

SB

356

FILE 3



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members

Senator Ferguson, Vice Chairman

Senator Cochill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

March 21, 1986

MEMORANDUM

To: Sandy Nussbaum
Sen. Bennett's Office

From: Trudie Alford
Sen. DeVries' Office

Subject: Statement dated 3/19/86
from Gross & Burke, Attys

Senator DeVries asked me to send this statement through your office for Senator Bennett's information.

After he signs off on the statement, please forward it on to Legislative Accounting.

Thank you.

Atchs



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March 21, 1986

SB 356

MEMORANDUM

TO: Senator Mitch Abood
Chairman
Senate State Affairs Committee

FROM: Edna DeVries *Edna*
Chair, Senate C&RA Committee

SUBJECT: GROSS & BURKE STATEMENT FOR SERVICES
DATED 3-19-86

The subject statement for services with cover letter
is attached for your consideration as project chairman.

Atchs

LAW OFFICES
GROSS & BURKE
A PROFESSIONAL CORPORATION
424 NORTH FRANKLIN STREET
JUNEAU, ALASKA 99801

MAR 20 1986

AVRUM M. GROSS
SUSAN A. BURKE

(907) 586-2777

March 19, 1986

The Honorable Edna B. DeVries
Alaska State Legislature
Box V
Juneau, Alaska 99811

Dear Senator DeVries:

Enclosed is our bill for services provided in the campaign finance revision before the Senate Community and Regional Affairs Committee. Although the hours that we spent exceeded the \$3,000 maximum left on the contract, we are seeking payment only for the \$3,000. I am sending a copy of this billing to Senator Abood, who remains the project chairman. I assume that as project chairman he will have to approve the bill before it can be paid. At the same time, I am sure that he will want your approval before he does so.

It was a pleasure working with you and the Committee.

Sincerely,



Susan A. Burke

SAB:yw

Encl.

STATEMENT
LAW OFFICES
GROSS & BURKE
A PROFESSIONAL CORPORATION
424 NORTH FRANKLIN STREET
JUNEAU, ALASKA 99801

(907) 586-2777

March 19, 1986

The Honorable Mitch Abood
Alaska State Legislature
Box V
Juneau, Alaska 99811

Legal Services Rendered February 25 Through March 13, 1986:

2/24	SAB	Revise sectional analysis to conform to CSSB 356 (State Affairs)	5.25 Hrs.
2/25	AMG	Meet w/Sen. DeVries, Sturgulewski; attend CRA committee hearing	1.25
2/26	AMG	T/C Y. Alford re hearing	.25
2/27	AMG	Preparation for and attendance at Committee hearing	1.25
2/27	SAB	Prepare for and attend Committee hearing	1.50
2/28	SAB	Prepare for and attend Committee hearing	1.50
2/28	AMG	Attend teleconference; preparation for mtg. w/Senate Community and Regional Affairs	1.50
3/3	AMG	T/C Y. Alford; confer w/S. Burke re meeting on 3/4	.50
3/4	AMG	Attend CRA hearing; review revision of amendments drafted by S. Burke	1.25
3/4	SAB	Prepare amendments for Committee hearing; attend hearing	2.00
3/5	SAB	Redraft effective date and transition sections; T/C Sen. DeVries	1.00
3/6	AMG	Attend hearing re SB 356	1.25

3/6	SAB	Attend Committee hearing; T/C Sen. Sturgulewski staff re amendments	1.50
3/7	SAB	Prepare revised bill for re- typing; review amendments	1.75
3/13	SAB	Prepare for and attend Committee hearing; T/C D. Bradley re changes in bill	<u>1.50</u>
Total Hours			23.25

23.25 HRS. AT \$135 PER HOUR - \$3,138.75

TOTAL AMOUNT DUE - \$3,000.00

cc: Senator DeVries

*Approved
for Payment
Edw DeVries*

*Approved for Payment 3/21/86
Senator Melvin Good*

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

2/24/86

Date March 13, 1986

Mr. President

The Committee on C&RA considered SB 356
relating to election campaign financing; efd.

