of public concern;

2 (4) it would diminish the public perception of corruption, strengthen public  
3 confidence in democratic institutions and processes, and eliminate the danger of corruption  
4 caused by the private financing of election campaigns;

5 (5) it would increase the accountability of elected officials to the constituents  
6 who elect them;

7 (6) it would create genuine opportunities for qualified residents of the state to  
8 run for state office and encourage more competitive elections; and

9 (7) it would free elected officials from the incessant rigors of fundraising and  
10 allow them more time to carry out their official duties.

11 \* **Sec. 3.** AS 15.13.010 is amended by adding a new subsection to read:

12 (e) This chapter does not limit the application of AS 15.14 to contributions,  
13 expenditures, and communications made for the purpose of influencing the nomination  
14 or election of a candidate for governor, lieutenant governor, or a member of the state  
15 legislature.

16 \* **Sec. 4.** AS 15.13.030 is amended to read:

17 **Sec. 15.13.030. Duties of the commission.** The commission shall

18 (1) develop and provide all forms for the reports and statements  
19 required to be made under this chapter, AS 15.14, AS 24.45, and AS 39.50;

20 (2) prepare and publish a manual setting out uniform methods of  
21 bookkeeping and reporting for use by persons required to make reports and statements  
22 under this chapter and AS 15.14, and otherwise assist candidates, groups, and  
23 individuals in complying with the requirements of this chapter and AS 15.14;

24 (3) receive and hold open for public inspection reports and statements  
25 required to be made under this chapter and AS 15.14, and, upon request, furnish  
26 copies at cost to interested persons;

27 (4) compile and maintain a current list of all filed reports and  
28 statements;

29 (5) prepare a summary of each report filed under AS 15.13.110 and  
30 AS 15.14 and make copies of this summary available to interested persons at their  
31 actual cost;

1 (6) notify, by registered or certified mail, all persons who are  
 2 delinquent in filing reports and statements required to be made under this chapter **and**  
 3 **AS 15.14**;

4 (7) examine, investigate, and compare all reports, statements, and  
 5 actions required by this chapter, **AS 15.14**, AS 24.45, and AS 39.50;

6 (8) prepare and publish a biennial report concerning the activities of  
 7 the commission, the effectiveness of this chapter, its enforcement by the attorney  
 8 general's office, and recommendations and proposals for change; the commission shall  
 9 notify the legislature that the report is available;

10 (9) adopt regulations necessary to implement and clarify the provisions  
 11 of **AS 15.14**, AS 24.45, AS 39.50, and this chapter, subject to the provisions of  
 12 AS 44.62 (Administrative Procedure Act); and

13 (10) consider a written request for an advisory opinion concerning the  
 14 application of this chapter, **AS 15.14**, AS 24.45, AS 24.60.200 - 24.60.260, or  
 15 AS 39.50; **and**

16 **(11) appoint a commissioner to administer AS 15.14 and to make**  
 17 **decisions authorized by that chapter or decisions delegated to the commissioner**  
 18 **by the commission.**

19 \* **Sec. 5.** AS 15.13.045(b) is amended to read:

20 (b) In conjunction with (a) of this section, the commission may compel the  
 21 attendance of witnesses and production of papers, books, records, accounts,  
 22 documents, and testimony, and may have the deposition of witnesses taken in a  
 23 manner prescribed by court rule or law for the taking of depositions in civil actions  
 24 when consistent with the powers and duties assigned to the commission by this chapter  
 25 **and AS 15.14**.

26 \* **Sec. 6.** AS 15.13.045(c) is amended to read:

27 (c) The commission may examine the papers, books, records, accounts, and  
 28 documents of any person subject to this chapter **and AS 15.14** to ascertain the  
 29 correctness of a report filed with the commission, or in conjunction with an  
 30 investigation or inspection conducted under (a) of this section.

31 \* **Sec. 7.** AS 15 is amended by adding a new chapter to read:

**Chapter 14. Clean Elections.**

1  
2           **Sec. 15.14.010. Clean elections fund.** (a) The clean elections fund is created  
3 in the general fund. The fund shall be used by the commissioner to finance the election  
4 campaigns of candidates certified under this chapter who are running for the office of  
5 governor, lieutenant governor, state senator, or state representative, and to pay the  
6 administrative and enforcement costs of the commission.

7           (b) The legislature may appropriate money from the following sources to the  
8 fund:

9                   (1) the qualifying contributions required of candidates applying for  
10 certification under AS 15.14.060;

11                   (2) unspent funds returned by a participating candidate under this  
12 chapter; and

13                   (3) fines or monetary penalties levied by the commission against  
14 candidates for violations of elections laws.

15           (c) Money appropriated to the fund may be spent without further  
16 appropriation. Money in the fund does not lapse.

17           **Sec. 15.14.020. Limitations on participating candidates.** (a) During an  
18 election cycle, a participating candidate may not accept, expend, or agree to expend  
19 any contributions or funds other than

20                   (1) seed money contributions allowed under AS 15.14.040;

21                   (2) clean elections funds received under AS 15.14.080 - 15.14.100;

22                   (3) contributions from a political party under AS 15.14.130; and

23                   (4) private contributions allowed under AS 15.14.150(b).

24           (b) A participating candidate who receives funds under this chapter during the  
25 primary election campaign period shall comply with the requirements of this chapter  
26 during the subsequent general election campaign period.

