

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

February 14, 2012
8:05 a.m.

MEMBERS PRESENT

Representative Bob Lynn, Chair
Representative Wes Keller, Vice Chair
Representative Paul Seaton
Representative Peggy Wilson
Representative Max Gruenberg
Representative Pete Petersen
Representative Kyle Johansen

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 190

"An Act relating to the allowable absence for active duty service members of the armed forces for purposes of permanent fund dividend eligibility."

- MOVED CSHB 190(STA) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 33

Urging the United States Congress and the President of the United States to work to amend the Constitution of the United States to prohibit corporations, unions, and individuals from making unlimited independent expenditures supporting or opposing candidates for public office.

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 190

SHORT TITLE: PFD ALLOWABLE ABSENCE

SPONSOR(S): REPRESENTATIVE(S) FEIGE

03/11/11	(H)	READ THE FIRST TIME - REFERRALS
03/11/11	(H)	STA, FIN
03/31/11	(H)	STA AT 8:00 AM CAPITOL 106
03/31/11	(H)	Heard & Held

03/31/11 (H) MINUTE(STA)
 04/12/11 (H) STA AT 8:00 AM CAPITOL 106
 04/12/11 (H) Heard & Held
 04/12/11 (H) MINUTE(STA)
 01/20/12 (H) SPONSOR SUBSTITUTE INTRODUCED
 01/20/12 (H) READ THE FIRST TIME - REFERRALS
 01/20/12 (H) STA, FIN
 02/07/12 (H) STA AT 8:00 AM CAPITOL 106
 02/07/12 (H) Heard & Held
 02/07/12 (H) MINUTE(STA)
 02/09/12 (H) STA AT 8:00 AM CAPITOL 106
 02/09/12 (H) Heard & Held
 02/09/12 (H) MINUTE(STA)
 02/14/12 (H) STA AT 8:00 AM CAPITOL 106

BILL: HJR 33

SHORT TITLE: AMEND U.S. CONST RE CAMPAIGN MONEY

SPONSOR(S): REPRESENTATIVE(S) GARA

02/01/12 (H) READ THE FIRST TIME - REFERRALS
 02/01/12 (H) STA, JUD
 02/09/12 (H) STA AT 8:00 AM CAPITOL 106
 02/09/12 (H) Scheduled But Not Heard
 02/14/12 (H) STA AT 8:00 AM CAPITOL 106

WITNESS REGISTER

MIKE PASCHELL, Staff
 Representative Eric Feige
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Presented HB 190 on behalf of
 Representative Feige, sponsor.

MICHAEL BARBER, Assistant Attorney General
 Commercial/Fair Business Section
 Civil Division (Juneau)
 Department of Law
 Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB
 190.

DEBBIE BITNEY, Director
 Central Office
 Permanent Fund Dividend Division
 Department of Revenue
 Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 190.

REPRESENTATIVE ERIC FEIGE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of HB 190.

REPRESENTATIVE LES GARA
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HJR 33, as sponsor.

SCOTT ERIC SHAW
Soldotna, Alaska

POSITION STATEMENT: Testified on behalf of himself during the hearing on HJR 33.

PATRICK KOIVISTO
Kenai, Alaska

POSITION STATEMENT: Testified on behalf of himself during the hearing on HJR 33.

ROBYN LAUSTER
Anchorage, Alaska

POSITION STATEMENT: Testified on behalf of Move to Amend Anchorage in support of HJR 33.

ROBERT BUCH
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HJR 33.

CHRISTINA MOUNCE
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 33, on behalf of Move to Amend Juneau.

PATRICE LEE
Fairbanks, Alaska

POSITION STATEMENT: Testified on behalf of herself during the hearing on HJR 33.

LARRY HURLOCK
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the Hurlock Family Trust in support of HJR 33.

ACTION NARRATIVE

[8:05:30 AM](#)

CHAIR BOB LYNN called the House State Affairs Standing Committee meeting to order at 8:05 a.m. Representatives Keller, P. Wilson, Johansen, Petersen, Gruenberg, and Lynn were present at the call to order. Representative Seaton arrived as the meeting was in progress.

HB 190-PFD ALLOWABLE ABSENCE

CHAIR LYNN announced that the first order of business was SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 190, "An Act relating to allowable absences from the state for purposes of eligibility for permanent fund dividends; and providing for an effective date."

[Before the committee was the proposed committee substitute (CS) for HB 190, Version 27-LS0564\R, Kirsch, 2/3/12, which was adopted as a work draft on 2/7/12.]