and (a majority of the committee) ~~(the committee)~~ reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/~~or adopt~~ CS for SB 356 (C&RA)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Willis Sturgis
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature] *no recommendation*

Edna McVie
Chairman
Do Pass
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

C&RA
FINANCE

1/22/86

Date Feb 21, 1986

Mr. President

The Committee on STATE AFFAIRS considered SB 356
relating to election campaign financing; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 356 (SA)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

1 Edw McVie
1 Tom Kelly

2 Bill Kay, DO NOT PASS
3 V. Fischer NR

1 [Signature]
Chairman
[Signature]
Chairman recommendation

Note: Page and line references
are to State Affairs CS

-J-

Amendments to SB 356 -- Campaign Financing -- Made in Senate C&RA

Gross & Burke Amendments

Amend #1 Page 1, line 19, delete "United States census figures or"

COGHILL MOVED, UNANIMOUS CONSENT 3/4/86

Amend #2 Page 20, line 24, delete "solicits a contribution and"

FISHER MOVED UNANIMOUS CONSENT 3/6/86

Amend #3 Page 24, lines 24-29 through page 25, lines 1-2, amend subsection
(a) -- (see atch #1)

STURGULEWSKI MOVED, 3-Y, 1-N 3/4/86

Amend #4 Page 25, lines 3-10, amend subsection (b) as follows:
(see atch #2)

STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/4/86

Amend #5 Page 32, lines 27-28, amend subsection (b) to read:

(b) a proceeding [PROSECUTION] alleging a violation of AS 15.14.230
must be commenced within two years from the date of the alleged
violation [OFFENSE].

FISCHER MOVED, UNANIMOUS CONSENT 3/4/86

Amend #6 Page 44, lines 7-8 and lines 27-28, amend subparagraph (7)
in both instances to read:

(7) is convicted of a misdemeanor under former AS 15.13 or is found
to have committed a violation in the first degree under AS.15.14.220
[VIOLATION OF AS 15.13]

COGHILL MOVED, UNANIMOUS CONSENT 3/4/86

Amend #7 Page 49, lines 11-16, delete Sec. 17 and insert the following:
and (see atch #3)

Amend #8

COGHILL MOVED, UNANIMOUS CONSENT 3/6/86

Senator Sturgulewski Amendment

Amend #9 Page 1, lines 17 & 18

(b) This chapter applies to each election for mayor, municipal governing
body, [ASSEMBLY] and [OR] school board ...

STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/4/86

By error
left out of
revised CS

Senator Vic Fischer Amendments

Amend #10 Change contribution limit from \$2,000 to \$1,000 throughout bill

FISCHER MOVED, UNANIMOUS CONSENT 3/4/86

Amend #11 Change disclosure requirement from \$250 to \$100 throughout bill

FISCHER MOVED, UNANIMOUS CONSENT 3/4/86

Amend #12 Change reporting requirement limit from \$500 to \$250 for special contributions, loans, or expenditures made or received within the last 10 days before the election.

Page 9, line 29, delete [\$500], insert \$250

FISCHER MOVED, UNANIMOUS CONSENT 3/4/86

Amend #13 Delete Political Action Committee contribution limit of \$25,000.
(see atch #4)

FISCHER MOVED, UNANIMOUS CONSENT 3/6/86

Amend #14 Page 21, line 29 -- delete ["legislative candidate"]

Page 22, line 3 -- add new subsection (2) and renumber sections accordingly

"(2) for a legislative candidate in the general election, 30 days after the date of the election;"

Page 22, line 4 add after "the election;" or 30 days after the date of a run-off election in the case of candidates in a run-off election.

(amend is combination of wording from Fischer & Sturgulewski)
STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/6/86

Amend #15 Page 23, Line 26, subsection (b)

Delete [..public officer or employee of the state], insert person

FISCHER MOVED, UNANIMOUS CONSENT 3/6/86

Senator Sturgulewski Amendments

Amend #16 Throughout bill change ["over \$100"] to read "more than \$100"

STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/6/86

Amend #17 Page 10, lines 10 & 11

delete ["filed by January 31 following"]

insert "must be filed no later than 30 days after the date on which campaign accounts must be closed under 15.14.180. An annual report for the year in which an election designated under AS 15.14.040(b)"

*Amend # 17
clarified by
Counsel*

STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/6/86

Amend #18 Page 15, line 14

change to read "...as correct by the candidate, campaign treasurer of the candidate, by the campaign..."

STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/6/86

PROPOSED AMENDMENTS TO CSSB 356 (SA)

- (1) Page 1, line 19, delete "United States census figures or"
(2) Page 20, lines 24-27, delete subsection (1) and substitute the following:

(1) the person transfers or delivers contributions of others of \$4,000 or less in the aggregate during a year to a candidate, a campaign officer of a candidate, a political action committee, or an officer of a political action committee and discloses to the candidate or political action committee the identity of the contributors;

AMEND. # 3. Page ~~23~~²⁴, lines 24-29 through page ~~26~~²⁵, lines 1-2, amend subsection (a) to read:

(a) A person who, with intent to avoid disclosure, fails to file a report of contributions, expenditures, or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.060(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.060(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than \$2,000 [\$300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

Attach #2

AMEND #4

Page 25, lines 3-10, amend subsection (b) as follows:

(b) A political action committee that, with intent to avoid disclosure, fails to file a report of contributions, expenditures or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.070(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.070(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than ^{\$2,000} ~~\$1,000~~ [300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

~~(5) Page 32, lines 27-28, amend subsection (b) to read:~~

~~(b) A proceeding [PROSECUTION] alleging a violation of AS 15.14.230 must be commenced within two years from the date of the alleged violation [OFFENSE].~~

~~(6) Page 44, lines 7-8 and lines 27-28, amend subparagraph~~

~~(7) in both instances to read:~~

~~(7) is convicted of a misdemeanor under former AS 15.13 or is found to have committed a violation in the first degree under AS 15.14.220 [VIOLATION OF AS 15.13].~~

AMEND #7

Atch #3

Page 49, lines 11-16, delete sec. 17 and insert the following:

*Sec. 17. In accordance with AS 15.14.180 enacted in sec. 1 of this Act, a candidate shall, no later than January 31, 1987, close each campaign account relating to a campaign for an election held before the effective date of this Act unless the campaign has outstanding debts. If the campaign has outstanding debts, the candidate may keep campaign accounts open after January 31, 1987, but shall close each campaign account within 30 days after all debts have been paid and in no event later than January 1, 1988, whether or not there are outstanding debts remaining on that date. During the time that an an account remains open under this section, contributions may be solicited and accepted and expenditures made only for the purpose of retiring outstanding debts of a campaign for an election held before the effective date of this Act. An outstanding campaign debt remaining on January 1, 1988 becomes the personal debt of the candidate.

Page 49, lines 17-19, amend sec. 18 to read:

*Sec. 18. This Act applies to election campaign activities that take place afater January 1, 1987 [AND THAT RELATE TO STATE OR MUNICIPAL ELECTIONS HELD AFTER JANUARY 1, 1987].

Attach # 4

A M E N D M E N T

CSSB 356(SA)
2/24/86

By V. Fischer

AMEND[#] 13

Deletes PAC contribution limit of \$25,000

Page 16, lines 26 - 28:

Delete "and may not contribute more than \$25,000 in the aggregate during a calendar year to candidates or political action committees generally,"

Page 26, lines 7 - 8:

Delete "or in excess of the \$25,000 limitation under AS 15.14.120 (b)"

Page 29, lines 25 - 26:

Delete "or in excess of the \$25,000 limitation under AS 15.14.120 (b)"



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Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

Committee Meeting March 4, 1986

SB 356 -- An Act relating to election campaign financing

Note: The minutes from the February 28 meeting wherein testimony was taken from the Alaska Public Offices Commissioners, have been transcribed verbatim.

The committee requested a written copy from the Commission of Chairman Rogers' comments; and also written comments from Jeff Bowman of AKPIRG. A telephone contact with Theda Pittman and Jeff Bowman this morning elicited the information that written comments will be forthcoming from both sometime this week.