27           (c) A participating candidate may only use contributions and funds received  
28 under this chapter during an election cycle to pay expenses or expenditures incurred  
29 during that election cycle. Funds received under this chapter may not be used for costs  
30 or legal fees related to representation before the commission or for defense of any  
31 enforcement action under this chapter. Nothing in this chapter prevents a participating

1 candidate from having a legal defense fund.

2 (d) A participating candidate may not expend funds raised or received before  
3 the election cycle.

4 (e) A participating candidate shall comply with the expenditure limits set out  
5 in AS 15.14.070.

6 (f) A participating candidate shall continue to be bound by all other applicable  
7 election and campaign finance statutes and regulations, except for provisions in  
8 express or clear conflict with the provisions of this chapter.

9 **Sec. 15.14.030. Declaration of intent.** (a) A candidate may become a  
10 participating candidate under this chapter by filing a statement declaring the  
11 candidate's intent to seek certification under AS 15.14.060 and to comply with the  
12 requirements of this chapter. The candidate's declaration of intent may be filed with  
13 the commission at any time before the end of the qualifying period under  
14 AS 15.14.035 during the election cycle.

15 (b) A candidate may not solicit or collect seed money contributions or  
16 qualifying contributions before submitting a declaration of intent.

17 **Sec. 15.14.035. Qualifying period.** (a) A candidate for governor or lieutenant  
18 governor may qualify between August 1 of the year preceeding a year in which the  
19 general election is held and June 1 of the year of the general election.

20 (b) A candidate for the office of state senator or state representative may  
21 qualify between October 1 of the year preceeding a year in which the general election  
22 is held and June 1 of the year in which a general election is held.

23 **Sec. 15.14.040. Seed money contributions.** (a) A participating candidate may  
24 accept contributions not to exceed \$100 from an individual at any time during an  
25 election cycle before filing an application for certification under AS 15.14.060. Those  
26 contributions may be expended by a candidate for the purpose of soliciting qualifying  
27 contributions under AS 15.14.050 and for any purpose authorized under AS 15.13. A  
28 candidate may not collect or spend seed money contributions after certification as a  
29 participating candidate under AS 15.14.060.

30 (b) Seed money contributions and expenditures made under this section must  
31 be reported under AS 15.13.

1 (c) A participating candidate may not collect more than the following amounts  
2 in seed money contributions:

- 3 (1) \$20,000 if the candidate is seeking the office of governor;  
4 (2) \$10,000 if the candidate is seeking the office of lieutenant  
5 governor;  
6 (3) \$2,000 if the candidate is seeking the office of state senator; or  
7 (4) \$1,000 if the candidate is seeking the office of state representative.

8 (d) A participating candidate who exceeds the applicable limit established in  
9 (c) of this section shall return the excess funds to the contributors. The participating  
10 candidate may return all or part of a seed money contribution, and the returned amount  
11 will not be counted as part of the contribution or counted toward the candidate's seed  
12 money limit under (c) of this section. The participating candidate shall refund the  
13 contribution within three days after the candidate discovers that the candidate's  
14 applicable seed money limit has been exceeded. The candidate shall report the receipt  
15 and return of all excess seed money contributions to the commission.

16 **Sec. 15.14.050. Qualifying contributions.** (a) Except as provided in (d) of this  
17 section, a participating candidate shall obtain the following number of contributions of  
18 exactly \$5, to be certified under AS 15.14.060:

- 19 (1) contributions from 3,000 or more registered voters in the state if  
20 the candidate is seeking the office of governor;  
21 (2) contributions from 1,500 or more registered voters in the state if  
22 the candidate is seeking the office of lieutenant governor;  
23 (3) contributions from 400 or more registered voters in the candidate's  
24 state senate district if the candidate is seeking the office of state senator; and  
25 (4) contributions from 200 or more registered voters in the candidate's  
26 state house district if the candidate is seeking the office of state representative.

27 (b) A qualifying contribution must be accompanied by a form prescribed by  
28 the commission that includes

- 29 (1) the name and address of the contributor;  
30 (2) a signed and dated statement by the contributor supporting the  
31 candidate's participation in the clean elections program; and

1 (3) the amount of the qualifying contribution.

2 (c) Contributions under this section may be accepted only by the candidate,  
3 the candidate's campaign treasurer, or a deputy treasurer of the candidate's campaign.  
4 A payment, gift, or anything of value may not be given in exchange for a qualifying  
5 contribution. A contribution received in violation of this subsection is not a qualifying  
6 contribution and may not be reported or treated by the candidate as a qualifying  
7 contribution.

8 (d) The commission shall adopt regulations providing for a qualifying  
9 contribution of less than \$5 from a low-income registered voter, as defined by the  
10 commission. The qualifying contribution form adopted by the commission under (b)  
11 of this section must allow a registered voter to certify that the voter meets the  
12 requirements established under this subsection. A statement supporting a candidate's  
13 participation in the clean elections program that is made by a registered voter qualified  
14 under this subsection shall be treated as a qualifying contribution under (a) of this  
15 section, notwithstanding that the voter did not make a \$5 contribution to the candidate.

16 (e) In this section, "registered voter" means a person who is a registered voter  
17 at the time the person provides a qualifying contribution to the candidate or who  
18 becomes a registered voter at least five days before the participating candidate applies  
19 to become a certified candidate under AS 15.14.060.

