

ALASKA STATE LEGISLATURE
SENATE JUDICIARY STANDING COMMITTEE

January 19, 2024

1:30 p.m.

MEMBERS PRESENT

Senator Matt Claman, Chair
Senator Jesse Kiehl, Vice Chair
Senator James Kaufman
Senator Cathy Giessel
Senator Löki Tobin

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 28 (FIN)

"An Act restricting the release of certain records of convictions; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 17

"An Act relating to political contributions; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 28

SHORT TITLE: ACCESS TO MARIJUANA CONVICTION RECORDS

SPONSOR(S): REPRESENTATIVE(S) WRIGHT

| | | |
|----------|-----|---------------------------------|
| 01/19/23 | (H) | PREFILE RELEASED 1/9/23 |
| 01/19/23 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/19/23 | (H) | JUD, FIN |
| 03/01/23 | (H) | JUD AT 1:00 PM GRUENBERG 120 |
| 03/01/23 | (H) | Heard & Held |
| 03/01/23 | (H) | MINUTE(JUD) |
| 03/08/23 | (H) | JUD AT 1:00 PM GRUENBERG 120 |
| 03/08/23 | (H) | Heard & Held |
| 03/08/23 | (H) | MINUTE(JUD) |

04/14/23 (H) JUD AT 1:00 PM GRUENBERG 120
 04/14/23 (H) Moved CSHB 28(JUD) Out of Committee
 04/14/23 (H) MINUTE(JUD)
 04/24/23 (H) JUD RPT CS(JUD) 2DP 2NR 2AM
 04/24/23 (H) DP: C.JOHNSON, GRAY
 04/24/23 (H) NR: CARPENTER, VANCE
 04/24/23 (H) AM: GROH, EASTMAN
 04/26/23 (H) FIN AT 1:30 PM ADAMS 519
 04/26/23 (H) Heard & Held
 04/26/23 (H) MINUTE(FIN)
 05/01/23 (H) FIN AT 1:30 PM ADAMS 519
 05/01/23 (H) Heard & Held
 05/01/23 (H) MINUTE(FIN)
 05/05/23 (H) FIN AT 9:30 AM ADAMS 519
 05/05/23 (H) Moved CSHB 28(FIN) Out of Committee
 05/05/23 (H) MINUTE(FIN)
 05/08/23 (H) FIN RPT CS(FIN) 8DP 1NR
 05/08/23 (H) DP: CRONK, ORTIZ, STAPP, GALVIN,
 HANNAN, EDGMON, D.JOHNSON, FOSTER
 05/08/23 (H) NR: JOSEPHSON
 05/12/23 (H) TRANSMITTED TO (S)
 05/12/23 (H) VERSION: CSHB 28(FIN)
 05/13/23 (S) READ THE FIRST TIME - REFERRALS
 05/13/23 (S) JUD, FIN
 01/19/24 (S) JUD AT 1:30 PM BUTROVICH 205

BILL: SB 17

SHORT TITLE: CAMPAIGN CONTRIBUTIONS

SPONSOR(s): SENATOR(s) KAWASAKI

01/18/23 (S) PREFILE RELEASED 1/9/23
 01/18/23 (S) READ THE FIRST TIME - REFERRALS
 01/18/23 (S) STA, JUD
 04/27/23 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
 04/27/23 (S) Heard & Held
 04/27/23 (S) MINUTE(STA)
 05/06/23 (S) STA AT 9:00 AM BELTZ 105 (TSBldg)
 05/06/23 (S) Moved SB 17 Out of Committee
 05/06/23 (S) MINUTE(STA)
 05/08/23 (S) STA RPT 2DP 1NR
 05/08/23 (S) DP: KAWASAKI, WIELECHOWSKI
 05/08/23 (S) NR: BJORKMAN
 01/19/24 (S) JUD AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE STANLEY WRIGHT, District 22

Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Sponsor of HB 28.

FORREST WOLFE, Staff
Senator Stanley Wright
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented the sectional analysis for HB 28.

LACY WILCOX, Legislative Liaison
Alaska Marijuana Industry Association (AMIA)
Juneau, Alaska
POSITION STATEMENT: Answered questions during the discussion of
HB 28.

LISA PURINTON, Director
Division of Statewide Services
Department of Public Safety (DPS)
Anchorage, Alaska
POSITION STATEMENT: Answered questions during the discussion of
HB 28.

NANCY MEADE, General Counsel
Administrative Offices
Alaska Court System
Anchorage, Alaska
POSITION STATEMENT: Testified by invitation and answered
questions during the discussion of HB 28.

DAVID MORGAN, Governmental Affairs Associate
Reason Foundation
Atlanta, Georgia
POSITION STATEMENT: Testified by invitation on HB 28.

RYAN TUNSETH, President
Alaska Marijuana Industry Association
Kenai, Alaska
POSITION STATEMENT: Testified in support of HB 28.

