

**ALASKA STATE LEGISLATURE**  
**HOUSE JUDICIARY STANDING COMMITTEE**

April 11, 2010

9:13 a.m.

**MEMBERS PRESENT**

Representative Jay Ramras, Chair  
Representative Nancy Dahlstrom, Vice Chair  
Representative Carl Gatto  
Representative Bob Herron  
Representative Bob Lynn  
Representative Max Gruenberg  
Representative Lindsey Holmes

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 284(FIN)

"An Act relating to state election campaigns, the duties of the Alaska Public Offices Commission, the reporting and disclosure of expenditures and independent expenditures, the filing of reports, and the identification of certain communications in state election campaigns; prohibiting expenditures and contributions by foreign nationals in state elections; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 284

SHORT TITLE: CAMPAIGN EXPENDITURES

SPONSOR(S): JUDICIARY

02/19/10	(S)	READ THE FIRST TIME - REFERRALS
02/19/10	(S)	STA, JUD
03/02/10	(S)	STA AT 9:00 AM BELTZ 105 (TSBldg)
03/02/10	(S)	Moved SB 284 Out of Committee
03/02/10	(S)	MINUTE(STA)
03/02/10	(S)	STA RPT 5DP
03/02/10	(S)	DP: MENARD, FRENCH, MEYER, PASKVAN, KOOKESH
03/02/10	(S)	FIN REFERRAL ADDED AFTER JUD

03/08/10 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/08/10 (S) Heard & Held  
 03/08/10 (S) MINUTE(JUD)  
 03/12/10 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/12/10 (S) Heard & Held  
 03/12/10 (S) MINUTE(JUD)  
 03/15/10 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/15/10 (S) Heard & Held  
 03/15/10 (S) MINUTE(JUD)  
 03/17/10 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/17/10 (S) Moved CSSB 284(JUD) Out of Committee  
 03/17/10 (S) MINUTE(JUD)  
 03/18/10 (S) JUD RPT CS 3DP 1AM NEW TITLE  
 03/18/10 (S) DP: FRENCH, WIELECHOWSKI, MCGUIRE  
 03/18/10 (S) AM: COGHILL  
 03/23/10 (S) FIN AT 1:30 PM SENATE FINANCE 532  
 03/23/10 (S) Heard & Held  
 03/23/10 (S) MINUTE(FIN)  
 03/29/10 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 03/29/10 (S) Moved CSSB 284(FIN) Out of Committee  
 03/29/10 (S) MINUTE(FIN)  
 03/29/10 (S) FIN RPT CS 4DP 1NR NEW TITLE  
 03/29/10 (S) DP: HOFFMAN, STEDMAN, THOMAS, EGAN  
 03/29/10 (S) NR: HUGGINS  
 04/01/10 (S) TRANSMITTED TO (H)  
 04/01/10 (S) VERSION: CSSB 284(FIN)  
 04/05/10 (H) READ THE FIRST TIME - REFERRALS  
 04/05/10 (H) JUD, FIN  
 04/07/10 (H) JUD AT 1:00 PM CAPITOL 120  
 04/07/10 (H) Heard & Held  
 04/07/10 (H) MINUTE(JUD)  
 04/09/10 (H) JUD AT 1:00 PM CAPITOL 120  
 04/09/10 (H) Heard & Held  
 04/09/10 (H) MINUTE(JUD)  
 04/10/10 (H) JUD AT 10:00 AM CAPITOL 120  
 04/10/10 (H) Heard & Held  
 04/10/10 (H) MINUTE(JUD)  
 04/11/10 (H) JUD AT 9:00 AM CAPITOL 120

**WITNESS REGISTER**

JOHN PTACIN, Assistant Attorney General  
 Labor and State Affairs Section  
 Civil Division (Anchorage)  
 Department of Law (DOL)  
 Anchorage, Alaska

**POSITION STATEMENT:** Responded to questions during discussion of proposed amendments to SB 284.

SENATOR HOLLIS FRENCH  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Spoke as chair of the Senate Judiciary Standing Committee, sponsor of SB 284.

#### **ACTION NARRATIVE**

[9:13:08 AM](#)

**CHAIR JAY RAMRAS** called the House Judiciary Standing Committee meeting, which had been recessed on April 10, 2010, back to order at 9:13 a.m. Representatives Ramras, Lynn, Gruenberg, Holmes, Dahlstrom, Herron, and Gatto were present at the call to order.