20 **Sec. 15.14.060. Certification of candidates.** (a) To become a certified  
21 candidate, a participating candidate shall apply for certification on a form prescribed  
22 by the commission. The form must

23 (1) be filed during the qualifying period under AS 15.14.035;

24 (2) be signed by the participating candidate and the participating  
25 candidate's treasurer;

26 (3) identify the office the participating candidate is seeking;

27 (4) identify the participating candidate's party, if any;

28 (5) include the participating candidate's declaration that the candidate  
29 has abided by and will continue to abide by the requirements of this chapter through  
30 the election cycle; and

31 (6) be accompanied by

1 (A) a campaign finance report as provided in (c) of this section;  
2 and

3 (B) the number of qualifying contributions and accompanying  
4 voter statements required under AS 15.14.050.

5 (b) The commissioner shall certify a candidate if the commissioner determines  
6 that the participating candidate has

7 (1) signed and filed a declaration of intent under AS 15.14.030;

8 (2) collected the required number of qualifying contributions under  
9 AS 15.14.050;

10 (3) tendered the sum of the qualifying contributions to the  
11 commission;

12 (4) met all other applicable requirements for participation established  
13 under this chapter; and

14 (5) agreed to abide by all requirements for participating candidates.

15 (c) The campaign finance report required under (a)(6)(A) of this section must  
16 be in the form required under AS 15.13.040. The report must account for a  
17 participating candidate's seed money contributions received and expenditures incurred  
18 since the last report filed under AS 15.13.110, or, if no prior report has been filed, the  
19 report must account for all seed money contributions received and expenditures  
20 incurred through the third day before the date that the report is filed.

21 (d) A candidate who the commission determines has fewer than the required  
22 number of qualifying contributions under AS 15.14.040 may submit additional  
23 qualifying contributions during the qualifying period.

24 (e) In an election year, the commissioner shall certify a candidate who  
25 complies with the requirements of this section not later than

26 (1) five business days after the candidate's submission of the form,  
27 campaign finance report, and qualifying contributions required under (a) of this  
28 section if the application is submitted before May 20; and

29 (2) 10 business days after the candidate's submission of the form,  
30 campaign finance report, and qualifying contributions required under (a) of this  
31 section if the application is submitted on or after May 20.

1 (f) A candidate who is denied certification by the commissioner is no longer  
 2 bound by the provisions of this chapter pertaining to participating candidates. The  
 3 commissioner shall return the qualifying contributions submitted by a candidate who  
 4 is denied certification.

5 (g) The director of the division of elections shall assist the commissioner in  
 6 carrying out the commission's duties under this section by

7 (1) verifying, within the time periods set out in AS 15.14.060(f), that  
 8 the maker of a qualifying contribution is a registered voter in the electoral district of  
 9 the candidate who has submitted the qualifying contribution; and

10 (2) verifying that the candidate has properly filed for the office the  
 11 candidate is seeking.

12 **Sec. 15.14.070. Limits on expenditures.** (a) A certified candidate shall  
 13 comply with the limits on campaign expenditures set out in this section, as adjusted in  
 14 accordance with AS 15.14.100, 15.14.130, and 15.14.230.

15 (b) Total expenditures for participating candidates during the primary election  
 16 campaign period may not exceed the following amounts:

17 (1) \$275,000 for a candidate for the office of governor;

18 (2) \$165,000 for a candidate for the office of lieutenant governor;

19 (3) \$26,400 for a candidate for the office of a state senator; and

20 (4) \$17,600 for a candidate for the office of a state representative.

21 (c) Total expenditures for certified candidates during the general election  
 22 period may not exceed the following amounts:

23 (1) \$550,000 for candidates in a joint campaign for the offices of  
 24 governor and lieutenant governor;

25 (2) \$39,600 for a candidate for the office of state senator; and

26 (3) \$26,400 for a candidate for the office of state representative.

27 **Sec. 15.14.080. Distribution of clean elections program funds to certified**  
 28 **candidates.** (a) A candidate certified by the commission is eligible to receive  
 29 distributions from the fund established under this chapter up to the following amounts:

30 (1) funds for certified candidates in the primary election are limited to

31 (A) \$250,000 for a candidate for the office of governor;

1 (B) \$150,000 for a candidate for the office of lieutenant  
2 governor;

3 (C) \$24,000 for a candidate for the office of state senator; and

4 (D) \$16,000 for a candidate for the office of state  
5 representative;

6 (2) funds for certified candidates in the general election are limited to

7 (A) \$500,000 for candidates in a joint campaign for the offices  
8 of governor and lieutenant governor;

9 (B) \$36,000 for a candidate for the office of state senator; and

10 (C) \$24,000 for a candidate for the office of state  
11 representative.

12 (b) The commission may by regulation establish procedures requiring the use  
13 of debit cards by certified candidates for all or part of the funds disbursed under this  
14 section. The commission may limit the use of debit cards to those election districts  
15 where it determines their use is reasonable.

16 (c) A candidate who secures the nomination of a political party for an office in  
17 a primary election is eligible for funds under this chapter for use in the general  
18 election only if the combined votes of all of the party's candidates in the primary  
19 election for that office is equal to at least 10 percent of the total number of votes cast  
20 for the candidates of all parties in the primary election for that office.

