

**HOUSE BILL NO. 497**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY REPRESENTATIVE FINKELSTEIN**

**Introduced: 2/18/92**

**Referred: State Affairs, Judiciary, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to election campaigns; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **\* Section 1.** AS 15 is amended by adding a new chapter to read:

4 **CHAPTER 14. PUBLIC FINANCING OF STATE ELECTION CAMPAIGNS.**

5 **Sec. 15.14.010. ELIGIBILITY FOR PUBLIC FINANCING.** (a) A candidate for United  
6 States senator, United States representative, governor, lieutenant governor, or member of the  
7 legislature is eligible to receive state funds for the candidate's campaign if the candidate

8 (1) has qualified as a candidate for a primary or general election under AS 15.25;

9 (2) has filed a statement of acceptance of public financing with the commission  
10 at the time that the candidate files a declaration of candidacy under AS 15.25.030 or a  
11 nominating petition under AS 15.25.180, or at a later date approved by the commission if the  
12 commission finds good cause for the candidate's failure to file the statement simultaneously with  
13 the declaration or petition; the statement must indicate whether the candidate seeks public  
14 financing for the primary election, the general election, or both, and include a sworn written

1 agreement that the candidate will not accept campaign contributions, including contributions of  
2 the candidate's own funds, or make campaign expenditures, for both the primary and the general  
3 election combined, of more than

4 (A) \$1,000,000 for a candidate for United States senator, United States  
5 representative, or governor;

6 (B) \$500,000 for a candidate for lieutenant governor;

7 (C) \$75,000 for a candidate for the senate; or

8 (D) \$50,000 for a candidate for the house of representatives;

9 (3) has at least one opponent in the primary election, if the candidate is seeking  
10 public financing for the primary election, and at least one opponent in the general election, if the  
11 candidate is seeking public financing for the general election; and

12 (4) submits verified information to the commission proving that the candidate has  
13 received, in the period beginning on January 1 of the calendar year preceding the year of the  
14 general election for the office that the candidate seeks, monetary contributions, other than loans  
15 or pledges, from persons other than the candidate and members of the candidate's family in an  
16 amount equal to five percent of the amounts set out in (2) of this subsection; the reports that are  
17 filed with the commission under AS 15.13 constitute verified information for purposes of this  
18 paragraph.

19 (b) If a candidate who did not file a statement of acceptance of public financing under  
20 (a)(2) of this section was unopposed at the time the statement was due, and another candidate  
21 subsequently files a declaration of candidacy or a nominating petition for the same office, the  
22 first candidate may file a statement of acceptance within 10 days of the date that the later  
23 candidate files the declaration or petition. If an originally unopposed candidate is subsequently  
24 opposed by more than one candidate in the primary or general election, the originally unopposed  
25 candidate does not forfeit rights under this subsection by failing to file the statement within 10  
26 days of the filing by the first opponent.

27 (c) If a candidate is replaced by political party petition under AS 15.25.056 or 15.25.110,  
28 a successor candidate desiring public financing may within five days of nomination file with the  
29 commission the statement of acceptance under (a)(2) of this section.

30 (d) A candidate who has filed a statement of acceptance of public financing under (a)(2)  
31 of this section for a primary election may withdraw the statement at any time up to 10 days after

1 the deadline for filing a declaration of candidacy for the primary election. A candidate who has  
2 accepted public financing for a primary election, and who wins the primary election, may  
3 withdraw the statement of acceptance with regard to the general election at any time up to 10  
4 days after the date of the primary election. A candidate who withdraws a statement under this  
5 subsection shall repay the state all funds tendered to the candidate under the withdrawn statement.

6 (e) A candidate who did not accept public financing for a primary election may accept  
7 public financing for the general election by filing a statement of acceptance under (a)(2) of this  
8 section at any time up to 10 days after the date of the primary election.

9 (f) In computing applicable contribution and expenditure limits under (a)(2) of this  
10 section, a candidate may exclude

- 11 (1) a contribution returned to the contributor;
- 12 (2) a loan repayment;
- 13 (3) an expense incurred as the direct result of an election recount; and
- 14 (4) a refund of a deposit paid.

15 Sec. 15.14.020. AMOUNT OF PUBLIC FINANCING. (a) A candidate who qualifies  
16 for public financing under AS 15.14.010 shall receive from the commission one dollar for each  
17 dollar that the candidate has received, other than loans, as a campaign contribution that is

18 (1) from a person

19 (A) other than the candidate and a member of the candidate's immediate  
20 family;

21 (B) who is a resident of the state at the time the campaign contribution  
22 is received; and

23 (2) postmarked or delivered on or after June 1 of the year of the election in which  
24 the candidate is running and on or before the date that the candidate ceases to be an opposed  
25 candidate.