Attached are proposed amendments to SB 356 from Gross & Burke.

March 13, 1986

SB-356 - Campaign Financing

Loans as raised by APOC
are ²internally confusing - NO (Burke)

if "loans" not included in definition of
contributions -- you cannot deal with
enforcement of maximum contributions

Loans - intent of lender -- is loan personal
or to finance campaign - is difficult,
but must be dealt w/ by Commission on
case by case basis

Sturg If it cannot be proved is it unfair burden
on APOC?

Burke

No more so than how law presently written
statute cannot do more to help definitely
determine loan vs. contribution

Pg 10, lines 13-14 - Moved Stur - Unan -
line 4

Pg 22. line 2 - o.k. drafting change

Coghill pg 2, line 2
communication) of v influencing an election

Sturg

Pg 32, Statute of limitations 2 yrs & 4 yrs
lines 20 - 27 -

Burke has looked over bill for inconsistencies

Fischer

moved C & PA Substitute for SB 356.
with Sturg amendment and technical change
w/individual recommendations

3 do pass
1 no rec - Coghill

Changes made by Susan Burke
hand-delivered
3/7/86

Offered: 2/24/86
Referred: Community and Regional
Affairs and Finance
Original sponsor: State Affairs
Committee

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 356 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to election campaign financing and
7 the Alaska Public Offices Commission; and providing
8 for an effective date."

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

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

11 CHAPTER 14. ELECTION CAMPAIGN FINANCING.

12 ARTICLE 1. ALASKA PUBLIC OFFICES COMMISSION.

13 Sec. 15.14.010. APPLICABILITY. (a) This chapter applies in
14 each election for governor, lieutenant governor, a member of the state
15 legislature, a delegate to a constitutional convention, and a judge
16 seeking electoral retention.

17 (b) This chapter applies to each election for mayor, ^{municipal governing} ~~Assembly,~~ _{body}
18 ^{and} ~~school board~~ school board in a municipality with a population of more than 1,000
19 according to the ~~United States census figures~~ estimates of
20 population certified by the Department of Community and Regional
21 Affairs under AS 29.60.020. A municipality may exempt its elections
22 from the requirements of this chapter if a majority of the voters
23 voting on the question at a regular election as defined by AS 29.71.-
24 800 or a special municipality-wide election called for that purpose
25 vote to exempt its elections from the requirements of this chapter.
26 The question of exemption from the requirements of this chapter may be
27 submitted to the voters by initiative or by the city council or bor-
28 ough assembly by ordinance.

29 (c) This chapter does not prohibit a municipality from

A#9
Amndt#1

1 under AS 15.14.160 and shall designate the year of the election for
2 which the campaign will be conducted or shall indicate that it antici-
3 pates continuing existence.

4 Sec. 15.14.060. REPORTS BY CANDIDATES OF CONTRIBUTIONS, LOANS,
5 AND EXPENDITURES. (a) A candidate shall make full reports upon a
6 form prescribed by the commission of the contributions and loans
7 received and the expenditures made by the candidate for the designated
8 election campaign, including

9 (1) for each individual, person, or political action com-
10 mittee from which contributions in the aggregate amount of ^{more than \$100} ~~9250~~
11 ^{more} were received:

12 (A) the full name, complete address, principal occupa-
13 tion, and employer of each individual;

14 (B) the full name, complete address, and principal
15 business activity of each person other than an individual;

16 (C) the full name, complete address, and principal
17 area of interest of each political action committee; and

18 (D) the date and amount of each contribution;

19 (2) for each person or political action committee that lent
20 any amount to the candidate or that guaranteed or otherwise agreed to
21 assume a financial obligation in any amount for or on behalf of a
22 candidate,

23 (A) the full name, complete address, principal occupa-
24 tion, and employer of each individual;

25 (B) the full name, complete address, and principal
26 business activity of each person other than an individual;

27 (C) the full name, complete address, and principal
28 area of interest of each political action committee;

29 (D) the purpose of the loan;