LACY WILCOX, representing self
Juneau, Alaska
POSITION STATEMENT: Testified in support of HB 28.

SENATOR SCOTT KAWASAKI, District P
Alaska State Legislature
Fairbanks, Alaska

POSITION STATEMENT: Sponsor of SB 17.

JOE HAYES, Staff
Senator Scott Kawasaki
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis and delivered a presentation on SB 17.

PAT RACE, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 17.

JIM SYKES, representing self
Palmer, Alaska

POSITION STATEMENT: Testified in support of SB 17.

ACTION NARRATIVE

[1:30:53 PM](#)

CHAIR MATT CLAMAN called the Senate Judiciary Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Kiehl, Kaufman, Giessel, Tobin and Chair Claman.

HB 28-ACCESS TO MARIJUANA CONVICTION RECORDS

[The Senate companion bill is SB 100.]

[1:31:26 PM](#)

CHAIR CLAMAN announced the consideration of CS FOR HOUSE BILL NO. 28(FIN) "An Act restricting the release of certain records of convictions; and providing for an effective date."

This is the first hearing of this bill in the Senate Judiciary Committee.

CHAIR CLAMAN invited Representative Wright and Mr. Wolfe to put themselves on the record and present the bill.

[1:31:52 PM](#)

REPRESENTATIVE STANLEY WRIGHT, District 22, Alaska State Legislature, Juneau, Alaska, sponsor of HB 28, introduced the bill. He stated that this meaningful legislation is an important and necessary step for individuals convicted of low-level cannabis possession. It will open opportunities, reduce barriers, and help many people. Individuals want to rent apartments and get jobs, but their online records prevent their

candidacy. He explained that many Alaskans statewide have been looking forward to this bill to move on with their lives and reach their full potential. He advocates for this legislation for this reason. He paraphrased the following sponsor statement:

[Original punctuation provided.]

Sponsor Statement

Alaskans voted to legalize the cultivation, sale, and possession and recreational use of marijuana for persons 21 years of age or older in 2014. Despite this change in state law, some Alaskans remain blocked from employment and housing and other opportunities due to previous marijuana possession convictions that today are recognized as non-criminal activities.

House Bill 28 would make confidential the records of individuals who were convicted of minor marijuana crimes, were 21 years of age or older at the time of the offense and were not charged with any other crimes in the same incident. These records would automatically be removed from CourtView. The records would also be removed from some background checks administered by the Department of Public Safety, if requested by the convicted individual.

According to figures provided by the Alaska Department of Public Safety, not less than 8,000 Alaskans are hindered in day to day life by marijuana convictions that are eligible for the confidentiality protections in this bill.

This bill would recategorize low level marijuana offenses for individuals 18-21 years of age from Class B misdemeanors to minor violations punishable by a fine and eliminate unnecessary use of judiciary resources for court hearings. It would also prohibit the Alaska Court System from publishing records of these violations on CourtView, from the effective date of the bill going forward.

With Alaskans having spoken by means of legalization of marijuana this bill would allow those that by today's standards would not be considered as a criminal offender to move forward with their life without the obstruction that can be incurred by such a

conviction on one's record while still allowing provisions for adequate access to background or statistical information for those appropriate agencies.

[1:34:10 PM](#)

FORREST WOLFE, Staff, Senator Stanley Wright, Alaska State Legislature, Juneau, Alaska, presented the following sectional analysis for HB 28.

[Original punctuation provided.]

Sectional Analysis for Version U

Section 1: Intent language stating the intent of the bill is to reduce barriers to employment and other basic daily functions for individuals who under past statutes were convicted of low-level marijuana related crimes.

Section 2: Describes when, why, and to which agencies or organizations the criminal justice information protected in this bill may be released.

Section 3: Establishes that an agency may not release criminal justice information for low-level, non-violent, marijuana possession charges which are no longer crimes under current statute.

Section 4: Establishes that records relating to the individuals and occurrences in this bill shall not be publicly published by the Alaska Court System. Additionally establishes that the Court System will state on its website that certain court records have been removed from the website and provide information on how to obtain information removed from public view.

Section 5: Establishes the effective date of January 1, 2024.

[1:35:38 PM](#)

CHAIR CLAMAN noted that Section 5 indicates an effective date of January 1, 2024. He sought confirmation that an amendment would update the effective date.

MR. WOLFE replied that the intent was for HB 28 to go into effect this year. He said the year of the effective date will change to 2025.

[1:36:09 PM](#)

SENATOR TOBIN said HB 28 is an excellent bill. She asked why the bill includes a date in the intent language on page 1, line 8, and the rationale behind choosing that particular date.

MR. WOLFE replied that he is not certain there was a particular significance other than the drafters did it that way. The sponsor did not specifically request that date.

[1:36:37 PM](#)

CHAIR CLAMAN asked Senator Tobin whether there is a significant difference between the bill she sponsored and HB 28.