26 (b) Funds received from the commission under this section may be used only in  
27 connection with the candidate's campaign for the office for which the candidate is running at the  
28 time the candidate applies for public financing under AS 15.14.010, and must be under the direct  
29 control of the campaign treasurer as required by AS 15.13.060(a). If the candidate has a surplus  
30 on the date that the candidate ceases to be an opposed candidate, the candidate's campaign  
31 treasurer shall repay to the commission the amount of the surplus or the amount of funds the

1 candidate has received from the commission, whichever is less.

2 (c) If a candidate has no opposition in a primary election, or if a candidate is nominated  
3 by petition, the candidate may not receive funds under this section until the date of the primary  
4 election for the office for which the candidate is running.

5 (d) If a candidate who has accepted public financing is replaced by political party petition  
6 under AS 15.25.056 or 15.25.110, and at the time of the replacement the replaced candidate was  
7 entitled to funds due under this section and not yet paid, the newly nominated candidate, if that  
8 candidate chooses to accept public financing, is entitled to receive the funds that were due to the  
9 replaced candidate.

10 Sec. 15.14.030. APPLICABILITY TO SPECIAL ELECTIONS. (a) The provisions of  
11 this chapter and the regulations adopted under this chapter apply to candidates for a special  
12 election

13 (1) for United States senator under AS 15.40.010 - 15.40.130;

14 (2) for United States representative under AS 15.40.140 - 15.40.220;

15 (3) for governor under AS 15.40.230 - 15.40.310;

16 (4) for senator under AS 15.40.380 - 15.40.470; and

17 (5) for representative, if required by order of a court or the governor.

18 (b) In a special election for United States senator, United States representative, or  
19 governor under (a)(1) - (3) of this section,

20 (1) a candidate shall file the statement of acceptance of public financing within  
21 five days of the filing of the party nominating petition;

22 (2) the relevant dates for contributions that may be matched under  
23 AS 15.14.020(a)(2) are the date that the candidate is nominated by petition and the date that the  
24 candidate ceases to be an opposed candidate; and

25 (3) AS 15.14.020(c) does not apply.

26 (c) The commission may adopt emergency regulations applicable to a special election  
27 under (a)(5) of this section.

28 Sec. 15.14.040. VIOLATIONS. (a) If a candidate receiving public financing violates  
29 the contribution and expenditure limits of AS 15.14.010(a)(2), or violates AS 15.14.020(b), the  
30 candidate and the candidate's campaign treasurer are jointly and severally liable to the state for  
31 the total amount of the state funds that were given to the candidate, and for the state's costs and

1 attorney fees necessary to maintain an action under this subsection. If the state establishes that  
2 the violation was knowing, a court may award the state treble the amount of the funds given to  
3 the candidate.

4 (b) In addition to the civil liability specified in (a) of this section, a candidate or  
5 campaign treasurer who receives public financing and who knowingly violates the contribution  
6 and expenditure limit of AS 15.14.010(a)(2) or who knowingly violates AS 15.14.020(b) may be  
7 prosecuted for theft under AS 11.46.100.

8 Sec. 15.14.100. DEFINITIONS. In this chapter,

9 (1) "candidate" means a person running for the office of United States senator,  
10 United States representative, governor, lieutenant governor, or legislator, and includes, where  
11 appropriate, the campaign committee of a candidate;

12 (2) "commission" means the Alaska Public Offices Commission;

13 (3) "date that a person ceases to be an opposed candidate" means the date of the  
14 general or special election or the date on which a person

15 (A) withdraws the person's candidacy;

16 (B) is defeated in a primary election;

17 (C) ceases to have opposition because all of the person's opponents in a  
18 primary or general election withdraw or are disqualified from the ballot;

19 (D) wins a primary election and faces no opposition in the following  
20 general or special election;

21 (4) "member of the candidate's family" means a candidate's spouse, parents,  
22 grandparents, children, siblings, aunts, uncles, nephews, nieces, and first cousins, and the spouses  
23 of a candidate's parents, grandparents, children, siblings, aunts, uncles, nephews, nieces, and first  
24 cousins;

25 (5) "person" includes a group, as defined in AS 15.13.130, and a political party;

26 (6) "surplus" means the amount by which the monetary contributions received by  
27 or irrevocably pledged to a candidate exceed the funds expended or encumbered by the candidate.