21 **Sec. 15.14.090. Timing of distributions.** (a) The commissioner shall make  
22 distributions from the fund to certified candidates as follows:

23 (1) 25 percent of the applicable amount provided in  
24 AS 15.14.080(a)(1) upon a candidate's certification under AS 15.14.060; and

25 (2) an additional 75 percent of the applicable amount provided in  
26 AS 15.14.080(a)(1) to each certified candidate with an opponent who will appear on  
27 the primary election ballot within two business days after the end of the qualifying  
28 period under AS 15.14.035 or upon the candidate's certification, whichever is later.

29 (b) Within two business days after the director's certification of the results of  
30 the primary election, the commissioner shall distribute:

31 (1) 25 percent of the applicable amount provided in

1 AS 15.14.080(a)(2) to each certified candidate who will appear on the ballot in the  
2 general election without an opponent; and

3 (2) 100 percent of the applicable amount provided in  
4 AS 15.14.080(a)(2) to each certified candidate who will appear on the ballot in the  
5 general election with an opponent.

6 (c) The commissioner shall deduct from the amount distributed under (a) of  
7 this section the amount of any unspent or unobligated seed money contributions under  
8 AS 15.14.040 held by a participating candidate at the time the candidate files an  
9 application for certification under AS 15.14.060. The commissioner shall deduct from  
10 the amounts distributed under (b) of this section the amount of any unspent or  
11 unobligated primary election funds held by a certified candidate and the amount of any  
12 prepaid general election expenses reported by the certified candidate.

13 (d) The commissioner shall distribute any matching funds under AS 15.14.100  
14 within two business days after the earlier of

15 (1) the receipt of a spending limit report by the commission under  
16 AS 15.14.095 showing that a nonparticipating opposing candidate has exceeded  
17 expenditure limits under AS 15.14.070; or

18 (2) a determination by the commission of excess spending on behalf of  
19 or by a nonparticipating opposing candidate.

20 **Sec. 15.14.095. Spending limit reports.** (a) If a nonparticipating candidate in  
21 a primary or general election campaign in which there is at least one participating  
22 candidate makes an expenditure or incurs an obligation that causes the  
23 nonparticipating candidate's total expenses to exceed 90 percent of the applicable  
24 expenditure limit for a participating candidate under AS 15.14.070, the  
25 nonparticipating candidate shall, in addition to the reports required under  
26 AS 15.13.040 and AS 15.13.110, within two days after exceeding that amount, begin  
27 filing spending limit reports with the commission.

28 (b) If a nonparticipating candidate who is conducting a write-in campaign is  
29 running against a certified candidate who does not have an opponent on the general  
30 election ballot and the nonparticipating candidate makes an expenditure or incurs an  
31 obligation that causes the nonparticipating candidate's total expenses to exceed 20

1 percent of the expenditure limit for the office under AS 15.14.070(c), the  
 2 nonparticipating candidate shall, in addition to the reports required under  
 3 AS 15.13.040 and AS 15.13.110, within two days after exceeding that amount, begin  
 4 filing spending limit reports with the commission.

5 (c) If the commissioner determines under AS 15.14.097 that a nonparticipating  
 6 candidate has incurred expenses that exceed 90 percent of the applicable expenditure  
 7 limit for a participating candidate under AS 15.14.070, after notice, the  
 8 nonparticipating candidate shall, in addition to the reports required under  
 9 AS 15.13.040 and AS 15.13.110, begin filing spending limit reports with the  
 10 commission.

11 (d) A nonparticipating candidate under (a), (b), or (c) of this section shall file a  
 12 spending limit report on the Monday of each succeeding week until 14 days before the  
 13 election and, beginning 14 days before the election, every two business days until the  
 14 day of the election.

15 (e) A spending limit report under this section must include a statement of the  
 16 total dollar amount of all expenses incurred through the day before the date of the  
 17 report.

18 (f) Spending limit reports shall be filed electronically with the commission.

19 **Sec. 15.14.097. Determination of excess expenditures by the commissioner.**

20 The commissioner may, after notice to a nonparticipating candidate and an  
 21 opportunity for a hearing, make a determination that the nonparticipating candidate  
 22 has incurred excess expenses based on

23 (1) a nonparticipating candidate's report of expenditures;

24 (2) a determination regarding independent expenditures under  
 25 AS 15.14.110; or

26 (3) the commissioner's own investigation.

27 **Sec. 15.14.100. Matching funds.** (a) If a nonparticipating candidate files a  
 28 spending limit report under AS 15.14.095(a) or if the commissioner determines under  
 29 AS 15.14.097 that a nonparticipating candidate has incurred expenses that exceed the  
 30 expenditure limits for participating candidates set out under AS 15.14.070(b) or (c),  
 31 the commissioner shall, within two business days, distribute to each certified candidate

1 in that election contest an amount equal to the amount of the nonparticipating  
 2 candidate's excess expenses. The expenditure limits set out in AS 15.14.070(b) or (c)  
 3 for each certified candidate in that election contest shall be increased by the amount  
 4 distributed to each candidate.