SENATOR TOBIN replied that HB 28 was amended by the House when it went through the House committee process. So, there are differences between the original bill and the version before the committee.

CHAIR CLAMAN sought confirmation that the House and Senate versions of the bill are no longer identical.

SENATOR TOBIN affirmed the bills are no longer identical.

[1:37:04 PM](#)

SENATOR GIESSEL mentioned a change that deleted a fee for removing an individual's name. She asked why there was a fee in the original bill.

MR. WOLFE replied that while a fee was not in the original bill, the House Judiciary Committee members were comfortable adding one since the fee reduced the fiscal note. However, the House Finance Committee removed it. The sponsor is okay with not having a fee in HB 28.

[1:37:45 PM](#)

SENATOR KIEHL said that HB 28 is a worthy piece of legislation and is glad to see it before the committee. He brought up the subject of hemp products, specifically Delta-8 tetrahydrocannabinol (THC) and Delta-9 THC. He asked whether Delta-8 is a scheduled substance or a commercial substance that falls under hemp rules.

MR. WOLFE replied that he did not have that information readily available. He deferred to Ms. Purinton and Ms. Wilcox.

1:39:13 PM

CHAIR CLAMAN directed the question to Senator Tobin.

SENATOR TOBIN indicated that she did not have an answer to the question.

CHAIR CLAMAN invited Ms. Wilcox to come forward to answer the question.

LACY WILCOX, Legislative Liaison, Alaska Marijuana Industry Association (AMIA), Juneau, Alaska, conveyed that AMIA is a trade group that represents licensed marijuana companies in Alaska.

MS. WILCOX answered the question by focusing her comments on Delta-9 THC, the U.S. Farm Bill, and Alaska regulations. She said Delta-9 THC is known as the "hot hemp" issue. Alaska implemented regulations for the oversight of hemp products. Brick-and-mortar stores that sell such products in Alaska are required to possess a cannabis license. These regulations recently went into effect, and enforcement will follow. While these regulations affect stores in Alaska, young individuals may order these products online for home delivery without committing a crime under the current legal framework.

CHAIR CLAMAN asked whether the distinction between hemp and marijuana has any bearing on the legislation before the committee today.

MS. WILCOX replied, no impact.

1:41:28 PM

CHAIR CLAMAN cited Section 3, paragraph 4 of HB 28, which reads it is the individual who requests the agency "not release the conviction records." He said many individuals do not know how to apply for this request. He asked why the responsibility of making records unavailable falls on the individual rather than the Department of Public Safety, particularly if the legislation is as crucial as the sponsor suggests.

REPRESENTATIVE WRIGHT replied that the system is old and not as straightforward as a light switch. The records must be combed through to figure out who did what. He deferred to Ms. Purinton to explain further.

1:42:31 PM

CHAIR CLAMAN invited Ms. Purinton to the testifier's table to expound on the question.

LISA PURINTON, Director, Division of Statewide Services, Department of Public Safety (DPS), Anchorage, Alaska, replied that the state's central repository of criminal history records is stored on a legacy mainframe system. It has been in place since the late 1980s, and the department is looking to replace that system. The disposition of records has been stored in various ways for nearly 40 years, which creates challenges in programming and locating specific records. While the system can be programmed to remove some records, older records require a manual review. This will take some time. HB 28 has a fiscal note for two reasons:

1. DPS will need to hire a programmer to write code. She explained that the legacy mainframe system requires specialized contractors with a unique skill set, no longer taught, to help support the mainframe and write code.
2. Temporary staff are needed to research those records, and the goal is to proactively remove the records in two years.

CHAIR CLAMAN sought confirmation that additional staff are necessary to research removal requests in order to determine whether a conviction record is eligible for removal.

MS. PURINTON replied yes, that would be correct.

CHAIR CLAMAN summarized her answer, stating it is way too complicated, way too expensive, and it may not be doable.

MS. PURINTON replied that would be correct due to the technological limitations of the mainframe and the way the records were stored in the system. DPS will proactively try to remove a large swath of records programmatically, but other records will require human intervention for removal.

1:45:04 PM

CHAIR CLAMAN inquired about the way information is input. He asked whether it aligns with an Alaska Public Safety Information Network (APSIN) printout. He clarified that ASPIN printouts do not reflect the details of the conviction but give certain classes. However, it does not have the same level of detail found in court records.

LISA PURINTON replied affirmatively, confirming that she intended to convey that information exactly.

[1:45:25 PM](#)

SENATOR KAUFMAN inquired about the possibility of incorporating language into HB 28 that:

- enables a manual on-demand process initially,
- shifts to a more automated process once the mainframe system is updated, and
- that creates the capability to move seamlessly to a more automated mode.

REPRESENTATIVE WRIGHT replied that he is open to any amendment to enhance the legislation.

SENATOR KAUFMAN replied that he is happy to work with the sponsor on an amendment.

[1:46:21 PM](#)

CHAIR CLAMAN asked Ms. Meade to come forward to offer invited testimony on the bill.