#### **SB 284 - CAMPAIGN EXPENDITURES**

[9:13:23 AM](#)

CHAIR RAMRAS announced that the only order of business would be CS FOR SENATE BILL NO. 284(FIN), "An Act relating to state election campaigns, the duties of the Alaska Public Offices Commission, the reporting and disclosure of expenditures and independent expenditures, the filing of reports, and the identification of certain communications in state election campaigns; prohibiting expenditures and contributions by foreign nationals in state elections; and providing for an effective date." [Before the committee was CSSB 284(FIN), as amended on 4/10/10.]

REPRESENTATIVE GRUENBERG, referring to action that occurred on 4/10/10, announced that after further consideration, he would have preferred to have voted "no" on the amendment to Amendment 3, and to have voted "yes" on Amendment 3; "I think 'three' is the appropriate number [to have in proposed AS 15.13.090(a)(2)(C)]".

[9:15:15 AM](#)

REPRESENTATIVE LYNN made a motion to adopt Amendment 5, labeled 26-LS1448\P.10, Bullard, 4/5/10, and indicated that he would also be seeking to amend Amendment 5; Amendment 5 read:

Page 8, lines 14 - 16:

Delete "10 days after an independent expenditure has been made. However, an independent expenditure that exceeds \$250 and that is made within nine days of an election shall be reported to the commission not later than"

REPRESENTATIVE HOLMES objected for the purpose of discussion.

REPRESENTATIVE LYNN indicated that Amendment 5 - which would alter proposed AS 15.13.110(g) - addresses the deadline by which an independent expenditure report is due, changing it from either 10 days or 24 hours - depending on the amount and when it was expended - to just 24 hours after the expenditure was made; and that his amendment to Amendment 5 would be to change that deadline to 48 hours after the expenditure was made.

CHAIR RAMRAS, after ascertaining that there were no objections, [although no motion had been made] announced that Amendment 5 was so amended.

REPRESENTATIVE LYNN indicated that Amendment 5, as amended, would provide for better disclosure to occur in a more timely manner.

[9:17:35 AM](#)

CHAIR RAMRAS surmised that Amendment 5, as amended, would pertain to all forms of [political] advertizing including that which has been paid for by small groups who, research indicates, generally don't use television much as a medium for their advertisements.

REPRESENTATIVE LYNN said he, too, assumes that it would pertain to all forms, but opined that it shouldn't make any difference whether an advertisement is paid for by a small group or by a large group.

CHAIR RAMRAS indicated that it makes a difference to him, and thus he opposes Amendment 5, as amended, as being too burdensome on small groups and groups that are advertizing for the first time and therefore aren't familiar with Alaska Public Offices Commission (APOC) rules and reporting requirements, opining that large groups are more capable of understanding such rules and requirements.

REPRESENTATIVE LYNN disagreed, pointing out that a legislator such as himself is essentially [a small group of one] and yet nonetheless still has an obligation to become familiar with those rules and reporting requirements regardless of whether it is his/her first time running for office.

CHAIR RAMRAS asked what the penalty would be for violating [proposed AS 15.13.110(g)].

[9:20:19 AM](#)

JOHN PTACIN, Assistant Attorney General, Labor and State Affairs Section, Civil Division (Anchorage), Department of Law (DOL), explained that there would be a fine of \$50 a day for every day the expenditure report was late, and the violator would have to work with the APOC to rectify the situation. In response to comments and a question, he pointed out that these statutes - both existing and proposed - pertain to a complaint-driven system, so someone would have to notice and complain that a group was out of compliance with the APOC's reporting requirements, and then the APOC would investigate.

[9:23:28 AM](#)

SENATOR HOLLIS FRENCH, Alaska State Legislature, as chair of the Senate Judiciary Standing Committee, sponsor of SB 284, said he appreciates the motive behind Amendment 5, as amended, but feels that the current language of proposed AS 15.13.110(g) offers a fair approach while still allowing voters to obtain up-to-date information right up until just prior to the election.

MR. PTACIN, in response to a question, indicated that the APOC would be providing the reporting forms.

REPRESENTATIVE GRUENBERG offered his understanding that the proposed reporting requirements would be the same for both individual candidates and groups.

