

Amended: 5/5/90
Offered: 5/4/90
Referred: Rules

6-1875M

Original sponsor(s): SEN. POURCHOT, Kelly

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 384 (2d State Affairs) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to election campaigns; and providing
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 15.13.040(a) is amended to read:

10 (a) Except for a municipal candidate who accepts contributions
11 totaling \$1,000 or less and makes expenditures totaling \$1,000 or less
12 in seeking election, each [EACH] candidate shall make a full report,
13 upon a form prescribed by the commission, listing the date and amount
14 of each expenditure [ALL EXPENDITURES] made by the candidate, the
15 total amount of all contributions, including all funds contributed by
16 the candidate, and for each contribution [ALL CONTRIBUTIONS] in excess
17 of \$100 in the aggregate a year, the name, address, principal occupa-
18 tion, and employer of the contributor and the date and amount con-
19 tributed by each contributor. The report shall be filed in accordance
20 with AS 15.13.110 and shall be certified as correct by the candidate
21 or campaign treasurer.

22 * Sec. 2. AS 15.13 is amended by adding a new section to read:

23 Sec. 15.13.041. DISBURSEMENT OF CAMPAIGN ACCOUNTS. (a) A
24 candidate shall, within 60 days of the election at which the candidate
25 sought public office, dispose of the campaign funds that were not
26 spent or obligated during the election campaign by

27 (1) transferring the funds to an account for a future
28 election campaign in the amount of not more than

29 (A) \$10,000 if the candidate sought election as

1 governor or lieutenant governor;

2 (B) \$5,000 if the candidate sought election in the

3 Senate;

4 (C) \$2,500 if the candidate sought election in the

5 House of Representatives or a municipal office;

6 (2) transferring the funds, in an amount not to exceed

7 \$1,000 to a house legislative office account or \$2,000 to a senate

8 legislative office account for expenditures qualifying as a business

9 expense under 26 U.S.C. 162;

10 (3) donating the funds to an organization that qualifies as

11 a charitable organization under 26 U.S.C. 501(c)(3);

12 (4) donating the funds to the general fund of the state or

13 of a municipality of the state; or

14 (5) returning the funds pro rata as to contributions in

15 excess of \$100 in the aggregate a year.

16 (b) A candidate shall close each campaign account within 60 days

17 of the election at which the candidate sought public office.

18 (c) A candidate who transfers campaign funds to an account for a

19 future election campaign under (a)(1) of this section shall file

20 annually with the commission the report required by AS 15.13.-

21 110(a)(4).

22 * Sec. 3. AS 15.13 is amended by adding new sections to read:

23 Sec. 15.13.075. CAMPAIGN ACTIVITIES BY LOBBYISTS. (a) An

24 individual who is registered as a lobbyist under AS 24.45 may person-

25 ally advocate the election of a candidate and may contribute the

26 lobbyist's own money, goods, and services to a candidate, subject to

27 the limits of AS 15.13.070.

28 (b) A lobbyist who has registered during the calendar year may

29 not

1 (1) serve as a campaign manager, director, treasurer,
2 deputy campaign treasurer or on a finance or fund-raising committee
3 for a candidate for governor, lieutenant governor, or the legislature;

4 (2) solicit directly, receive, collect, handle, disburse,
5 or account for campaign contributions for a candidate for governor,
6 lieutenant governor, or the legislature or otherwise engage actively
7 in a fund-raising activity of a political campaign; or

8 (3) host a fund-raising event.

9 (c) A candidate may not seek to evade the purposes of this
10 section by soliciting, or knowingly permitting a business entity
11 retained to lobby or an employee of a lobbyist to perform fund-raising
12 services.

13 (d) In (b) - (c) of this section, "lobbyist"

14 (1) means a person who has registered under AS 24.45.041
15 within the last 12 months and is described under AS 24.45.171(8)(A);

16 (2) does not include a volunteer lobbyist described in
17 AS 24.45.161(a)(1) or a representational lobbyist as defined under
18 regulations of the commission.

19 Sec. 15.13.077. PUBLIC FUNDS PROHIBITED. The state, agencies of
20 the state, public corporations of the state, and the University of
21 Alaska may not use public funds to support or oppose the election of a
22 candidate or ballot proposition. A municipality may not use public
23 funds of the municipality to support or oppose the election of a
24 candidate or ballot proposition.