[1:46:40 PM](#)

NANCY MEADE, General Counsel, Administrative Offices, Alaska Court System (ACS), Anchorage, Alaska, testified by invitation, stating Section 4 is the only section in HB 28 that refers to CourtView and impacts the Alaska Court System. She pointed out that CourtView records are distinct from APSIN and DPS official court records. ACS has already taken the step to remove conviction records for marijuana possession of under an ounce for people over 21 years of age from its public website. The Alaska Supreme Court removed all those records in May of last year. As a result, HB 28 will not change anything ACS does or require ACS to take any additional action.

[1:47:32 PM](#)

SENATOR TOBIN said Section 4 states the Alaska Court System shall provide notice on its public website that those records were removed. She sought confirmation that ACS posted this notice on its website.

MS. MEADE replied yes, notice has been posted for a number of years. The notice shows certain cases were removed from the CourtView public access website. A rule in The Alaska Rules of Court provides for the removal of certain categories of cases

from CourtView. She believed that up to 15 categories had been removed from CourtView. These categories are linked on the webpage. She said a link is available to individuals who believe their name is improperly visible on CourtView. Individuals may file a request to exclude their case from CourtView, and ACS will review it. She suggested ACS did its job well because only one person has ever filed a form to have their record excluded since ACS removed those specific marijuana cases.

SENATOR TOBIN commented that the ACS notice on its public website sounds robust and very informative.

[1:49:06 PM](#)

CHAIR CLAMAN asked whether keeping Section 4 in the bill is important. He wondered if the committee should consider its deletion since ACS had already addressed the issue. He sought assurance that ACS would not change paths six years from now and start putting more information on CourtView.

MS. MEADE answered that ACS is not moving towards including more information on CourtView. CourtView began in the early 2000s, and the cultural view was that the more data online, the better. Over the years, that view has changed. People began to see the flaws in too much information, such as not readily understanding and misinterpreting the information. She explained that ACS used to post filed domestic violence protective orders where the judge determined there was no merit to the claim. As a result, people suffered distress, which the courts determined was disproportionate to the action. Since 2004, ACS has added categories for exclusion, not inclusion, on CourtView. The ACS mindset leans toward more restrictions on public access.

MS. MEADE surmised there is a 99.9 percent chance that ACS would never repost these cases. It has been legal since 2014. She declared it would not happen because a court rule has already removed these cases from CourtView. She emphasized that court rules are just as much of a law as statutes. Whether Section 4 is necessary is a decision for the committee to consider. She said it may not be needed.

[1:51:38 PM](#)

CHAIR CLAMAN sought confirmation that it is pursuant to court rule that those cases were removed from CourtView and not arbitrarily removed by the CourtView administrator. He asked whether those decisions were made through Alaska Supreme Court orders.

MS. MEADE replied absolutely. ACS has Rules of Administration. Administrative Rule 40 is the rule that governs whether a case is posted on public CourtView, as opposed to internal CourtView. She explained that internal CourtView contains an index to all cases, including Child in Need of Aid cases, and is available for ACS staff use. Administrative Rule 40 states all of that shall be made available to the public except for the list of 16 exceptions, including domestic violence protective orders, cases where a charging document was never filed, and exception 15, the marijuana cases described in HB 28.

MS. MEADE responded yes to his second question.

CHAIR CLAMAN thanked Ms. Meade and proceeded to the next invited testifier.

1:53:02 PM

DAVID MORGAN, Legislative Affairs Associate, Reason Foundation, Atlanta, Georgia, testified by invitation, stating HB 28 is an important step toward justice for Alaskans harmed by the war on drugs. Alaska was an early leader in cannabis reform but now lags behind 24 other states that adopted reforms to conceal marijuana-related conviction records. Criminal records can make it difficult for individuals to participate as productive members of society. He explained that nearly 90 percent of employers nationwide conduct background checks on job applicants. Research suggests that job applicants with criminal convictions are approximately 50 percent less likely to receive a callback. Individuals with criminal records face significant difficulty engaging in other productive activities, such as securing housing, obtaining professional licenses, joining the military, gaining admission to universities, accessing financial services, and maintaining child custody. It may sometimes be in the interest of public safety to track and provide information to the public about an individual's criminal record. However, life-long criminal records for conduct that is now legal do not make sense. There is little to no evidence that providing these records and background checks contributes to public safety. Compared to other states that have legalized marijuana, this is a relatively small step toward fixing the damage caused by prohibition. These reforms will provide much-needed relief to many Alaskans. He thanked the committee for their time and consideration of HB 28.

1:55:32 PM

CHAIR CLAMAN opened public testimony on HB 28.

