

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

April 13, 2012

9:05 a.m.

**MEMBERS PRESENT**

Senator Bill Wielechowski, Chair  
Senator Joe Paskvan, Vice Chair  
Senator Albert Kookesh  
Senator Kevin Meyer  
Senator Cathy Giessel

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CS FOR HOUSE BILL NO. 347(JUD) am

"An Act prohibiting the use of municipal funds to support or oppose an initiative proposal filed with the lieutenant governor or to circulate a petition for a statewide ballot initiative without approval by municipal voters at an election; relating to the reporting of certain expenditures; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 347

SHORT TITLE: USE OF MUNICIPAL FUNDS FOR INITIATIVES

SPONSOR(S): REPRESENTATIVE(S) OLSON

02/22/12	(H)	READ THE FIRST TIME - REFERRALS
02/22/12	(H)	STA, JUD
03/22/12	(H)	STA AT 8:00 AM CAPITOL 106
03/22/12	(H)	Moved Out of Committee
03/22/12	(H)	MINUTE(STA)
03/23/12	(H)	STA RPT 3DP 2DNP 1NR
03/23/12	(H)	DP: JOHANSEN, KELLER, LYNN
03/23/12	(H)	DNP: PETERSEN, SEATON
03/23/12	(H)	NR: P.WILSON
04/02/12	(H)	JUD AT 1:00 PM CAPITOL 120
04/02/12	(H)	Moved CSHB 347(JUD) Out of Committee
04/02/12	(H)	MINUTE(JUD)

04/03/12 (H) JUD RPT CS(JUD) NT 4DP 2NR  
04/03/12 (H) DP: LYNN, KELLER, PRUITT, THOMPSON  
04/03/12 (H) NR: GRUENBERG, HOLMES  
04/11/12 (H) TRANSMITTED TO (S)  
04/11/12 (H) VERSION: CSHB 347(JUD) AM  
04/12/12 (S) READ THE FIRST TIME - REFERRALS  
04/12/12 (S) STA, JUD  
04/13/12 (S) STA AT 9:00 AM BUTROVICH 205

#### **WITNESS REGISTER**

ANNA LATHAM, Staff  
Representative Kurt Olson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 347 on behalf of the sponsor.

KATHY WASSERMAN,  
Alaska Municipal League (AML)  
Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 347.

BRUCE BOTHELO, Mayor  
City and Borough of Juneau, and  
Chair  
Alaska Sea Party  
Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 347.

#### **ACTION NARRATIVE**

[9:05:38 AM](#)

**CHAIR BILL WIELECHOWSKI** called the Senate State Affairs Standing Committee meeting to order at 9:05 a.m. Present at the call to order were Senators Giessel, Paskvan, and Chair Wielechowski.

^#hb347

#### **HB 347-USE OF MUNICIPAL FUNDS FOR INITIATIVES**

Chair Wielechowski announced that the first bill before the committee would be HB 347, which would prohibit the use of municipal funds to support or oppose an initiative. It is the first hearing on the bill and is sponsored by Representative Olson.

ANNA LATHAM, Staff, Representative Kurt Olson, introduced HB 347 on behalf of the sponsor. She explained that the bill is an Act

that prohibits the use of municipal funds to support or oppose an initiative proposal filed with the Lieutenant Governor, or to circulate a petition for a statewide ballot initiative, without approval by municipal voters at an election, relating to the reporting of certain expenditures and providing for an effective date.

She provided a sectional analysis. Section 1 is amended to include that expenditures authorized by municipal voters still must be reported to the commission in the same manner as individuals required to report under AS 15.13.040. Section 2 amends AS 15.13.145 and adds a new subsection to read that money held by a municipality may be used to support or oppose an initiative proposal filed with the Lieutenant Governor under AS 15.13.020, or to circulate a petition for a statewide initiative, but only if the use of funds for that purpose has been approved by municipal voters at an election. Section 3 provides an effective date of August 29, 2012.