[8:06:22 AM](#)

MIKE PASCHELL, Staff, Representative Eric Feige, Alaska State Legislature, presented HB 190 on behalf of Representative Feige, sponsor. He said the bill would address the issue of allowing different groups of people to be absent from the state for longer periods of time and still receive their permanent fund dividend (PFD). He said the legislature put in place "a 10-year rule as a drop-dead provision for the PFD, with the exception of members of Congress and their staff." He stated the sponsor's concern is that members of the military are not allowed to continue to receive the PFD when other individuals serving the state and country are. Mr. Paschell said the original bill concept has been changed to "limit, as well as possible, the number of PFDs that are given out under allowable absences over an extended period of time," while still addressing the original intent of the bill sponsor. He said by placing the Permanent Fund Division's restrictions in statute, the state will have "a stronger set of provisions for evaluating allowable absences beyond the original five years." He explained, "After five years, you have to qualify in a more detailed way to continue to receive the PFD."

[8:08:53 AM](#)

REPRESENTATIVE GRUENBERG noted that the proposed legislation would not be heard in the House Judiciary Standing Committee, and he asked Mr. Paschell to confirm that Legislative Legal and Research Services pointed out no legal or constitutional problems with HB 190.

MR. PASCHELL said that is correct.

[8:10:27 AM](#)

MICHAEL BARBER, Assistant Attorney General, Commercial/Fair Business Section, Civil Division (Juneau), Department of Law, regarding Representative Gruenberg's question, stated that he is not aware of any constitutional or legal problems with [HB 190] as currently written.

[8:10:52 AM](#)

REPRESENTATIVE SEATON asked if an amendment to keep the 10-year limit would cause any enforcement problems for the Permanent Fund Division.

[8:11:26 AM](#)

DEBBIE BITNEY, Director, Central Office, Permanent Fund Dividend Division, Department of Revenue, answered no.

REPRESENTATIVE SEATON asked if extending the 10-year maximum to congressional staff would be problematic. He clarified that that would not include members of Congress.

MS. BITNEY offered her understanding that the division has "never had congressional staff out that long."

[8:12:14 AM](#)

MS. BITNEY, in response to Representative P. Wilson, stated that the proposed legislation would clarify for the public what the considerations of the division would be.

[8:13:11 AM](#)

REPRESENTATIVE GRUENBERG directed attention to the word "documentation", on page 3, line 17, of Version R, and ventured that the word "proof" would be less limiting.

MS. BITNEY said she has no issues with the word "documentation".

[8:13:55 AM](#)

REPRESENTATIVE GRUENBERG, in response to the chair, explained that "proof" is "anything that tends to prove a fact," including a document or oral testimony under oath.

MS. BITNEY responded that she doesn't see any problem with using the word "proof".

[8:14:53 AM](#)

MR. BARBER offered his understanding that the related language refers to the initial eligibility determination made by the department. He explained that the department typically receives documentation with the application, and oaths are taken if there is a dispute, at which point there would be an administrative hearing. He concluded, "So, I think that 'proof' would be just fine."

[8:15:24 AM](#)

MS. BITNEY, in response to Representative Petersen, said the division requires travel documents and has access to various databases across the state, such as voting records and registration and military payroll records, all of which show whether the person's "declaration is still Alaska." Furthermore, the division takes oral testimony from applicants and accepts their word "on certain things."

[8:17:10 AM](#)

REPRESENTATIVE ERIC FEIGE, Alaska State Legislature, as sponsor of HB 190, reminded the committee that the original purpose of the bill was to allow an Alaska resident, intent on returning to the Alaska upon retirement, to serve in the military for a full, 20-year career and qualify for his/her PFD during that entire time. He said not many people follow this path.

[8:20:11 AM](#)

REPRESENTATIVE GRUENBERG directed attention to the phrase, "the department shall consider", on page 3, line 23. He said the language may mean that the list to be considered by the division is exclusive or that the factors the department shall consider shall include but not be limited to the listed factors. He said

he does not like ambiguity in legislation. He asked, "Which of those two is the sponsor's intent?"

[8:21:13 AM](#)

REPRESENTATIVE FEIGE indicated that that which the department shall consider is not exclusive. In response to a follow-up question, he said would accept an amendment to that point.

[8:23:02 AM](#)

MR. BARBER indicated that changing the language to be inclusive would not be problematic.

[8:23:16 AM](#)

CHAIR LYNN, after ascertaining that there was no one else who wished to testify, closed public testimony.