28 \* Sec. 2. AS 43 is amended by adding a new chapter to read:

29 CHAPTER 77. POLITICAL CONTRIBUTIONS TAX.

30 Sec. 43.77.010. INTENT. It is the intent of the legislature that the proceeds raised by  
31 this chapter be appropriated to provide for public financing of political campaigns under

1 AS 15.14.

2 Sec. 43.77.020. POLITICAL CONTRIBUTIONS TAX. (a) A candidate for United  
3 States senator, United States representative, governor, lieutenant governor, or member of the  
4 legislature shall pay to the department, for deposit into the general fund, a tax on monetary  
5 contributions given to the candidate's campaign. The tax is based on the total contributions given  
6 to the candidate's campaign in a two-year period beginning on January 1 of each odd-numbered  
7 year. The tax is five percent of the first \$20,000 of contributions received during the two-year  
8 period, plus 10 percent of the next \$80,000 of contributions, plus 20 percent of all contributions  
9 in excess of \$100,000.

10 (b) A candidate who receives less than \$5,000 in monetary contributions during the two-  
11 year period specified in (a) of this section is not liable for the tax.

12 (c) The tax under this section is due within five days after each date that a candidate is  
13 required to file a report with the Alaska Public Offices Commission under AS 15.13.110(a).

14 (d) A loan to a campaign is not subject to the tax under this section if the person making  
15 the loan has a reasonable expectation that the loan will be repaid. However, a loan that has not  
16 been repaid shall be treated as a monetary contribution as of the date that it is forgiven or that  
17 it becomes delinquent.

18 (e) In this section, "monetary contribution" means a contribution of money that must be  
19 reported to the Alaska Public Offices Commission under AS 15.13.040(a).

20 \* Sec. 3. AS 15.13.030 is amended to read:

21 Sec. 15.13.030. DUTIES OF THE COMMISSION. The commission shall

22 (1) develop and provide all forms for the reports and statements required to be  
23 made under this chapter, AS 15.14, AS 24.45, and AS 39.50;

24 (2) prepare and publish a manual setting out uniform methods of bookkeeping and  
25 reporting for use by persons required to make reports and statements under this chapter and  
26 under AS 15.14, and otherwise assist candidates, groups, and individuals in complying with the  
27 requirements of this chapter and AS 15.14;

28 (3) receive and hold open for public inspection reports and statements required  
29 to be made under this chapter and AS 15.14 and, upon request, furnish copies at cost to  
30 interested persons;

31 (4) compile and maintain a current list of all filed reports and statements;

1 (5) prepare a summary of each report filed under AS 15.13.110 and make copies  
2 of this summary available to interested persons at their actual cost;

3 (6) notify, by registered or certified mail, all persons who are delinquent in filing  
4 reports and statements required to be made under this chapter and AS 15.14;

5 (7) report within 60 days after the election the names of all persons and groups  
6 who have failed to comply with any of the provisions of this chapter and of AS 15.14 to the  
7 office of the attorney general;

8 (8) examine, investigate, and compare all reports, statements, and actions required  
9 by this chapter, AS 15.14, AS 24.45, and AS 39.50 and report to the attorney general the names  
10 of all persons or groups which the commission has substantial reason to believe have violated  
11 this chapter, AS 15.14, AS 24.45, or AS 39.50;

12 (9) prepare and publish a biennial report to the legislature concerning the activities  
13 of the commission, the effectiveness of this chapter, its enforcement by the attorney general's  
14 office, and recommendations and proposals for change;

15 (10) adopt regulations necessary to implement and clarify the provisions of  
16 AS 15.14, AS 24.45, AS 39.50, and this chapter, subject to the provisions of the Administrative  
17 Procedure Act (AS 44.62).

18 \* Sec. 4. AS 15.13.040(a) is amended to read:

19 (a) Each candidate shall make a full report, upon a form prescribed by the commission,  
20 listing the date and amount of all expenditures made by the candidate, all taxes paid under  
21 AS 43.77, all public funds received under AS 15.14, the total amount of all contributions,  
22 including all funds contributed by the candidate, and for all contributions in excess of \$100 in  
23 the aggregate a year, the name, address, principal occupation, and employer of the contributor  
24 and the date and amount contributed by each contributor. The report shall be filed in accordance  
25 with AS 15.13.110 and shall be certified correct by the candidate or campaign treasurer.