[1:55:55 PM](#)

RYAN TUNSETH, President, Alaska Marijuana Industry Association, Kenai, Alaska, testified in support of HB 28, stating this important piece of legislation is an incremental step towards destigmatizing cannabis consumption. He said the U.S. Department of Health and Human Services (DHSS) released a request to the Drug Enforcement Administration (DEA) last Friday. DHSS requested that the DEA reclassify cannabis from a Class I controlled substance to a Class III controlled substance. He said that AMIA supports anything that removes small barriers, promotes positive life outcomes, and recognizes the damage done by the failed war on drugs. This bill is a step in the right direction.

[1:58:11 PM](#)

LACY WILCOX, representing self, Juneau, Alaska, testified in support of HB 28, stating she has been involved in Smart Justice Reform and pro-cannabis policy for nearly ten years. She said that her history with cannabis and its complicated legal status began as a youth. She said that she was born in Homer, Alaska, the home of some cannabis champions, specifically Irwin Ravin. She said that she has watched good-meaning people grapple with the difficult choice of using a therapeutic medicine to treat their ailments or not using it for fear of the justice system. There is a disastrous consequence in both cases. She explained when individuals do not use their medicine, it can lead to an addiction to a far stronger substance, such as opioids. The choice to consume alternative medicine for pain or other ailments can lead to the consequences that create the barriers discussed today. There is no easy choice. The complicated history of marijuana's legal status over the years has been confusing for people to understand. She said, "If you can grow, you can smoke." She expressed her support for HB 28, citing her advocacy for cannabis legalization and her background as a proponent of natural medicine and therapy. It is time to see this legislation move forward.

[2:00:09 PM](#)

CHAIR CLAMAN closed public testimony on HB 28.

CHAIR CLAMAN held HB 28 in committee.

SB 17-CAMPAIGN CONTRIBUTIONS

[2:00:15 PM](#)

CHAIR CLAMAN announced the consideration of SENATE BILL NO. 17 "An Act relating to political contributions; and providing for an effective date."

[This is the first hearing of this bill in the Senate Judiciary Committee.]

CHAIR CLAMAN invited Senator Kawasaki and Mr. Hayes to identify themselves for the record and begin their remarks.

[2:01:22 PM](#)

SENATOR SCOTT KAWASAKI, District P, Alaska State Legislature, Fairbanks, Alaska, sponsor of SB 17, presented the following sponsor statement:

[Original punctuation provided.]

Sponsor Statement

Alaska has long regulated campaign contributions and limited the amount that can be donated to political campaigns. Following the VECO scandal in 2006, the people of Alaska approved a ballot initiative that established strict contribution limits. Part of the argument behind that initiative was that limiting the amount of money candidates can raise would curb the type of corruption seen during VECO.

In 2019 the 9th Circuit Court of Appeals overturned some of Alaska's political contribution limits in the case *Thompson v. Hebdon*. The *Thompson* decision struck down the limits, including the limits on contributions from individuals, nongroup entities, nonpolitical party entities, and joint campaigns for Governor and Lieutenant Governor.

This bill establishes new campaign contribution limits compliant with the *Thompson* decision. It increases these limits such that they are nearly indexed for the rate of inflation between 2006 and 2023. The limits are rounded to the nearest hundred. Here are the new limits:

- Individual contribution limits from \$500 to \$700
- Nonpolitical party group limits from \$1,000 to \$1,400
- Nongroup entity limits from \$1,000 to \$1,400

- Individual limits to a joint candidacy for Governor and Lieutenant Gov. from \$1,000 to \$1,400
- Group limits to a joint candidacy for Governor and Lieutenant Gov. from \$2,000 to \$2,800

The *Thompson* decision also stipulated that contribution limits must be indexed for inflation. SB 17 requires APOC to index contribution limits for inflation by regulation starting in 2024 and after subsequent terms of four years.

I respectfully urge your support for SB17 to help limit corruption by establishing new campaign contribution limits. Please reach out to my office with any questions or concerns.

[2:04:47 PM](#)

SENATOR KAUFMAN asked how the VECO Corporation scandal was connected to campaign contribution limits.

SENATOR KAWASAKI replied that the public has embraced the concept of having campaign contribution limits. He said that most people would probably be astounded to hear that Alaska used to have a \$500 limit, adding most of the contributors he talks to donate in the \$10 range. People are pretty shocked to learn how much money can get into campaigns, especially at the federal level. He said that most competitive congressional races are at the \$1 million to \$1.5 million level, which does not seem like a practical number for most of the public. He said that the VECO scandal was something that just happened. He asserted that the public prefers to see some limitations placed on the amount of money in individual elections and transparency in the amount involved.

[2:06:18 PM](#)

SENATOR KAUFMAN shared an issue of concern. He explained that contributions to candidates are limited, and they are all fairly transparent. The State requires candidates to adhere to extensive reporting requirements for contributions and expenses through the Alaska Public Offices Commission (APOC) system, which is rather strident in its reporting requirements. It tabulates everything a candidate takes in and spends against either the political organization or the candidate. He compared the reporting requirements of APOC to independent expenditure requirements, stating they do not have that transparency. He asked whether SB 17 addresses this issue.