[8:23:26 AM](#)

REPRESENTATIVE GRUENBERG moved to adopt Conceptual Amendment 1, as follows:

Page 3, line 23:

Before "the department"
Insert "the factors"

After "shall consider"
Insert "shall include"

REPRESENTATIVE GRUENBERG said under Conceptual Amendment 1, the language would read as follows:

(f) To determine whether an individual intends to return and remain in the state indefinitely, the factors the department shall consider shall include

CHAIR LYNN announced that there being no objection, Conceptual Amendment 1 was adopted.

[8:24:16 AM](#)

REPRESENTATIVE GRUENBERG moved to adopt Conceptual Amendment 2, as follows:

Page 3, line 17:

Between "providing" and "to"
Delete "documentation"
Insert "proof"

CHAIR LYNN announced that there being no objection, Conceptual Amendment 2 was adopted.

[8:24:51 AM](#)

REPRESENTATIVE SEATON moved to adopt Conceptual Amendment 3, "to retain the current 10-year limit." In response to Chair Lynn, he indicated that the amendment could be inserted on page 3, following line 12, of Version R.

REPRESENTATIVE GRUENBERG objected for the purpose of discussion. He offered his belief that Conceptual Amendment 3 would also involve deleting Section 3, on page 4, line 15, which read:

***Sec. 3.** AS 43.23.008(c) is repealed.

REPRESENTATIVE GRUENBERG cited AS 43.23.008(c), which read as follows:

(c) An otherwise eligible individual who has been eligible for the immediately preceding 10 dividends despite being absent from the state for more than 180 days in each of the related 10 qualifying years is only eligible for the current year dividend if the individual was absent 180 days or less during the qualifying year. This subsection does not apply to an absence under (a)(9) or (10) of this section or to an absence under (a)(13) of this section if the absence is to accompany an individual who is absent under (a)(9) or (10) of this section.

REPRESENTATIVE GRUENBERG noted that subsection (a), paragraph (9), relates to serving as a member of Congress; subsection (a), paragraph (10), relates to serving as staff of a member of Congress; and subsection (a), paragraph (13), relates to someone accompanying another eligible resident. He said he is not certain how the repeal of AS 43.23.008(c) fits in, but thinks it should be considered along with Conceptual Amendment 3.

[8:27:13 AM](#)

REPRESENTATIVE SEATON responded that that is why he proposed a conceptual amendment. In response to the chair, he said that Conceptual Amendment 3 proposes to retain the current 10-year limit and expand it to include congressional staff. In response to a follow-up question, he clarified as follows:

The Congress person elected by the citizens of the state and sent to Washington, D.C., would be exempt, but the congressional staff who have made a career choice and have decided to go to work Outside would be under the 10-year limit just like anyone else.

CHAIR LYNN summarized that under Conceptual Amendment 3, members of Congress would be the exception, but those who made the choice to work for them would be treated just like anybody else who chooses to go Outside to work.

REPRESENTATIVE SEATON said that is correct.

[8:29:02 AM](#)

REPRESENTATIVE PETERSEN said he would like to retain the ability of the congressional staff to continue receiving the PFD, because, although they have made a career decision, they are in Washington, D.C., working for the State of Alaska.

CHAIR LYNN questioned how many congressional staff members are currently employed.

[8:30:07 AM](#)

REPRESENTATIVE SEATON recollected that [Ms. Bitney] had offered her understanding that no congressional staff ever had served for over 10 years receiving PFDs. He clarified that there is nothing in Conceptual Amendment 3 that would make someone lose his/her Alaska residency. He stated there are many others who serve Alaska who are not working as congressional staff, and he does not think congressional staff members who have made the career choice to work in Washington, D.C., should be receiving a special exemption.

[8:31:25 AM](#)

REPRESENTATIVE GRUENBERG suggested dividing the question. He related that the term "staff of a member of Congress" is a technical term. He said most of the time congressional staff is paid by a committee.

[8:33:15 AM](#)

MS. BITNEY said the division requests a list of staff members from congressional delegates, but said she would need to do some research to determine the criteria for the list.

REPRESENTATIVE GRUENBERG said he thinks "they are very sensitive about this." He encouraged Ms. Bitney to research the issue.

[8:34:44 AM](#)

REPRESENTATIVE GRUENBERG asked that the question be divided so that one question would relate to the 10-year limit, while the other question would relate to whether to expand the limit to congressional staff.