- 1 (E) the date and total value of the loan or financial
 2 obligation;
- 3 (F) the interest rate of the loan or financial obliga-
 4 tion;
- 5 (G) the date the loan or financial obligation is due;
 6 and
- 7 (H) the security, if any, for the loan or financial
 8 obligation;
- 9 (3) the total number and amount of all contributions re-
 10 ~~ceived of less than \$250;~~ ^{\$100 or} ~~less than \$250;~~
- 11 (4) a total of all contributions received;
- 12 (5) the total of all expenditures made or obligated;
- 13 (6) the total amount of all funds that the candidate con-
 14 tributed or lent to the campaign of the candidate; and
- 15 (7) the date, check number, the amount of the check, the
 16 full name of the payee, and the purpose of each expenditure.
- 17 (b) A report containing the information required under (a) of
 18 this section must list the contributions and loans received and the
 19 expenditures made during the period ending three days before the due
 20 date of the report and beginning on the last day covered by the most
 21 recent previous report. The report shall be filed in the central
 22 office or a district office of the commission at the following times:
- 23 (1) 30 days before the election unless the deadline for
 24 filing a nominating petition or declaration of candidacy is less than
 25 34 days before the election;
- 26 (2) seven days before the election.
- 27 (c) A candidate shall file a special contribution, loan, or
 28 expenditure report with the commission for each contribution, loan, or
 29 expenditure of ~~more than \$250~~ ^{more than \$250} that is received within the last 10 days

except that a candidate shall file an annual report covering contributions and loans received and expenditures made during the year in which an election designated under AS 15.14.040 (b) is held no later than 30 days after the date on which the candidate must close campaign account under AS 15.14.19

1 before the election. The report must include the full name, complete
2 address, principal occupation and employer of the contributor or
3 lender and the date and amount of the contribution or loan, or the
4 purpose of the expenditure. The report shall be filed within 24 hours
5 after the contribution or loan is received. *or the expenditure made.*

6 (d) A candidate shall file an annual report on or before Janu-
7 ary 31 of each year. The annual report must include all of the infor-
8 mation required under (a) of this section for contributions and loans
9 received and expenditures made between January 1 and December 31 of
10 the immediately preceding year, except that an annual report filed by
11 ~~January 31 following~~ *covering contributions and loans received and expenditures made during* the year in which an election designated under
12 AS 15.14.040(b) is held

13 (1) need include only the contributions, loans, and expen-
14 ditures that were not reported to the commission in the reports re-
15 quired under (b) and (c) of this section;

16 (2) must include contributions and loans received and
17 expenditures made through the date that a campaign account is required
18 to be closed under AS 15.14.180; and

19 (3) must include the amount and the disposition of surplus
20 funds.

21 (e) The report required under (d) of this section covering
22 contributions and loans received and expenditures made during the year
23 in which an election designated under AS 15.14.040(b) is held is the
24 final report for contributions, loans, and expenditures of a candi-
25 date.

26 Sec. 15.14.070. REPORTS BY POLITICAL ACTION COMMITTEES OF CON-
27 TRIBUTIONS, LOANS, AND EXPENDITURES. (a) A political action commit-
28 tee shall make a report on a form prescribed by the commission of
29 contributions and loans received by the political action committee,

1 including

2 (1) for each individual, person, or political action com-
3 mittee from which contributions in the aggregate amount of ^{more than \$100} ~~7250 or e~~
4 ~~more~~ were received:

5 (A) the full name, complete address, principal occupa-
6 tion, and employer of each individual;

7 (B) the full name, complete address, and principal
8 business activity of each person other than an individual;

9 (C) the full name, complete address, and principal
10 area of interest of each political action committee; and

11 (D) the date and amount of each contribution;

12 (2) for each person or other political action committee
13 that lent any amount to the reporting political action committee or
14 that guaranteed or otherwise agreed to assume a financial obligation
15 in any amount for or on behalf of the reporting political action
16 committee,

17 (A) the full name, complete address, principal occupa-
18 tion, and employer of each individual;

19 (B) the full name, complete address, and principal
20 business activity of each person other than an individual;

21 (C) the full name, complete address, and principal
22 area of interest of each political action committee;

23 (D) the purpose of the loan;