SENATOR KAWASAKI answered SB 17 only addresses the Thompson v. Hebdon case. It deals with individual limits, political parties, and political action committees. He said a different part of the law governs independent expenditure groups.

[2:07:31 PM](#)

SENATOR KAUFMAN said that while this limits the transparent reporting process for candidates, it leaves the obscure, independent expenditure process wide open. He pointed out this creates a very asymmetrical playing field.

SENATOR KAWASAKI reassured the committee that SB 17 does not impose limitations on transparency. According to APOC, the level of transparency remains unchanged. Candidates will continue to report contributions over a certain amount and for:

- the 30-day filing,
- the 10-day filing, and
- the 24-hour report if the contribution is over a \$500 aggregate.

These requirements remain in effect regardless of whether SB 17 passes. If the bill passes, it will restrict the total contribution amount specified in the sponsor statement.

[2:08:29 PM](#)

SENATOR KAUFMAN clarified that his intention was not to suggest that this bill limits transparency. He clarified that it limits funding going into the most transparent system that Alaska has. The APOC reporting requirements have a higher transparency threshold compared to the independent expenditure process. He asked about the transparency imbalance between the two reporting requirements.

SENATOR KAWASAKI replied that he is willing to look into the issue further. He said the public wants to know where every campaign dollar comes from and whether the money comes from outside or inside the state. Since 2019, different versions of this bill have had various types of filing requirements. This bill is more simplified.

[2:09:36 PM](#)

SENATOR TOBIN drew attention to slide 4 of the presentation "SB 17 Campaign Contributions." It indicates the process of limiting campaign contributions dates back to 1995. She asked about the contribution limits in SB 17 and their likelihood of withstanding further litigation.

SENATOR KAWASAKI replied that he took the \$500 individual contribution limit and indexed it, based on inflation, over time since 2006. He expressed his belief the dollar amount is roughly accurate.

[2:10:42 PM](#)

SENATOR KIEHL drew attention to slide 4 of the presentation. He conjectured that while Alaskans would agree to lower the campaign contribution limit to \$50 if asked the question, courts ask a different question to examine contribution limits. The question is not whether people want to enrich themselves with politics. He expressed his belief the question has to do with quid pro quo corruption or its appearance. He asked the sponsor to elaborate on the difference between contributions where an individual hands a candidate a direct, discreet amount of money versus something indirect, disconnected, and uncoordinated like the independent expenditures Senator Kaufman mentioned.

SENATOR KAWASAKI answered that independent expenditure campaigns exist and are legal under current law, but they cannot coordinate with the candidate they support. They are not allowed to work with the candidate's campaign committee.

[2:12:32 PM](#)

SENATOR KIEHL asked whether he agreed with the viewpoint that the risk of quid pro quo corruption associated with contributions diminishes if the donor cannot coordinate with the candidate. He asked whether this viewpoint is relevant as a defensible approach in court.

SENATOR KAWASAKI replied yes, that is a fairly definitive difference. He revisited a prior question concerning attachments to independent expenditure campaigns; he said he would like to this happen. He expressed a mutual concern with the public to know where the source of donated dollars originated. He said Alaska has had sunshine laws and transparency laws on third-party groups. For instance, groups that advocate for or against an initiative must disclose their top three donors. He stated that although SB 17 does not deal specifically with these issues, he is open to discussions.

[2:13:54 PM](#)

CHAIR CLAMAN asked why SB 17 proposes annual limits rather than campaign limits.

SENATOR KAWASAKI replied that he did not draft the bill that way. He expressed his belief that a spokesperson for the ballot initiative may want to speak to the question.

CHAIR CLAMAN asked about the policy rationale behind opting for annual limits over campaign limits in drafting the bill. He highlighted that federal campaigns consider campaign limits rather than annual limits.

SENATOR KAWASAKI answered he drafted the legislation four years ago. He expressed familiarity with Alaska's typical contribution deadlines and said that he had not taken campaign limits into account. He said that Mr. Hayes, his aide, has a brief presentation on SB 17.

CHAIR CLAMAN invited Mr. Hayes to begin.

[2:15:53 PM](#)

JOE HAYES, Staff, Senator Scott Kawasaki, Alaska State Legislature, Juneau, Alaska, presented the sectional analysis and delivered a presentation on SB 17. The sectional analysis follows:

[Original punctuation provided.]

Sectional Analysis

Section 1. AS 15.13.070(b)

This amends the statute by increasing the individual contribution limit from \$500 to \$700. This applies to individuals donating to nongroup entities, candidates, write-in candidates, or nonpolitical party groups.

Section 2. AS 15.13.070(c)

Amends the statute by increasing the contribution limit for groups that are not political parties from \$1,000 to \$1,400. This applies to nonpolitical party groups donating to a candidate, a write-in candidate, to another group, a nongroup entity, or to a political party.