[8:35:38 AM](#)

REPRESENTATIVE SEATON, in response to Representative P. Wilson, reiterated his explanation of Conceptual Amendment 3. He told Chair Lynn that he does not see the need to divide the question.

[8:38:00 AM](#)

REPRESENTATIVE SEATON, in response to Representative P. Wilson, said under HB 190, the five-year provisions currently in regulation would be codified; Conceptual Amendment 3 would not change that.

[8:38:23 AM](#)

REPRESENTATIVE JOHANSEN moved to divide the question.

CHAIR LYNN announced that there being no objection, the question was divided.

REPRESENTATIVE JOHNSON explained that he does not feel comfortable lumping together the issue of the 10-year limit with the issue of removing the exemption from congressional staff.

REPRESENTATIVE SEATON withdrew his motion to adopt Conceptual Amendment 3.

[8:39:16 AM](#)

REPRESENTATIVE SEATON moved to adopt Conceptual Amendment 4, to retain the current 10-year limit on allowable absence. There being no objection, Conceptual Amendment 4 was adopted.

[8:39:34 AM](#)

REPRESENTATIVE SEATON moved to adopt Conceptual Amendment 5, to include congressional staff in the 10-year limit related to allowable absences.

REPRESENTATIVE GRUENBERG objected. He stated that he feels strongly that congressional staff members are serving Alaska.

[8:40:59 AM](#)

REPRESENTATIVE PETERSEN said congressional staff members are required to live far from Alaska to do their jobs, and he opined that they should not be punished for that.

[8:41:44 AM](#)

A roll call vote was taken. Representatives Seaton and Keller voted in favor of Conceptual Amendment 5. Representatives Petersen, Johansen, P. Wilson, Gruenberg, and Lynn voted against it. Therefore, Conceptual Amendment 5 failed by a vote of 2-5.

[8:42:18 AM](#)

REPRESENTATIVE KELLER moved to report CSSS HB190, Version 27-LS0564\R, Kirsch, 2/3/12, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSSHB 190(STA) was reported out of the House State Affairs Standing Committee.

[8:43:03 AM](#)

The committee took an at-ease from 8:43 a.m. to 8:46 a.m.

HJR 33-AMEND U.S. CONST RE CAMPAIGN MONEY

[8:46:32 AM](#)

CHAIR LYNN announced that the final order of business was HOUSE JOINT RESOLUTION NO. 33, Urging the United States Congress and the President of the United States to work to amend the Constitution of the United States to prohibit corporations, unions, and individuals from making unlimited independent

expenditures supporting or opposing candidates for public office.

[8:46:45 AM](#)

REPRESENTATIVE LES GARA, Alaska State Legislature, presented HJR 33 as sponsor. He stated that elections should be decided based on ideas and how hard a candidate works; however, he said since [the U.S. Supreme Court ruling on] Citizens United v. Federal Election Commission, 130 S. Ct. 876(2010) ("Citizens United"), elections have been influenced more and more by outside money. He said Citizens United affects independent expenditures - money "not coordinated with a candidate" but spent in support of or opposition to a candidate. He gave examples of large sums of money being given by individuals and corporations to influence the outcome of elections. Representative Gara said there used to be limits on campaign contributions and independent expenditures, but currently the following is allowed: unlimited independent expenditures from corporations, unions, and groups, and unlimited political expenditures from outside groups.

REPRESENTATIVE GARA said the intent of HJR 33 is to rally other states to pass resolutions for Congress to propose a constitutional amendment to place a limit on outside money, so that people will have a clearer voice on the local level. He said the amount of money spent on independent expenditures rose from \$37 million in 2006 to \$210 million in 2010.

[8:50:06 AM](#)

CHAIR LYNN offered his understanding that there is a limit to what an individual and a political action committee (PAC) may contribute to his campaign, but no limit to what a "super PAC" may contribute [in support of or in opposition to an issue].

REPRESENTATIVE GARA said that is right. He said candidates in Alaska have a little more protection because the State of Alaska passed a disclosure law a couple of years ago.

CHAIR LYNN offered his understanding that the state's disclosure law requires the name of the top three contributors in a super PAC to be disclosed. He remarked that no matter how good a candidate's campaign, a million dollars spent against that campaign can end it.

REPRESENTATIVE GARA said that is true. He said more importantly, people are represented in Congress on the big

issues of the nation, and when people are allowed to influence elections with unlimited money, "the money decides who wins the elections." He reiterated that a campaign should be won by ideas rather than by money.