REPRESENTATIVE HOLMES removed her objection to the motion to adopt Amendment 5, as amended.

CHAIR RAMRAS objected to the motion.

A roll call vote was taken. Representative Lynn voted in favor of Amendment 5, as amended. Representatives Gruenberg, Holmes, Dahlstrom, Herron, Gatto, and Ramras voted against it. Therefore, Amendment 5, as amended, failed by a vote of 1-6.

[9:26:09 AM](#)

CHAIR RAMRAS made a motion to adopt Amendment 6, labeled 26-LS1448\P.20, Bullard, 4/10/10, which read:

Page 3, line 18:

Delete "to the person that exceed \$100 in the aggregate in a year"

Page 3, line 21, following "name":

Insert "and address of the contributor and, for contributions in excess of \$50 in the aggregate during a calendar year, the name"

REPRESENTATIVE GRUENBERG objected for the purpose of discussion.

CHAIR RAMRAS explained that Amendment 6 would decrease - from \$100 to \$50 - the yearly aggregate amount that triggers the requirement that the principal occupation and employer of the contributor be disclosed.

REPRESENTATIVE GRUENBERG removed his objection.

CHAIR RAMRAS, noting that there were no other objections, announced that Amendment 6 was adopted.

[9:27:27 AM](#)

CHAIR RAMRAS made a motion to adopt Amendment 7, labeled 26-LS1448\P.21, Bullard, 4/10/10, which read:

Page 8, following line 11:

Insert a new subsection to read:

"(e) Contributors required to be identified under (a)(2)(C) of this section must be listed in order of the amount of their contributions. If more than three of the largest contributors to a person paying for a communication contribute equal amounts, the person may select which of the contributors of equal amounts to identify under (a)(2)(C) of this section. In no case shall a person be required to identify more than three contributors under (a)(2)(C) of this section."

REPRESENTATIVE HOLMES objected for the purpose of discussion.

CHAIR RAMRAS explained that Amendment 7 addresses his concern that the stipulation that the information of no more than three contributors need be disclosed be statutory rather than merely regulatory.

REPRESENTATIVE HOLMES removed her objection.

CHAIR RAMRAS announced that Amendment 7 was adopted.

[9:28:47 AM](#)

REPRESENTATIVE HERRON made a motion to adopt Amendment 8, labeled 26-LS1448\P.22, Bullard, 4/10/10, which read:

Page 5, line 9:  
Delete "a new section"  
Insert "new sections"

Page 6, following line 7:  
Insert a new section to read:  
**"Sec. 15.13.069. Certain expenditures that comply with charitable gaming provisions permitted.**  
Notwithstanding another provision of this title, a charitable gaming permittee that is a qualified organization under AS 05.15.690 may use the net proceeds of a raffle or lottery to make expenditures for the purposes permitted under AS 05.15.150(a)(3)."

REPRESENTATIVE HOLMES objected for the purpose of discussion.

REPRESENTATIVE HERRON offered his understanding that Amendment 8 would allow a charitable gaming permittee to expend proceeds on a political action committee (PAC), for example.

MR. PTACIN, in response to a question, confirmed that Amendment 8 would clarify that issue via statute, thereby overriding any regulation or advisory opinion to the contrary.

[In response to a question/concern, members and staff observed that Amendment 8 would insert a new section of statute in AS 15.13 - a new Section .069 - and not just add its proposed new language to proposed AS 15.13.068.]

REPRESENTATIVE HOLMES removed her objection.

CHAIR RAMRAS announced that Amendment 8 was adopted.

9:32:06 AM

REPRESENTATIVE HOLMES made a motion to adopt Amendment 9, which read [original punctuation provided]:

Page 8, line 4, following "transmitted":  
Delete "solely"

Page 8, lines 4-5, following "audio media":  
Insert "and in the communication that includes an audio component"

Page 8, lines 7-11:  
Delete all material  
Insert "This communication was paid for by (person's name), whose top contributors are (the name of the largest contributors to the person under AS 15.13.090(a)(2)(C))."

CHAIR RAMRAS objected for the purpose of discussion.