Section 3. AS 15.13.070(f)

This section amends the statute by increasing the amount nongroup entities can donate from \$1,000 to \$1,400. This applies to nongroup entities donating to another nongroup entity, to candidates, to write-in candidates, to groups, or to political parties.

Section 4. AS 15.13.070(g)

This amends the statute by increasing the amount individuals and groups can donate to joint Gubernatorial and Lieutenant Gubernatorial campaigns. It increases the amount individuals can donate from \$1,000 to \$1,400, and groups from \$2,000 to \$2,800.

Section 5. AS 15.13.070(h)

This section adds a new subsection that indexes these campaign limits to inflation. Starting in 2024, and every term of four years thereafter, the commission shall by regulation adjust these contribution limits to account for inflation.

Section 6.

Provides this bill with an immediate effective date.

[2:17:57 PM](#)

MR. HAYES presented a slideshow titled "Senate Bill 17 Campaign Contributions."

MR. HAYES moved to slide 2:

Increasing the Limits on Campaign Contributions

Section 1:

Individuals: \$500 >> \$700 per year

Section 2:

A non political party group: \$1000 >> \$1,400 per year

Section 3:

Nongroup entity (such as XXX): \$1000 >> \$1,400 per year

Section 4

Concerning Governor and Lt. Governor campaigns:

Individuals \$1,000 >> \$1,400;

Groups \$2,000 >> \$2,800 per year

MR. HAYES explained the calculation method used to determine contribution limits on slide 3:

Effective Date and CPI Increases

Section 5:

Beginning in the first quarter of calendar year 2024 and every four years thereafter, the commission shall, by regulation, adjust the contribution limitations set out in this section by a percentage equal to the percentage of increase over the preceding four-year period in all items of the Consumer Price Index for all urban consumers for Anchorage, Alaska, rounded to the nearest \$10 increment.

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MR. HAYES reviewed a brief history of campaign limits on slides 4 and 5:

A Brief History

- In 1995, citizens filed an initiative that included lowering the limits on individual campaign contributions from \$1000 to \$500.
- The legislature heard the call of the people and enacted a new law before the initiative came to fruition. The stated purpose of the new law was "to restore the public's trust in the electoral process and to foster good government."
- Years later, the legislature raised the limit back to \$1,000.
- In 2006, the people once again filed an initiative, and this time it came to be, lowering the limits again to \$500 - with 73% support.
- In 2021, the U.S. Ninth Circuit Court of Appeals ruled the limit unconstitutional.
 - The Court argued that because \$500 was unusually low, applied to all state races, and was not indexed with inflation to grow over time, that it infringed on donors' freedom of speech and gave an unfair advantage to incumbents.
 - In the aftermath of the decision, Alaska's Public Office Commission set the individual-to-candidate limit at \$1,500.

SB 17's ceilings would roughly track inflation for what Alaskans approved in 2006, though are a bit higher.

[2:20:01 PM](#)

MR. HAYES read slide 6:

How it Could Survive Legal Challenge

To review, The Ninth Circuit Court argued that, since \$500 was unusually low, applied to all state races, and was not indexed with inflation to grow over time, it infringed on donors' freedom of speech and gave an unfair advantage to incumbents.

SB 17's limits are **not** unusually low and **are** indexed with inflation to grow over time. Thus, it follows from that ruling that these would survive a challenge made on the same grounds as the last one.

In the 40 states that do have limits on contributions to legislative candidates, the average is \$2,848 per election, ranging from \$180 in Montana to \$13,704. Ours would be slightly higher or lower depending on the source of the contribution—not unusual.

[2:20:54 PM](#)

MR. HAYES moved to slide 7:

Reviewing the Increases

Section 1:

Individuals: \$500 >> \$700 per year

Section 2:

A non-political party group: \$1000 >> \$1,400 per year

Section 3:

Nongroup entity (such as XXX): \$1000 >> \$1,400 per year

Section 4

Concerning Governor and Lt. Governor campaigns:

Individuals \$1,000 >> \$1,400;
Groups \$2,000 >> \$2,800 per year

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MR. HAYES read slide 8:

You may be familiar with some related cases

In *McCutcheon v. Federal Election Commission* (2014), the court held that states cannot place limits on aggregate contributions (the total of all contributions to all candidates) by individuals or groups. *Existing limits on per-candidate contributions were not addressed and thus not changed.* (NCSL)

In *Citizens United v. Federal Election Commission* (2010), independent expenditures were at hand. SB 17 would not limit those.

[2:21:43 PM](#)

MR. HAYES moved to slides 10 - 11 pertaining to definitions:

Definition of Nongroup entities

15.13.400

(14) "nongroup entity" means a person, other than an individual, that takes action the major purpose of which is to influence the outcome of an election, and that

- (A) cannot participate in business activities;
- (B) does not have shareholders who have a claim on corporate earnings; and
- (C) is independent from the influence of business corporations.