[8:53:48 AM](#)

REPRESENTATIVE GARA, in response to Chair Lynn, said individuals, corporations, unions, and environmental groups, and other interest groups are now allowed to make unlimited independent expenditures. He explained that the court now considers groups to be persons and has decided that the campaign contributions of individuals cannot be limited. He said, "If all 50 states have some different idea on how they should limit the amount of money, it will still send the message to Congress that the amount of money has gone out of control."

[8:56:28 AM](#)

REPRESENTATIVE GARA, in response to Representative Keller, said prior to Citizens United, corporations and unions in Alaska and many other states were limited on what they could donate. Also prior to Citizens United, he relayed, there was a ruling in Buckley v. Vallejo, in which individuals could make unlimited contributions for independent expenditures. He reiterated that ideas, not money, should be the focus. He opined that people should have their voice in the political system. In response to Representative Keller, he said he thinks that federal disclosure requirements are weak, but they could be stronger if Congress made them so. He noted that Congress almost passed a law similar to the aforementioned disclosure law of Alaska, but it failed by one vote. He said part of the [U.S. Supreme Court] decision allowed the government to require disclosures, but the level of government was not defined.

[8:58:40 AM](#)

REPRESENTATIVE P. WILSON said there are two issues before the committee: free speech rights and [campaign contribution] limits. She opined that [HJR 33] is "a very poor solution to a very complex problem." She said there are other solutions, for example, asking all the other states to "do what Alaska has done." She indicated that the other options could be tried rather than asking for an amendment to the U.S. Constitution.

[9:00:39 AM](#)

REPRESENTATIVE GARA said requiring disclosure will not stop the flood of money that comes into the political system. He said there is no support in the federal government for a disclosure law. He stated that the unlimited expenditure of money cannot be stopped without an amendment to the U.S. Constitution.

REPRESENTATIVE P. WILSON ventured that any advertising is considered negative by some and not by others. She talked about targeting the media to require them to state only facts instead of "slanting things the way they do." She said, "I just think that this is the wrong way to go about doing what you want to do."

[9:02:55 AM](#)

REPRESENTATIVE SEATON directed attention to [page 2, lines 8-10], which read as follows:

WHEREAS, while not addressed by the United States Supreme Court's ruling in Citizens United, unlimited independent expenditures made by individuals also distort the political process and ability of all American citizens to have an equal voice in government;

REPRESENTATIVE SEATON said corporations have the sole duty to make money; therefore, their expenditures are based on their duty to shareholders, which is a different matter than the free speech of an individual. He said he is concerned that the sponsor has wrapped these two issues together. He asked the bill sponsor if he has considered excluding individuals from the bill language.

[9:05:09 AM](#)

REPRESENTATIVE GARA responded that individuals were allowed to make unlimited independent expenditures based on a case prior to Citizens United. He said he understands Representative Seaton's point, but reemphasized that money is money, and when someone dumps \$5 to \$10 million into a campaign, he/she makes other people's voices small. He said he would be thrilled if group and corporation contributions were limited to what they were prior to Citizens United, so he could accept the removal of individuals, if that was the wish of the committee.

[9:06:21 AM](#)

REPRESENTATIVE JOHANSEN pointed out that the media is owned by corporations, and their bottom line is to sell papers. He said he does not agree that "this is an improper way to voice our opinion," although he said he does not agree with it.

[9:09:27 AM](#)

REPRESENTATIVE JOHANSEN directed attention to language on page 1, lines 6-8, which read as follows:

WHEREAS a vast majority of Americans recognize that the influence of large contributions by corporations, wealthy individuals, and organizations harms the ability of average citizens to have a voice in their own government, and;

REPRESENTATIVE JOHANSEN then pointed to language on page 2, lines 8-10, which read as follows:

WHEREAS, while not addressed by the United States Supreme Court's ruling in Citizens United, unlimited independent expenditures made by individuals also distort the political process and ability of all American citizens to have an equal voice in government;

REPRESENTATIVE JOHANSEN proffered that large independent expenditures do not affect his ability to cast his individual vote.

[9:10:13 AM](#)

REPRESENTATIVE GARA said America lives under laws decided by U.S. Congress and the President, and big money put into special interests gets the attention of Congress. In response to Representative Johansen, he said there is a lot of money on both sides of the Pebble Mine issue, but focus of HJR 33 is limited to independent expenditures for or against candidates.