25 * Sec. 4. AS 15.13 is amended by adding new sections to read:

26 Sec. 15.13.102. PROPER USES OF CAMPAIGN FUNDS. Campaign funds
27 may be used only to advance the interests of the campaign. Campaign
28 funds may be properly expended for an otherwise lawful purpose intend-
29 ed to influence voters to elect or reelect a candidate including

1 payment of staff and consultants; rental of space and equipment for a
2 campaign office; purchase of media time and space; design work; print-
3 ing of campaign materials; postage; taking polls and interpreting
4 them; telephone installation and usage; costs of distribution of
5 materials; advertising in organizational and club bulletins or other
6 brochures; inscribed promotional materials, including buttons, pen-
7 cils, pens, and items of clothing; necessary travel and related ex-
8 penses for the candidate and members of the candidate's staff or
9 immediate family if the travel and lodging are directly related to
10 attempts to raise campaign funds or to influence voters; victory and
11 thank you celebrations; newsletters and mass mailings promoting the
12 candidate; and payment of attorney fees and other legal expenses
13 incurred in the defense of a civil, criminal, or administrative action
14 arising directly out of the conduct of the campaign or election pro-
15 cess.

16 Sec. 15.13.104. PROHIBITED USES OF CAMPAIGN FUNDS. (a) A
17 candidate may not

18 (1) use funds raised and designated as campaign funds for
19 the personal benefit of the candidate or another person, or for pay-
20 ment of attorney fees and other legal expenses arising from civil,
21 criminal, or administrative actions based on conduct not directly
22 related to the campaign or official duties;

23 (2) convert surplus campaign funds or interest earned on
24 campaign funds to personal income;

25 (3) seek or claim a tax deduction or other economic benefit
26 for surplus funds disbursed to a charity under law.

27 (b) A candidate may not borrow from campaign funds or loan them
28 to another person or group.

29 (c) A candidate, or another person on behalf of a candidate, or

1 a campaign committee of the candidate, may not knowingly pay more than
2 the fair market value for goods or services purchased for the cam-
3 paign.

4 (d) Campaign funds may not be paid to a member of the candi-
5 date's immediate family as an employee or for goods or services pro-
6 vided to the campaign unless the amounts paid do not exceed the fair
7 market value of the goods or services provided.

8 (e) A candidate and a committee related to the election may not
9 accept campaign contributions except for funds received or postmarked
10 before a general or special election. A post-election contribution
11 must be returned.

12 (f) A candidate and a committee controlled by a candidate may
13 not use campaign funds to make a contribution to another candidate
14 running for office or to a committee supporting or opposing a candi-
15 date for office.

16 (g) Campaign funds may not be used to pay fines or other mone-
17 tary penalties or costs assessed against a candidate by a court or
18 other body unless the fine, penalty, or cost is assessed as a result
19 of proscribed actions by a member or employee of a campaign committee
20 or another person acting on behalf of the candidate under circum-
21 stances where the candidate did not know of or have reason to know of
22 those actions.

23 Sec. 15.13.106. PAYMENT OF LEGAL EXPENSES; LEGAL DEFENSE FUNDS.

24 (a) A candidate may establish a legal defense fund to assist with the
25 payment of attorney fees and other costs arising from the defense of a
26 civil, criminal, or administrative action brought against a candidate.

27 (b) A candidate who wishes to establish a legal defense fund
28 account shall file a statement of organization for the legal defense
29 fund with the commission before accepting contributions. The

1 statement of organization must identify the specific civil, criminal,
2 or administrative proceeding or proceedings for which the legal de-
3 fense fund is established.

4 (c) The legal defense fund shall establish a single account at
5 an office of a financial institution located in the state. A donation
6 to the candidate for legal expenses shall be deposited into the ac-
7 count if the donation meets the requirements of (d) of this section.

8 (d) Only a donation that is specifically designated by the donor
9 as being for the legal defense fund and is made payable to the legal
10 defense fund may be deposited in the legal defense fund account. A
11 donation that the recipient believes is intended for the legal defense
12 fund but that does not meet the requirements of this subsection shall
13 be returned to the donor.

14 (e) An expenditure from the legal defense fund account may be
15 made only for legal costs directly related to the civil, criminal, or
16 administrative proceeding or proceedings for which the legal defense
17 fund is established. An expenditure from the legal defense fund
18 account may not be used to pay or reimburse fines, penalties, judg-
19 ments, or settlements in connection with a criminal prosecution or a
20 civil or administrative action in which the candidate is found to have
21 committed, or admits to having committed a violation of the law.

22 (f) Surplus funds remaining in the legal defense fund account
23 after the proceeding or proceedings for which the account is estab-
24 lished have concluded may not be used for another purpose. The funds
25 shall, within six months after the conclusion of the proceeding or
26 proceedings, be

27 (1) returned to donors on a pro rata basis as to contribu-
28 tions in excess of \$100 in the aggregate;

29 (2) donated to the state or to a municipality; or

1 (3) donated to a charitable organization that qualifies
2 under 26 U.S.C. 501(c)(3).