"Group that is not a political party"

15.13.400

(9) "group" means (A) every state and regional executive committee of a political party;

(B) any combination of two or more individuals acting jointly who organize for the principal purpose of influencing the outcome of one or more elections and who take action the major purpose of which is to influence the outcome of an election; a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of a candidate shall be considered to be controlled by that candidate; a group whose major purpose is to further the

nomination, election, or candidacy of only one individual, or intends to expend more than 50 percent of its money on a single candidate, shall be considered to be controlled by that candidate and its actions done with the candidate's knowledge and consent unless, within 10 days from the date the candidate learns of the existence of the group the candidate files with the commission, on a form provided by the commission, an affidavit that the group is operating without the candidate's control; a group organized for more than one year preceding an election and endorsing candidates for more than one office or more than one political party is presumed not to be controlled by a candidate; however, a group that contributes more than 50 percent of its money to or on behalf of one candidate shall be considered to support only one candidate for purposes of AS 15.13.070, whether or not control of the group has been disclaimed by the candidate; and

(C) any combination of two or more individuals acting jointly who organize for the principal purpose of filing an initiative proposal application under AS 15.45.020 or who file an initiative proposal application under AS 15.45.020; I should repeat that this law would not apply to independent expenditures.

[2:21:55 PM](#)

CHAIR CLAMAN invited questions from committee members.

[2:21:59 PM](#)

SENATOR TOBIN drew attention to slide 3 and asked why the Consumer Price Index (CPI) for Anchorage was selected for calculating the contribution limit when the cost-of-living disparity between urban and rural districts is rather high.

SENATOR KAWASAKI replied that Anchorage is the only place in Alaska where the CPI is consistently calculated. He said the Fairbanks City Council uses it for its labor contracts. He acknowledged that it is probably not the best measure, but it is the most consistent information gathered and evaluated.

[2:23:11 PM](#)

SENATOR TOBIN drew attention to slide 6 and asked three questions:

1. The slide indicates that \$500 is an unusually low contribution limit. She asked about potential legal implications based on the use of this figure.
2. She sought clarification about whether "per election," in the 3rd paragraph, means a combined total for state and gubernatorial elections.
3. The 3rd paragraph indicates that among the 40 states with contribution limits, the range spans from \$180 to \$13,704. She asked what the calculated average for Alaska is and where it falls in this range.

SENATOR KAWASAKI said he would do some calculations and get back to the committee.

[2:25:12 PM](#)

SENATOR KAUFMAN reported that the U.S. Senate and House of Representatives campaign finance limits are \$3300 per election. He contended that the lieutenant governor and governor have the same burden in mounting a statewide campaign as those running for a U.S. Senate or House seat. He questioned why their contribution limits are a third below those running for a U.S. Senate or House seat. He suggested defaulting to the federal limits, which are already inflation-adjusted.

SENATOR KAWASAKI replied that the state has always had limits different from the federal limits. He said that he understood the elements of running a statewide campaign but opined these were distinctly different races.

SENATOR KAUFMAN suggested further discussion offline. He expressed the effort and cost associated with the races are aligned.

[2:27:30 PM](#)

CHAIR CLAMAN opened public testimony on SB 17.

[2:27:52 PM](#)

PAT RACE, representing self, Juneau, Alaska, testified in support of SB 17. He addressed a previous question about the VECO scandal, stating that the VECO scandal was not a one-time incident. It was a long-running scandal. Bill Allen illegally donated to campaigns under his employees' names and was found guilty of that. He contributed about \$41,000 through 415 employees. The idea of campaign limits is tied directly to the history of the VECO scandal.

MR. RACE clarified that the ballot proposition mentioned above failed to get enough signatures in time for this election. However, it continues to collect signatures and will go on the ballot if the legislature does not act. He recommended the legislature act on this matter. He said he has retired judges, legislators, and his mom out gathering signatures in the cold. He expressed his belief that this is work they should not have to do. It is work the legislature should do inside the Capitol. Seventy-three percent of Alaskan voters passed campaign contribution limits in 2006. Voters spoke in 2006 and the initiative and signature-gathering process should not be reoccurring. Legislators should establish campaign contribution limits this year.

MR. RACE changed focus to federal rules, asserting these rules create a cloudy miasma of shadowy dark money donors. He pointed out that the problem of not having campaign limits is that money wins elections. He said he is not married to any particular number and trusts the legislature to decide on a good contribution limit.

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JIM SYKES, representing self, Palmer, Alaska, testified in support of SB 17. Alaskans like small limits, and it is a good idea to have contribution limits. Alaskans do not like outside money in state politics. He expressed his belief that there is less bad political influence with limits, and most Alaskans will support it.

[2:32:02 PM](#)

CHAIR CLAMAN closed public testimony on SB 17.

CHAIR CLAMAN held SB 17 in committee.

[2:32:44 PM](#)

There being no further business to come before the committee, Chair Claman adjourned the Senate Judiciary Standing Committee meeting at 2:32 p.m.