26 \* Sec. 5. AS 15.13.070(a) is amended to read:

27 (a) A person or group, including but not limited to all political committees, businesses,  
28 corporations, and labor unions, may not contribute to or expend more than \$1,000 a year on  
29 behalf of or in opposition to the competing candidates for each elective office. An individual  
30 may not make contributions to or expenditures on behalf of a single group or political party  
31 that in the aggregate exceed \$1,000 in a calendar year. Political parties and their subdivisions

1 are not subject to the limitation prescribed in this subsection, but they are subject to the reporting  
2 requirements prescribed by AS 15.13.040(b) and 15.13.110. This chapter does not prohibit

3 (1) a candidate from contributing more than \$1,000 of the candidate's own money  
4 to the candidate's own campaign; or

5 (2) individuals or groups, including but not limited to all political committees,  
6 businesses, corporations, and labor unions, from contributing to or expending on behalf of a  
7 ballot proposition or question more than \$1,000 a year; however, these contributions and  
8 expenditures shall be reported in accordance with AS 15.13.040 and 15.13.110.

9 \* Sec. 6. AS 15.13.070 is amended by adding a new subsection to read:

10 (i) If a candidate has received public financing under AS 15.14, the provisions of that  
11 chapter apply when they are inconsistent with the provisions of this section.

12 \* Sec. 7. AS 15.13.120(f) is amended to read:

13 (f) If, after being sworn into office, a person who was a successful candidate or the  
14 campaign treasurer or deputy campaign treasurer of a person who was a successful candidate is  
15 convicted of a violation of this chapter or is convicted of theft in connection with a violation  
16 of AS 15.14, proceedings shall be held and appropriate action taken in accordance with

17 (1) federal law applicable to election of members of the United States  
18 Congress, if the candidate is a candidate for United States senator or United States  
19 representative, by reporting the violation and conviction to the presiding officer of the  
20 respective house of the Congress and to federal campaign officials;

21 (2) [(1)] art. II, sec. 12 of the state constitution, if the candidate is a candidate  
22 for the state legislature;

23 (3) [(2)] art. II, sec. 20 of the state constitution, if the candidate is a candidate for  
24 governor or lieutenant governor;

25 (4) [(3)] AS 29.20.170, if the candidate is a candidate for the borough assembly;

26 (5) [(4)] AS 29.20.280, if the candidate is a candidate for borough mayor;

27 (6) [(5)] AS 29.20.170, if the candidate is a candidate for city council;

28 (7) [(6)] AS 29.20.280, if the candidate is a candidate for city mayor;

29 (8) [(7)] the provisions of the call for the constitutional convention, if the  
30 candidate is a candidate for constitutional convention delegate;

31 (9) [(8)] art. IV, sec. 10 of the state constitution, if the candidate is a candidate

1 for judicial retention.

2 \* Sec. 8. AS 15.13.130(2) is amended to read:

3 (2) "contribution" means purchase, payment, promise or obligation to pay, loan  
4 or loan guarantee, deposit or gift of money, goods, or services for which charge is ordinarily  
5 made and which is made for the purpose of influencing the nomination or election of a candidate,  
6 and in AS 15.13.010(b) for the purpose of influencing a ballot proposition or question, including  
7 the payment by a person other than a candidate or political party, or compensation of the personal  
8 services of another person which are rendered to the candidate or political party; however,  
9 "contribution" does not include

10 (A) services provided without compensation by individuals volunteering  
11 a portion or all of their time on behalf of a candidate or ballot proposition or question,  
12 but it does include professional services volunteered by individuals for which they  
13 ordinarily would be paid a fee or wage;

14 (B) services provided by an accountant or other person to prepare reports  
15 and statements required by this chapter;

16 (C) ordinary hospitality in a home;

17 (D) money given to a candidate by the state under AS 15.14;

18 \* Sec. 9. AS 15.13.130(3) is amended to read:

19 (3) "expenditure" means a purchase or a transfer of money or anything of value,  
20 or promise or agreement to purchase or transfer money or anything of value, incurred or made  
21 for the purpose of (A) influencing the nomination or election of a candidate or of any individual  
22 who files for nomination at a later date and becomes a candidate; (B) use by a political party;  
23 (C) the payment by a person other than a candidate or political party of compensation for the  
24 personal services of another person which are rendered to a candidate or political party; or (D)  
25 influencing the outcome of a ballot proposition or question; however, "expenditure" does not  
26 include a candidate's filing fee or the cost of preparing reports and statements required by this  
27 chapter or taxes paid by the candidate under AS 43.77;

28 \* Sec. 10. This Act takes effect January 1, 1993.