[9:11:42 AM](#)

REPRESENTATIVE JOHANSEN explained that he brought up the Pebble Mine advertising as an example of millions of dollars being spent to bombard people with messages. He offered his understanding that the sponsor is saying that this kind of expenditure overwhelms the ability of the individual voter to

retain his/her single perspective and "waters down an individual's vote."

[9:14:15 AM](#)

REPRESENTATIVE JOHANSEN asked if groups like the American Federation of Labor - Congress of Industrial Organizations (AFL-CIO) and the National Education Association (NEA) would be included under HJR 33.

REPRESENTATIVE GARA said unions would be included, no matter their ideology, because large independent expenditures distort the political process.

[9:15:35 AM](#)

REPRESENTATIVE JOHANSEN noted that every "**WHEREAS**" portion of the proposed joint resolution [that mentions corporations and individuals] also mentions unions, with the exception of one: the first "**WHEREAS**" on page 1, lines 6-8 [text provided previously]. He said he would like unions included in every "**WHEREAS**" instead of, or in addition to, using the word "organizations".

REPRESENTATIVE GARA, in response to the chair, said he would accept an amendment to that effect.

[9:17:25 AM](#)

REPRESENTATIVE JOHANSEN directed attention to the second "**WHEREAS**", on page 1, lines 9-12, which read as follows:

WHEREAS the narrow five to four decision of the United States Supreme Court in *Citizens United v. Federal Election Commission*, 130 S. Ct. 876 (2010), allows corporations and unions to make unlimited independent expenditures supporting or opposing a candidate for public office; and

REPRESENTATIVE JOHANSEN said he would like the word "narrow" removed, because he said it implies "we're really close to flipping it."

[9:18:45 AM](#)

REPRESENTATIVE GRUENBERG, in response to Representative P. Wilson's previous comment, explained that the basis for Citizens

United was the First Amendment to the U.S. Constitution, and the only option that could have an effect on that decision would be to amend the Bill of Rights. He further commented that the media enjoys broad personal freedom.

[9:20:29 AM](#)

REPRESENTATIVE GARA, in response to Representative Keller, said he looked for information showing what affect Citizens United has had on Alaska, but was unable to compile them. He said his biggest concern is the national scene. In response to a follow-up question, he offered his belief that [since the Citizens United decision, he has seen more independent expenditures made in campaign fliers.

REPRESENTATIVE KELLER said he thinks the disclosure at the bottom of flier is sufficient.

CHAIR LYNN pointed out that it is not always apparent by the name on bottom of the flier who the people behind the name are.

REPRESENTATIVE KELLER said that is a good point. He said there are "six million corporations out there," and he expressed concern that the proposed resolution would target them all.

[9:23:08 AM](#)

REPRESENTATIVE P. WILSON remarked that even if the Constitution is changed, newspaper corporations would still be able to "slant things" without spending a lot of money to do so. She reiterated that she thinks the proposed resolution is the wrong way to address the issue.

CHAIR LYNN talked about the ability of a newspaper to put out totally accurate information, but with a slant.

[9:24:26 AM](#)

REPRESENTATIVE SEATON noted that in both the title of HJR 33 and the second "**WHEREAS**" portion on page 1, lines 9-12 [text provided previously], the words, "supporting or opposing candidates for public office" appear; however, those words do not appear in the "**BE IT RESOLVED**" portion, on page 2, lines 11-14, which read as follows:

BE IT RESOLVED that the Alaska State Legislature urges the United States Congress and the President of

the United States to work across party lines to propose a constitutional amendment to prohibit corporations, unions, and individuals from making unlimited independent expenditures.

REPRESENTATIVE SEATON offered his understanding that the sponsor said HJR 33 is addressing expenditures supporting or opposing candidates for office, not broad topics or "other expenditures in the public arena." He said the resolve does not support that idea, and asked the bill sponsor if he is comfortable with adding "supporting or opposing candidates for public office" in the "**BE IT RESOLVED**" part of the joint resolution.

REPRESENTATIVE GARA said he believes "that's what independent expenditures means," but said he would have no problem if that language was added.

[9:26:21 AM](#)

REPRESENTATIVE P. WILSON, regarding the language on page 1, lines 6-8 [text provided previously], said she thinks stating that "the ability of average citizens to have a voice in their own government" would be harmed is an insult. She opined that the average citizen is "smart enough to realize what's going on or, at least, to make ... [his/her] own decision." She said she thinks the average citizen has a voice in government, and what "they" are doing does not change that.