5 (b) The amounts distributed under (a) of this section shall be limited as  
 6 follows:

7 (1) the total amount of funds distributed to a certified candidate during  
 8 the primary election campaign, including matching funds distributed under this  
 9 section, may not exceed three times the primary election expenditure limits under  
 10 AS 15.14.070(b);

11 (2) the total amount of funds distributed to a certified candidate during  
 12 the general election campaign period, including matching funds distributed under this  
 13 section, may not exceed three times the general election expenditure limits under  
 14 AS 15.14.070(c); and

15 (3) in an election contest with more than one nonparticipating  
 16 candidate, each certified candidate shall receive matching funds under this section  
 17 only up to the amount of the excess expenses made by the nonparticipating candidate  
 18 having the highest excess expenses.

19 (c) On receipt of a spending limit report from a nonparticipating candidate  
 20 under AS 15.14.095(b), the commissioner shall disburse to each certified candidate 75  
 21 percent of the amount set out in AS 15.14.080(a)(2).

22 (d) An expenditure limit that is increased under this section is only increased  
 23 for the current election cycle.

24 **Sec. 15.14.110. Independent expenditures.** (a) Any person or group that  
 25 makes an independent expenditure under AS 15.13.135 exceeding \$500 during an  
 26 election cycle involving a participating candidate shall report the expenditure to the  
 27 commission as provided in (b) of this section. The report shall be filed in addition to  
 28 any reports required under AS 15.13.040 and AS 15.13.110. The report must include a  
 29 signed statement from the person or group making the independent expenditure  
 30 identifying the candidate or candidates that the independent expenditure is intended to  
 31 help elect or defeat, if any, and affirming that the expenditure is totally independent

1 and does not involve cooperation or coordination with a candidate or a political party.

2 (b) If an independent expenditure is made 45 days or more before a primary or  
3 general election, the report required under (a) of this section must be filed within  
4 seven days. If the expenditure is made less than 45 days before a primary or general  
5 election, the report must be filed within two days.

6 (c) A certified candidate may file a complaint with the commission that

7 (1) an independent expenditure has not been reported;

8 (2) the amount of an independent expenditure has been underreported;

9 or

10 (3) the report under (a) of this section does not correctly identify the  
11 candidate the expenditure is intended to help elect or defeat.

12 (d) A complaint under (c) of this section must include a statement of facts  
13 supporting the complaint, the name of the candidate the complainant believes the  
14 expenditure is intended to help elect or defeat, and, if available to the complainant, a  
15 copy of the communication alleged to have been funded by the independent  
16 expenditure. The commissioner shall give the person or group making the expenditure  
17 an opportunity to be heard. Within seven days after the filing of the complaint, the  
18 commissioner shall decide whether the subject of the complaint is an independent  
19 expenditure under this section and, if necessary, whom the expenditure is intended to  
20 help elect or defeat. A decision of the commissioner under this subsection is valid only  
21 for the purpose of determining the appropriate treatment of the expenditure under (e)  
22 of this section.

23 (e) If an independent expenditure is reported under (a) of this section or an  
24 expenditure is determined to be an independent expenditure under (d) of this section,  
25 the commissioner, in determining whether a participating candidate is entitled to  
26 matching funds under AS 15.14.100, shall

27 (1) treat an independent expenditure against a participating candidate  
28 as the expenditure of the highest spending nonparticipating candidate in that election  
29 contest;

30 (2) treat an independent expenditure made in support of a  
31 nonparticipating candidate as if it were the expenditure of that candidate;

1 (3) in an election contest with more than one participating candidate,  
2 treat an independent expenditure made in support of a participating candidate as if it  
3 were an excess expenditure of a nonparticipating opposing candidate of any other  
4 participating candidate in that election contest;

5 (4) in an election contest with more than one participating candidate,  
6 treat an independent expenditure against a participating candidate as if it were an  
7 excess expenditure of a nonparticipating opposing candidate of that participating  
8 candidate.

9 **Sec. 15.14.120. Permitted use of funds.** (a) A participating candidate may use  
10 contributions and clean election funds received under this chapter only for the  
11 purposes set out in AS 15.13.112.

12 (b) If the commission determines that a participating candidate used clean  
13 election funds in violation of AS 15.13.112, the commission shall notify the  
14 participating candidate, and the candidate shall, after notice and opportunity for  
15 hearing, reimburse the clean elections fund the amount determined by the commission.

16 **Sec. 15.14.130. Contributions by political parties.** A participating candidate  
17 may accept contributions from a political party during the primary and general  
18 election campaign periods if the total amount of contributions received by the  
19 candidate does not exceed 10 percent of the clean elections fund disbursement for the  
20 office the participating candidate seeks under AS 15.14.080(a)(1) for the primary  
21 election or AS 15.14.080(a)(2) for the general election.

22 **Sec. 15.14.140. Repayment of unused funds.** (a) Within 14 days after the  
23 director's certification of the results of the primary election, a participating candidate  
24 who is not successful in the primary election shall return to the commission all clean  
25 election funds that were not spent or obligated to be spent during the primary election  
26 campaign period.

27 (b) Within 14 days after the certification of the results of the general election,  
28 a participating candidate shall return to the commission all clean election funds that  
29 were not spent or obligated to be spent during the general election campaign period.