REPRESENTATIVE HOLMES explained that Amendment 9 would significantly shorten what must be stated in communications transmitted via audio or those that have an audio component - such as television advertisements - and thereby rectify the fact that currently some of what's required to be stated is duplicative, with the name of the person paying for the communication being stated in each of the three currently-required sentences. Under Amendment 9, proposed AS 15.13.090(d) would once again also apply to television advertisements, but only one sentence would be required to be read aloud and it would include the person's name and his/her top contributors, but it would no longer have to include the principal officer's title in situations where the person is other than an individual or a candidate. She surmised that under Amendment 9, what's required to be stated more closely mirrors what individual candidates must state in their communications transmitted via audio or those that have an audio component.

CHAIR RAMRAS expressed favor with shortening what's required to be stated during radio advertisements, but, citing the expense of television advertising, expressed disfavor with having proposed AS 15.13.090(d) again apply to television advertisements. He indicated that he would therefore be offering an amendment to Amendment 9.

The committee took an at-ease from 9:35 a.m. to 9:36 a.m.

9:36:19 AM

CHAIR RAMRAS made a motion to amend Amendment 9, to delete its proposed changes to page 8, lines 4, and page 8, lines 4-5; under the amendment to Amendment 9, though, Amendment 9's proposed change to page 8, lines 7-11, would remain. He opined that having to disclose information verbally is far more appropriate for radio advertisements than it is for television advertisements.

REPRESENTATIVE HOLMES objected to the amendment to Amendment 9.

SENATOR FRENCH indicated that he is amenable to having what must be read aloud significantly shortened, but feels that the requirements of proposed AS 15.13.090(d) should apply to all forms of communication. This would mirror the disclosure requirements of individual candidates who, regardless of how well-funded they may or may not be, must have their disclosures read aloud even in television advertisements. He urged the committee to keep the disclosure requirements the same for all.

CHAIR RAMRAS, in response to a question, again spoke of the expense of advertising and the length of time it can take to read a disclosure statement aloud, noting that television advertisements cost far more than radio advertisements. He expressed concern that the bill would be more burdensome on and more costly to small groups/entities than large ones.

REPRESENTATIVE GRUENBERG opined that the amendment to Amendment 9 would gut Amendment 9, and predicted that its adoption would result in groups/entities being able to conceal important information when they use television advertisements. Regardless of what side of the issue or which candidate that a group favors, what's at stake for the public is far more important than the minor cost associated with reading a disclosure aloud - particularly given that it's the large, well-funded groups/entities that tend to use television advertisements - and the information that ought to be disclosed may well make a difference to the voter. The amendment to Amendment 9 would allow voters to be misled. Furthermore, there are people who could benefit from having disclosures read aloud during television advertisements: the blind - who listen to television rather than watch it; the visually impaired - who may not be able to read the written disclosure; and those who listen to the television while they do other tasks - which is what many

people do whenever the commercials come on. In conclusion, he offered his hope that Amendment 9 would remain unamended.

REPRESENTATIVE GATTO pointed out that every [political] television advertisement is essentially going to relay two things: the first, which he characterized as minor, is the message itself; and the second, which he characterized as more important, is who is paying for that message. He opined that it's important for the information about who is paying for the message to be clearer than the message itself, adding that he would therefore be supporting [those who oppose the amendment to Amendment 9.]

REPRESENTATIVE HOLMES said it's important for groups/entities to be held to the same standards as candidates, who must have their disclosures read aloud even in television advertisements, adding that she therefore opposes the amendment to Amendment 9.

REPRESENTATIVE LYNN expressed opposition to the amendment to Amendment 9, surmising that it would result in larger groups/entities being able to avoid proper disclosure.

[9:46:14 AM](#)

A roll call vote was taken. Representatives Dahlstrom, Herron, and Ramras voted in favor of the amendment to Amendment 9. Representatives Holmes, Gatto, Lynn, and Gruenberg voted against it. Therefore, the amendment to Amendment 9 failed by a vote of 3-4.

CHAIR RAMRAS relayed that he would be maintaining his objection to Amendment 9.

A roll call vote was taken. Representatives Gatto, Lynn, Gruenberg, and Holmes voted in favor of Amendment 9. Representatives Dahlstrom, Herron, and Ramras voted against it. Therefore, Amendment 9 was adopted by a vote of 4-3.

[CSSB 284, as amended on 4/10/10 and 4/11/10, was held over.]

[9:48:12 AM](#)

#### **ADJOURNMENT**

The House Judiciary Standing Committee recessed at 9:48 a.m. to a call of the chair. [The meeting never reconvened.]