3 (g) This section constitutes the sole means for candidates to
4 solicit or accept donations for legal costs that may not be paid from
5 campaign funds under AS 15.13.102. Except for AS 15.13.108(a) and
6 (b), the provisions of this chapter relating to the solicitation and
7 acceptance of campaign funds apply to the solicitation and acceptance
8 of contributions to a legal defense fund established under this sec-
9 tion. The commission may adopt regulations limiting the dollar amount
10 of contributions under this section and shall adopt regulations
11 requiring the disclosure of donors to a legal defense fund.

12 (h) Funds received from fund-raising events for a legal defense
13 fund must be clearly designated in advance. All proceeds shall be
14 dealt with as required by this chapter.

15 Sec. 15.13.108. FUND RAISING LIMITATIONS. (a) A legislator may
16 not, either directly, through a campaign committee, or other means,
17 solicit or accept a campaign contribution or a promise or pledge to
18 make a contribution while the legislature is in regular session and a
19 legislator may not solicit campaign funds or host a campaign fund-
20 raising event for another person while the legislature is in session.

21 (b) A legislator or a candidate for the legislature may not,
22 either directly, through a campaign committee, or other means, solicit
23 or accept a campaign contribution or a promise or pledge to make a
24 contribution relating to candidacy for the legislature in an election
25 other than a special election under AS 15.40 except during the follow-
26 ing periods:

27 (1) incumbent elected public officials intending to seek
28 election to the legislature and legislators may raise funds from
29 June 1 until December 31 in the year before the year of an election in

1 which they intend to be a candidate, and from June 1 through the
2 general election in November in the year of the election; in this
3 paragraph, "public official" means a person required to file a
4 campaign disclosure statement under AS 15.13;

5 (2) the governor, lieutenant governor, and candidates for
6 the legislature who are not in public office at the time of their
7 candidacy may raise funds from June 1 in the year before the year of
8 an election in which they intend to be a candidate through the general
9 election in November of the year of the election.

10 (c) This section does not prohibit a legislator from making an
11 otherwise lawful contribution or from attending an otherwise lawful
12 fund raising activity at any time.

13 * Sec. 5. AS 15.13.110(a) is amended to read:

14 (a) Each candidate and group shall make a full report in accor-
15 dance with AS 15.13.040 during the period ending three days before the
16 due date of the report and beginning on the last day covered by the
17 most recent previous report, or, if a first report, all contributions
18 received and expenditures made before three days before the due date
19 of the report. The report shall be filed [AT THE FOLLOWING TIMES:]

20 (1) 30 days before the election; however, this report is
21 not required if the deadline for filing a nominating petition or
22 declaration of candidacy is within 30 days of the election;

23 (2) one week before the election;

24 (3) 10 [TEN] days after the election; and

25 (4) January 31 [DECEMBER 31 OF EACH YEAR] for

26 (A) expenditures made and contributions received that
27 [WHICH] were not reported during the previous [THAT] year;

28 (B) disposals of campaign funds under AS 15.13.041(b)
29 that were not spent or obligated during the election campaign; or

1 (C) campaign funds transferred to an account for a
2 future campaign.

3 * Sec. 6. AS 15.13.110(b) is amended to read:

4 (b) Each contribution or expenditure that [WHICH] exceeds \$250
5 and that [WHICH] is made within nine days [ONE WEEK] of the election
6 shall be reported to the commission by date, amount, and contributor
7 or recipient within 24 hours of receipt or expenditure by the candi-
8 date or campaign treasurer.

9 * Sec. 7. AS 15.13.125 is repealed and reenacted to read:

10 Sec. 15.13.125. CIVIL PENALTY. (a) A person who violates a
11 provision of this chapter or who fails to file a properly completed
12 and certified report within the time required, as determined by the
13 commission, is subject to a civil penalty of not more than \$5,000 for
14 each offense or twice the amount gained by the misconduct which re-
15 sulted in a violation, whichever is greater, together with the costs
16 of the investigation and the adjudication.

17 (b) An affidavit stating facts in mitigation may be submitted to
18 the commission by a person against whom a civil penalty is assessed.

19 (c) The determination of the commission is subject to right of
20 appeal to the superior court.

21 (d) The imposition of the penalties prescribed in this section
22 or in AS 15.13.120 does not excuse the person from filing reports
23 required by this chapter.

24 * Sec. 8. Sections 1, 3, 6, and 7 of this Act take effect immediately
25 under AS 01.10.070(c).

26 * Sec. 9. Sections 2, 4, and 5 of this Act take effect November 6,
27 1990.