24 (E) the date and total value of the loan or financial
25 obligation;

26 (F) the interest rate of the loan or financial obli-
27 gation;

28 (G) the date the loan or financial obligation is due;

29 and

1 (H) the security, if any, for the loan or financial
2 obligation;

3 (3) the total number and amount of all contributions re-
4 ceived of less ~~than \$250;~~ ^{\$100 or}

5 (4) a total of all contributions received;

6 (5) a total of all expenditures made or obligated;

7 (6) the date, check number, the amount of the check, full
8 name of each payee, and the purpose of each expenditure including

9 (A) for each expenditure that is a contribution to a
10 candidate or a political action committee, the name of the candi-
11 date or political action committee; and

12 (B) for each expenditure that is an independent expen-
13 diture, the name of the candidate or ballot proposition or ques-
14 tion supported or opposed by the independent expenditure.

15 (b) A report containing the information required under (a) of
16 this section must list the contributions and loans received and
17 expenditures made during the period ending three days before the due
18 date of the report and beginning on the last day covered by the most
19 recent previous report. The report shall be filed in the central
20 office or a district office of the commission at the following times:

21 (1) 30 days before the election;

22 (2) seven days before the election.

23 (c) A political action committee shall file a special contribu-
24 tion ^{or expenditure} ~~or~~ loan report with the commission for each contribution, ^{or} loan, ^{or}
25 ^{expenditure} ~~of \$500 or more~~ ^{of \$250 or more} that is received within the last 10 days before the
26 election. The report must include the full name, complete address,
27 principal occupation and employer of the contributor or lender and the
28 date and amount of the contribution ^{or the purpose of the expenditure} or loan. The report shall be
29 filed within 24 hours after the contribution or loan is received. ^{on the expenditure} ~~made~~

1 (d) A political action committee shall file an annual report on
2 or before January 31 of each year. The annual report must include all
3 of the information required under (a) of this section for contribu-
4 tions and loans received and expenditures made between January 1 and
5 December 31 of the immediately preceding year, except that an annual
6 report covering contributions and loans received and expenditures made
7 during the year in which an election designated under AS 15.14.050(f)
8 is held need include only those contributions, loans, and expenditures
9 that were not reported to the commission in the reports required under
10 (b) and (c) of this section. If the political action committee has
11 not indicated a continuing existence under AS 15.14.050(g), the report
12 filed under this section is the final report.

13 Sec. 15.14.080. STATEMENT BY PERSON MAKING CONTRIBUTION OR
14 EXPENDITURE. (a) A person who makes contributions of ^{more than} \$250 ~~or more~~ in
15 the aggregate in goods, services, or money to a candidate or political
16 action committee or who makes independent expenditures described in
17 AS 15.14.090 with a value of ^{more than} \$250 ~~or more~~ in the aggregate to influ-
18 ence the election of a candidate or the passage of a ballot proposi-
19 tion or question shall make and file in the central or a district
20 office of the commission a signed statement on a form made available
21 by the commission reporting the activity within 10 days after the
22 contribution or expenditure is made.

23 (b) The statement must list the name, address, principal occupa-
24 tion, and employer of the person who paid for the contribution or
25 expenditure and include the date, amount, payee, and purpose of the
26 contribution or expenditure.

27 (c) The statement must include a certification by the person
28 making the statement that the contribution or expenditure consists of
29 funds or property belonging to the contributor and that the funds have

1 that require the exercise of discretion or judgment relating to the
2 conduct of the campaign.

3 (c) In this section, an "agent of the candidate" means an indi-
4 vidual

5 (1) who has actual oral or written authority, either ex-
6 press or implied, to make or to authorize the making of an expenditure
7 on behalf of a candidate; or

8 (2) who has been placed in a position within the campaign
9 organization where it would reasonably appear that in the ordinary
10 course of campaign related activities the individual may authorize an
11 expenditure.