30 **Sec. 15.14.150. Candidates by petition.** (a) A candidate who is seeking to be  
31 nominated by petition under AS 15.25.140 – 15.25.200 may become a participating

1 certified candidate by complying with the requirements of AS 15.14.020 – 15.14.060.  
2 The commissioner may not certify a candidate under this subsection until the director  
3 of elections has verified that the candidate has qualified for the general election ballot.  
4 A candidate nominated by petition is eligible only for funding under  
5 AS 15.14.080(a)(2).

6 (b) A certified candidate who has been nominated by petition may solicit and  
7 accept private contributions for the general election if the total amount of  
8 contributions received by the candidate does not exceed 10 percent of the clean  
9 elections fund disbursement for the office the candidate seeks under  
10 AS 15.14.080(a)(2).

11 **Sec. 15.14.160. Governor and lieutenant governor joined campaigns.** (a) If  
12 a political party nominates candidates for governor and lieutenant governor who were  
13 both participating candidates during the primary election campaign period, the  
14 candidates shall form a joined campaign for the general election. The joined campaign  
15 is a "participating candidate" under this chapter and is eligible to receive general  
16 election funding under AS 15.14.080(a)(2).

17 (b) If a political party nominates candidates for governor and lieutenant  
18 governor and only one of the candidates was a certified candidate under this chapter  
19 during the primary election campaign period, the candidates may form a joined  
20 campaign that is eligible to receive general election funding under AS 15.14.080(a)(2)  
21 if the nonparticipating candidate complies with the requirements of (c) or (d) of this  
22 section.

23 (c) If a nonparticipating candidate declines to form a joined campaign with a  
24 participating candidate subject to this chapter, the candidates shall maintain separate  
25 campaign accounts and may not coordinate campaign expenditures. The participating  
26 candidate is eligible to receive the amount authorized for a joined campaign under  
27 AS 15.14.080(a)(2). An expenditure by the nonparticipating candidate during the  
28 general election campaign period shall be treated as an expenditure of the participating  
29 candidate under AS 15.14.110.

30 (d) If, from the beginning of the election cycle through the end of the primary  
31 election campaign period, a nonparticipating candidate who has declined to form a

1 joined campaign with a participating candidate spent less than the amount set out in  
2 AS 15.14.070(b)(1) or (2), the nonparticipating candidate may transfer unspent  
3 contributions to the joined campaign up to the amount set out in AS 15.14.070(b)(1) or  
4 (2) less the amount spent by the participating candidate and amount of general election  
5 expenses prepaid by the participating candidate. Any remaining unspent or  
6 unobligated private contributions held by the nonparticipating candidate shall be  
7 disbursed in accordance with AS 15.13.116.

8 (e) If, from the beginning of the election cycle through the end of the primary  
9 election campaign period, the nonparticipating candidate spent more than the amount  
10 set out in AS 15.14.070(b)(1) or (2), the joined campaign is eligible to receive the  
11 amount set out in AS 15.14.080(a)(2) less the amount the candidates spent on prepaid  
12 general election expenses.

13 (f) If a political party nominates candidates for governor and lieutenant  
14 governor and neither candidate was a participating candidate during the primary  
15 election period, a joined campaign formed by the two nonparticipating candidates is  
16 not eligible for funding under this chapter.

17 **Sec. 15.14.170. Write-in candidates.** (a) A candidate who is conducting a  
18 write-in campaign is not eligible for clean elections funds and shall be treated as a  
19 nonparticipating candidate under this chapter.

20 (b) If a candidate who is conducting a write-in campaign is running against a  
21 certified candidate who has an opponent on the general election ballot, the write-in  
22 candidate shall comply with the reporting requirements of AS 15.14.095.

23 **Sec. 15.14.180. Withdrawal by participating candidate.** (a) A candidate may  
24 withdraw from participation as a clean elections candidate at any time within 10 days  
25 after the end of the qualifying period under AS 15.14.035 by delivering to the  
26 commission a notice of the candidate's intent to withdraw. The candidate may not  
27 accept any private contributions until three days after the notice of the candidate's  
28 intent to withdraw is received by the commission. A candidate who has submitted a  
29 notice of the candidate's intent to withdraw may not receive any further clean elections  
30 funds.

31 (b) A participating candidate who withdraws before submitting qualifying

1 contributions to the commission shall use the candidate's best efforts to return all  
2 qualifying contributions the candidate has collected to the contributors within 30 days  
3 after the candidate's withdrawal. If a contributor cannot be located, the qualifying  
4 contributions collected by the candidate shall be remitted to the fund. Any qualifying  
5 contributions already submitted by a participating candidate who withdraws shall  
6 remain in the fund.

7 (c) A certified candidate who has already received clean elections funds  
8 before filing a notice of an intent to withdraw shall immediately stop spending these  
9 funds on submission of the notice. The candidate shall return all unspent clean  
10 elections funds to the commission within five days after submitting the notice of the  
11 candidate's intent to withdraw. The candidate shall repay to the commission all clean  
12 elections funds received and spent by the candidate within 30 days after submitting the  
13 notice of the candidate's intent to withdraw. A candidate who has not repaid all clean  
14 elections funds within 30 days after withdrawing may not spend private contributions  
15 for any purpose until the clean elections funds have been repaid.

16 (d) The commission shall adopt regulations governing the form of a notice of  
17 an intent to withdraw.