[9:27:45 AM](#)

REPRESENTATIVE GARA responded that the only reason that people flood the airways with political advertisements is that they effectively influence voters. He said he does not think it is derogatory to say that most people don't have the time to look into all the issues and, thus, get much of their information through political advertisements. He said he is not always happy with the media, but thinks that trying to regulate it would cause trouble.

CHAIR LYNN commented that many people will vote for the candidate they last saw in an advertisement on the way to the polling place.

REPRESENTATIVE P. WILSON posited that because the Citizens United decision was made less than two years ago, it is too soon to make statements based on the effect of that decision.

[9:30:33 AM](#)

REPRESENTATIVE GARA, in response to Representative Gruenberg, clarified that the definition of independent expenditures is "money used by an outside group to help elect or defeat a candidate." He said if the committee chooses to add language to the bill regarding money spent on political issues, he would not cause him "a lot of heartache"; however, he said that issue is not what Citizens United was about.

REPRESENTATIVE GRUENBERG suggested including "a modifier phrase to refer to political candidate phrases," because most people will not understand the limited definition of "independent expenditure".

[9:34:34 AM](#)

CHAIR LYNN announced that he would begin public testimony.

[9:34:52 AM](#)

SCOTT ERIC SHAW, testifying on behalf of himself, opined that HJR 33 is a step toward ridding elections of corruption. He said it is clear to him that corporations are intangible entities, not persons, and that money is property, not speech. He offered his understanding that the U.S. Supreme Court has "recommended that we do amend the First Amendment."

REPRESENTATIVE JOHANSEN asked Mr. Shaw if he feels the same way about unions and environmental groups as he does corporations.

MR. SHAW answered yes.

[9:36:27 AM](#)

PATRICK KOIVISTO, testifying on behalf of himself, stated that he thinks the population of Alaska is so low that [HJR 33] could help the state project the voices of Alaskans. He echoed the remarks of the sponsor regarding the effect of the media on votes. He indicated that media influenced the outcome of the past election race between Scott Adams and now U.S. Senator Lisa Murkowski. He opined that removing "individuals" would undermine the proposed joint resolution.

[9:38:31 AM](#)

ROBYN LAUSTER testified on behalf of Move to Amend Anchorage. She stated that since the Citizens United decision, the volume

of advertisements paid for by outside groups has increased by over 1,600 percent, and the spending on those advertisements by those groups has increased by nearly 1,300 percent. She said super-PACs, corporations, unions, and individuals spending nearly unlimited funds on elections skew the results of those elections and undermine democracy.

MS. LAUSTER said this issue is non-partisan; it is about [trying to have] a fair elections system. She said advertising is not always truthful. She stated that without a reversal of the Citizens United ruling, it will be impossible to pass laws regulating elections to correct these injustices. She posited that by law, corporations are required to put their bottom line first, which means they probably do not consider the public good.

MS. LAUSTER said she believes in a government "of the people, by the people, and for the people." She stated that the current situation of corporate personhood granted by the court has positioned government-created entities to have greater power than the sovereign citizens of the U.S., and an amendment to the U.S. Constitution is necessary. She said Move to Amend Anchorage supports HJR 33 and urges the committee to move it out. She noted that she had brought a letter [dated 2/9/12, included in the committee packet] in support of HJR 33, signed by twelve [Move to Amend Anchorage] members.

[9:40:53 AM](#)

ROBERT BUCH, noted that he was a former representative in the Alaska State Legislature. He indicated that the impetus for Citizens United started in the 1800s, and what began then ended with corporations being determined to secure protection under the First Amendment. He relayed another result of the Citizens United decision was that independent expenditures are now protected under the First Amendment; therefore, money is now "equated to free speech." In response to a previous remark by Representative P. Wilson, he said there are other methods to address this issue being considered by some states; however, he said he thinks HJR 33 is an appropriate vehicle to bring information to the public.

MR. BUCH quoted a book entitled, The Road to the Whitehouse, as follows: "Ninety-four percent of those with the most money were elected to the U.S. Senate and the U.S. Congress." He stated that when only those with money are elected to office, then "all of us" are subject to where that money is directed. He said a

great many people in the country are dissatisfied. Mr. Buch stated that corporations are not people - they don't have feelings - but they have been given an unlimited way to influence elections. He said, for example, that Mitt Romney and Rick Santorum each have a key person backing them financially. He said this issue is not one-sided; both parties "will be taking advantage of this" and "those in the middle class are being crushed."