She related that currently municipalities can spend thousands of dollars on consultants and paid signature collectors to influence outcome of the ballot initiative. She provided an example of quarterly APOC reports from October through December of 2011, which show that the North Slope Borough contributed \$25,000, the Bristol Bay Borough contributed \$4,000, and the City of Valdez contributed \$5,000 to the Alaska Sea Party, the group formed to restore coastal zone management. Although, these aren't particularly large sums of money from municipalities, it's the expenditure of public funds for special interest groups that was the genesis of this bill.

MS. LATHAM continued to say that although voters may be in support of the ballot initiative, they may not be in favor of municipal funds being allocated to special interest groups to finance that initiative as Alaska law currently allows.

She related that she requested information from legislative research as to how many states had enacted legislation similar to HB 347. The ensuing report showed that 14 out of 20 states that were reviewed prohibited the use of public funds to support or oppose an initiative altogether. She pointed out that HB 347 is far less restrictive and only prohibits municipal funds from being spent on a statewide ballot initiative. Municipal ballot initiatives would not be affected.

MS. LATHAM reported that at previous hearings, questions about the constitutionality of the bill arose, particularly in regard

to the First Amendment. She maintained that HB 347 does not infringe on municipalities' rights of free speech. Government entities have no independent First Amendment rights. She said that she has concurred with Legislative Legal and the Department of Law that HB 347 is constitutional.

MS. LATHAM stated that the intent of HB 347 is to keep the ballot initiative process fair and to ensure that the priorities of the municipality are the same as the priorities of its citizens. She thanked the committee for hearing the bill.

[9:09:22 AM](#)

CHAIR WIELECHOWSKI opened public testimony.

KATHY WASSERMAN, Alaska Municipal League (AML), testified in opposition to HB 347. She said that AML has been opposed to the bill from the beginning because it believes in protecting the ability of municipalities to make their own decisions at the local level. She opined that the municipalities have the right to support an initiative. She stated that in state regulations there is a requirement to have two ordinances held before money is appropriated. These are publicly noticed hearings and a chance for the public to comment.

She gave an example of the extreme cost of a special election in Anchorage if the municipality were to follow the requirements of the bill.

She credited Representative Olson for listening to AML's concerns.

[9:12:03 AM](#)

BRUCE BOTHELO, Mayor, City and Borough of Juneau, and Chair, Alaska Sea Party, testified in opposition to HB 347. He noted that the sponsor stated that the focus of the bill is directed at the action the Sea Party undertook last fall in their efforts to restore coastal management to the state and the resulting support by three communities for that act. The sponsor called the municipalities' action to appropriate monies to support the initiative, support for "special interests." Mayor Bothelo took exception with that thinking. He said the effort to restore coastal zone management was a result of organizations of which all three municipalities are a part, the Alaska Municipal League, and the Alaska Council of Mayors. He questioned if the bill reflects unease with representative democracy in the sense that elected officials were making decisions about how the resources of the community, consistent with its charter, may be

expended. He suggested that the bill's model be applied to other areas of representative democracy, such as corporations, so that corporate monies cannot be spent without approval of the shareholders. He maintained that the bill would prevent local governments' participation in initiatives, due to the cost of running elections for appropriations and the timing.

[9:15:44 AM](#)

CHAIR WIELECHOWSKI noted the arrival of Senators Meyer and Kookesh.

SENATOR PASKVAN said he liked Mayor Bothelo's thought process of extending the conditions of the bill to private corporations.

MS. LATHAM pointed out that the bill only affects statewide ballot initiatives.

CHAIR WIELECHOWSKI asked if Ms. Latham liked Mayor Bothelo's suggestion.

MS. LATHAM replied that the sponsor could consider it.

SENATOR PASKVAN asked if private corporations have free speech rights under Citizen United. He asked if the bill would restrict the free speech rights of municipalities.

MS. LATHAM replied that the bill needs more work in that area. She offered to research that information.

[9:18:04 AM](#)

CHAIR WIELECHOWSKI recessed the meeting to the call of the chair.

[The meeting was not reconvened and on 4/15/12 the State Affairs Committee referral was waived.]