18 **Sec. 15.14.190. Ballot identification.** The director of elections shall inform  
19 voters of which candidates on the ballot are participating in the clean elections  
20 program established under this chapter by placing the following sentence below the  
21 name of each participating candidate on the ballot in the primary and general  
22 elections: "This candidate is participating in the state's voluntary public financing  
23 program."

24 **Sec. 15.14.200. Insufficient funding.** If, during the election year, the  
25 commission determines that there is not enough money appropriated to fully fund all  
26 participating candidates, the commission shall issue a declaration of insufficient  
27 funding and authorize participating candidates to solicit and accept private  
28 contributions permitted under AS 15.13. If the commission issues a declaration of  
29 insufficient funding, a participating candidate may not accept more in private  
30 contributions than is authorized under the candidate's spending limit under this  
31 chapter.

1           **Sec. 15.14.210. Civil penalties.** (a) Except as provided in (b) of this section, a  
2 person who violates a provision of this chapter or a regulation adopted under this  
3 chapter is subject to a civil penalty not to exceed \$5,000. The legislature may  
4 appropriate money received to the clean elections fund.

5           (b) In addition to any other penalty imposed by law, a certified candidate who  
6 exceeds the expenditure limits established under this chapter shall pay as a civil  
7 penalty to the fund an amount equal to

8                   (1) the amount by which the certified candidate exceeded the limit if  
9 the limit is exceeded by more than one percent but less than three percent;

10                   (2) three times the amount by which the certified candidate exceeded  
11 the limit if the limit is exceeded by more than three percent but less than five percent;  
12 or

13                   (3) five times the amount by which the certified candidate exceeded  
14 the limit if the limit is exceeded by more than five percent.

15           (c) A certified candidate who violates the expenditure limits established under  
16 this chapter by more than 10 percent is disqualified as a candidate and, if elected, shall  
17 forfeit the office to which the candidate was elected.

18           (d) In addition to any other penalty imposed by law, if a nonparticipating  
19 candidate fails to file a timely and accurate report under AS 15.14.100 and the failure  
20 to do so results in the late payment or nonpayment of matching funds, the  
21 nonparticipating candidate shall pay as a civil penalty an amount equal to

22                   (1) the amount of matching funds not paid or paid late to a single  
23 certified candidate running for the same office, if the amount of the matching funds is  
24 \$2,000 or less;

25                   (2) three times the amount of matching funds not paid or paid late to a  
26 single certified candidate running for the same office, if the amount of the matching  
27 funds is more than \$2,000 but less than \$5,000;

28                   (3) five times the amount of matching funds not paid or paid late to a  
29 single certified candidate running for the same office, if the amount of the matching  
30 funds is \$5,000 or more but less than \$10,000; or

31                   (4) 10 times the amount of matching funds not paid or paid late to a

1 single certified candidate running for the same office, if the amount of the matching  
2 funds is \$10,000 or more.

3 (e) In addition to any other penalty imposed by law, a person or group who  
4 makes an independent expenditure under AS 15.14.110(a) and does not file a timely  
5 and accurate report under AS 15.14.110 resulting in the late payment or nonpayment  
6 of matching funds to a certified candidate, the person or group making the  
7 independent expenditure shall pay as a civil penalty an amount equal to

8 (1) the amount of matching funds not paid or paid late to a single  
9 certified candidate, if the amount of the matching funds is \$2,000 or less;

10 (2) three times the amount of matching funds not paid or paid late to a  
11 single certified candidate, if the amount of the matching funds is more than \$2,000 but  
12 less than \$5,000;

13 (3) five times the amount of matching funds not paid or paid late to a  
14 single certified candidate, if the amount of the matching funds is \$5,000 or more but  
15 less than \$10,000; or

16 (4) 10 times the amount of matching funds not paid or paid late to a  
17 single certified candidate, if the amount of the matching funds is \$10,000 or more.

18 (f) In addition to a fine, the commission may require a certified candidate  
19 found to be in violation of this chapter or a regulation adopted under this chapter to  
20 repay to the fund all or part of the clean elections funds distributed to the candidate.

21 **Sec. 15.14.220. Administrative procedure and appeals.** (a) A candidate who  
22 has been denied certification under AS 15.14.060, the opponent of a candidate who  
23 has been granted certification under AS 15.14.060, or a registered voter residing in the  
24 electoral district of a certified candidate may challenge a certification decision under  
25 this chapter.

26 (b) A certification decision may be appealed to the full commission within  
27 seven days after the certification decision. The appeal must be in writing and must set  
28 out the reasons for the appeal.

29 (c) Within five days after an appeal is properly made and notice is given to the  
30 appellant and any candidate in the electoral district, the commission shall hold a  
31 hearing. The appellant has the burden of demonstrating that the commissioner's

1 decision was improper. The commission shall rule on the appeal within three days  
2 after the completion of the hearing.

3 (d) A candidate whose certification is revoked on appeal shall return any  
4 unspent distributions from the fund.

5 (e) A decision of the commissioner to disburse matching funds under  
6 AS 15.14.100 may be appealed to the commission by a candidate opposed to the  
7 distribution or by a person or group making an independent expenditure under  
8 AS 15.14.110. A decision by the commissioner to disburse matching funds shall be  
9 implemented, notwithstanding the filing of an appeal, unless the commission issues a  
10 stay of the commissioner's decision.

11 (f) Any other decision of the commissioner may be appealed to the  
12 commission. The commission shall adopt regulations establishing appeal procedures.