MR. BUCH relayed that a web site, opensecrets.org, shows that corporate political contributions in 2012 totaled \$1,317,977,729, whereas [contributions made by] unions totaled less than 10 percent of that amount, at \$92,355,686. He stated that unions have the same ability, but do not have the same availability of cash as corporations do; therefore, the influence of unions is not as great as that of corporations. In response to a question from the chair, he confirmed that he is part of Move to Amend Anchorage.

REPRESENTATIVE KELLER said he does not agree with Mr. Buch's comment that corporations have been given an unlimited way to influence. He indicated that could be true only if one presumes that voters are "too dumb to be able to follow the money." He said there are disclosure laws in place.

[9:47:56 AM](#)

MR. BUCH asked Representative Keller to consider what the public is supposed to learn if only one view is put forth. He said that is what is happening. He said this issue affects federal, state, and local elections.

[9:49:28 AM](#)

MR. BUCH, in response to Representative Johansen, indicated that he does not know who funds opensecrets.org. In response to a follow-up question, he said there is no measure of what the advertising represents; "they" are not held to any standards. The public may or may not be aware of that, but they are still influenced by that advertising. In response to a final question from Representative Johansen, he said he does not discriminate between one corporation and another.

[9:52:59 AM](#)

CHRISTINA MOUNCE testified on behalf of Move to Amend Juneau. She explained that there are many chapters of Move to Amend

around the state, as well as across the nation. She said the mission of Move to Amend is to amend the U.S. Constitution to limit the amount of money corporations can spend on elections. Currently, she said, the political climate is one in which voters are bombarded by commercials and advertising either supporting one candidate or putting down another. Following the Citizens United decision, she related, nearly \$4 billion was spent during the 2010 Congressional Election, completely eclipsing the \$1 billion spent prior to the Citizens United decision. She reported that according to the Center For Responsible Politics, in the congressional races of 2010, the candidates who spent the most money on their campaigns won 85 percent of the House seats and 83 percent of the Senate seats. She said Citizens United has given politicians with the most corporate support the upper hand in elections. She said anyone can vote and anyone can run for office; however, currently the playing field is not even. She stated, "By allowing unlimited campaign contributions, the political system has essentially been rigged against hard working Americans who can't afford to compete with for-profit corporations, unions, special interest groups, and wealthy individuals." She said passing HJR 33 would show Alaska to be a state whose representatives support fair campaigns and are dedicated to representing the average American. In response to Chair Lynn, she offered her understanding that there is no one organizational force behind the Move to Amend groups. She said she organizes the group in Juneau.

[9:56:09 AM](#)

PATRICE LEE, testifying on behalf of herself, said she would like the committee to not get bogged down by details regarding what "average citizen" means and how much influence media has or does not have. She said the endless amount of money being spent could be put to better use supporting hospitals and schools, for example. She said, "I'd just like to see us get back to something that makes more sense."

[9:58:33 AM](#)

LARRY HURLOCK testified on behalf of the Hurlock Family Trust in support of HJR 33. He said he thinks harm is done to the investor in his/her role as a citizen. He said he expects investors to spend their time on production, promotion, and distribution, not to act as proxy on matters of governmental sovereignty, especially because modern corporations are "captive of management due to dilution of the ownership of corporate

stock and shares." He said it bothers him that large companies are able to hide expenditures from their shareholders. He quoted U.S. Supreme Court Justice Anthony Kennedy as stating, "Shareholders can determine whether the corporation's political speech advances the corporation's interest in making profits." He used Archer Daniels Midland Company (ADM) as an example of disclosure. He mentioned a shareholder proposal and read from the ADM Board's "proxy against the resolution" as follows:

In addition to the disclosures mandated by law, ADM voluntarily reports the aggregate amounts of ADM's contribution to political parties and candidates.

MR. HURLOCK said disclosures are hidden in the aggregate; they are hidden in plain view. He said the average person does not know what his/her company spends on anything. He said he is competent on the computer, but after 15 minutes searching, could not find aggregate disclosure on ADM's web site. He said, "I find this very objectionable in my role as a citizen investor."

[10:03:03 AM](#)

REPRESENTATIVE JOHANSEN offered his understanding that Move to Amend is a group, which is narrowly focused on making the point that corporations can make unlimited expenditures, and it does not address any other part of the ruling by the U.S. Supreme Court.

[10:03:52 AM](#)

REPRESENTATIVE GRUENBERG said Mr. Hurlock has "hit the nail on the head," and he said he would like him to come back before the committee the next time HJR 33 is heard.

[10:04:49 AM](#)

[HJR 33 was held over.]

[10:05:11 AM](#)

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 10:05 a.m.