13 (g) A person or group who believes that a violation of this chapter or a  
14 regulation adopted under this chapter has occurred or is occurring may file an  
15 administrative complaint with the commission within one year after the date of the  
16 alleged violation. The commission may consider a complaint on an expedited basis or  
17 a regular basis. The complaint shall be considered in accordance with the procedures  
18 set out at AS 15.13.380(b) - (h).

19 (h) A decision of the commission under (c) of this section may be appealed to  
20 the superior court. The court may consider the appeal on an expedited basis.

21 **Sec. 15.14.230. Adjustment for inflation.** Beginning in January 2011 and  
22 every four years thereafter, the commission shall modify the dollar values specified in  
23 AS 15.14.040, 15.14.070, and 15.14.080 to account for inflation. The commission  
24 shall adopt by regulation a method to determine the amount of the adjustment.

25 **Sec. 15.14.240. Regulations.** The commissioner shall adopt regulations to  
26 ensure effective administration of this chapter. The regulations must include  
27 procedures for obtaining qualifying contributions, certification of candidates, recounts,  
28 withdrawal or replacement of candidates, disbursement of clean elections funds,  
29 reporting of prepaid general election expenses, return of unspent fund disbursements,  
30 processing complaints alleging violations of this chapter, recordkeeping, and  
31 compliance with this chapter.

1           **Sec. 15.14.250. Report to the legislature.** By January 30, 2010, and every  
 2 four years after that date, the commission shall submit a report to the legislature  
 3 documenting, evaluating, and making recommendations relating to the administration,  
 4 implementation, and enforcement of this chapter and clean election fund established in  
 5 AS 15.14.510.

6           **Sec. 15.14.400. Definitions.** In this chapter,

7                   (1) "clean elections" means the optional system of contribution and  
 8 expenditure limits and public campaign financing established under this chapter;

9                   (2) "commission" means the Alaska Public Offices Commission;

10                  (3) "commissioner" means the person appointed by the commission  
 11 under AS 15.13.030(11);

12                  (4) "contribution" has the meaning given in AS 15.13.400;

13                  (5) "election cycle," as applied to a candidate for state office, is the  
 14 period beginning on the 31st day following a general election for that office and  
 15 ending on the 30th day following the next general election for that office;

16                  (6) "election year" means the calendar year during which a state  
 17 general election for a particular office is held;

18                  (7) "expenditure" has the meaning given in AS 15.13.400;

19                  (8) "fund" means the clean elections fund established in AS 15.14.010;

20                  (9) "general election campaign period" means the period beginning the  
 21 day following the primary election and ending on the day of the general election;

22                  (10) "independent expenditure" has the meaning given in  
 23 AS 15.13.400;

24                  (11) "nonparticipating candidate" means a candidate, as that term is  
 25 defined in AS 15.13.400, who has not been certified under AS 15.14.060;

26                  (12) "obligated expenditure" means an expenditure that a candidate is  
 27 legally obligated to make or has otherwise agreed to make, but has not yet made;

28                  (13) "participating candidate" means a candidate, as that term is  
 29 defined in AS 15.13.400, who has agreed to participate in the clean elections program,  
 30 who has submitted and not withdrawn a declaration of intent, and who has not been  
 31 denied certification by the commission;

1 (14) "prepaid general election expenses" means payments made by a  
 2 candidate before the end of the primary election campaign period for goods or services  
 3 that will be delivered or provided during the general election campaign period and  
 4 includes

5 (A) rental payments;

6 (B) radio, television, newspaper, and other forms of  
 7 advertising;

8 (C) wages, salaries, and personnel costs;

9 (D) consulting services;

10 (E) other payments defined by the commission by regulation;

11 (15) "primary election campaign period" means the period beginning  
 12 the day following the qualifying period and ending the day of the primary election;

13 (16) "qualifying contribution" means an allowable contribution under  
 14 AS 15.14.050 to a participating candidate that is made after the candidate submits a  
 15 declaration of intent and before the end of the qualifying period;

16 (17) "qualifying period" means the period during which a candidate  
 17 may collect qualifying contributions for the purpose of becoming a certified candidate;  
 18 for a candidate for statewide office, the period begins on August 1 of the year  
 19 preceding a year in which a general election is held and ends on June 1 of the general  
 20 election year; for a candidate for the legislature, the period begins on October 1 of the  
 21 year preceding a year in which a general election is held and ends on June 1 of the  
 22 general election year;

23 (18) "seed money contribution" means a contribution of not more than  
 24 \$100 from each individual made to a candidate, including a contribution from the  
 25 candidate or the candidate's relative;

26 (19) "statewide office" means the office of governor or lieutenant  
 27 governor.

28 \* **Sec. 8.** AS 15.56.012(a) is amended to read:

29 (a) Except as provided in AS 15.56.014 and 15.56.016, a person commits the  
 30 crime of campaign misconduct in the first degree if the person knowingly engages in  
 31 conduct that violates a provision of AS 15.13 or AS 15.14, or a regulation adopted

1 under authority of AS 15.13 AS 15.14.

2 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
3 read:

4 APPLICABILITY. This Act applies immediately to election cycles for the offices of  
5 state senator and state representative, and after December 31, 2010, for election cycles for the  
6 offices of governor and lieutenant governor.