12 Sec. 15.14.100. CERTIFICATION OF REPORTS. Each report, regis-
13 tration, or statement required under this chapter shall be certified
14 as correct by the ^{candidate or the} campaign treasurer of the candidate, by the campaign
15 treasurer of the [^]political action committee, or by the person making
16 the report, registration, or statement. The report, registration, or
17 statement must include or be accompanied by the following certifica-
18 tion signed by the individual filing the report, registration, or
19 statement:

20 "I certify that, to the best of my knowledge, this report
21 is true, correct, and complete."

22 ARTICLE 3. CONTRIBUTIONS AND EXPENDITURES.

23 Sec. 15.14.110. CONTRIBUTIONS BY A PERSON. (a) A person may
24 not make a contribution in the form of a cash payment in excess of
25 \$100 in the aggregate during a calendar year to a candidate or a
26 political action committee.

27 (b) A person may not make a contribution in excess of ^{\$1,000}~~\$2,000~~ in
28 the aggregate during a calendar year in money, goods, or services to a
29 candidate...

1 (c) Except as provided in (d) of this section, a person may not
2 make a contribution in excess of ~~\$2,000~~^{\$1,000} in the aggregate during a
3 calendar year in money, goods, or services to a political action
4 committee.

5 (d) Except as provided in (a) of this section, a person may
6 contribute any amount in money, goods, or services

7 (1) to a political action committee formed solely for the
8 purpose of sponsoring or opposing an initiative or referendum; or

9 (2) to a political party.

10 (e) An individual or person may not make a contribution in any
11 amount to a candidate or political action committee in the form of a
12 loan or loan guarantee. This subsection does not prohibit

13 (1) a contribution in the form of a loan by a candidate or
14 the spouse, parent, or child of the candidate to the campaign of the
15 candidate; or

16 (2) an extension of credit by a person providing goods or
17 services in the normal course of business to a political action com-
18 mittee, a candidate, or a candidate's campaign.

19 Sec. 15.14.120. CONTRIBUTIONS BY A POLITICAL ACTION COMMITTEE.

20 (a) A political action committee may not make a contribution in the
21 form of a cash payment in excess of \$100 in the aggregate during a
22 calendar year to a candidate or political action committee.

23 (b) Except as provided in (c) of this section, a political
24 action committee may not contribute or make an expenditure, other than
25 as an independent expenditure, of more than ~~\$2,000~~^{\$1,000} in the aggregate
26 during a year to a candidate or to a political action committee, and

27 ~~may not contribute more than \$25,000 in the aggregate during a calen-~~
28 ~~dar year to candidates or political action committees generally, other~~
29 ~~than to political action committees formed solely for the purpose of~~

1 ~~Supporting or opposing a ballot proposition or question~~

2 (c) Except as provided in (a) of this section, a political
3 action committee may contribute any amount in money, goods, or ser-
4 vices to

5 (1) a political action committee formed solely for the pur-
6 pose of sponsoring or opposing an initiative or referendum; or

7 (2) a political party.

8 (d) A political action committee may not make a loan or a loan
9 guarantee to a candidate or to another political action committee.

10 (e) Two or more political action committees sharing a majority
11 of their officers are considered to be a single group for purposes of
12 the contribution limitations under (a) and (b) of this section.

13 (f) An expenditure for a communication in support of the elec-
14 tion of more than one candidate shall be prorated equally among the
15 candidates for purposes of calculating the amount of the expenditure
16 made on behalf of one of the candidates.

17 (g) A political party and its state, regional, and local subdi-
18 visions are not subject to the limitations prescribed in this section,
19 but each is subject to the reporting requirements of AS 15.14.070.

20 Sec. 15.14.130. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A
21 candidate, a campaign officer of a candidate, a political action
22 committee, and an officer of a political action committee may not
23 accept a contribution in the form of a cash payment in excess of \$100
24 in the aggregate during a year from a person or a political action
25 committee.

26 (b) A candidate and a campaign officer of a candidate may not
27 accept a contribution in excess of \$2,000^{\$1,000} in the aggregate during a
28 calendar year in money, goods, or services from a person or a politi-
29 cal action committee.

1 (c) Except as provided in this subsection, a political action
2 committee and an officer of a political action committee may not
3 accept a contribution in excess of ~~\$2,000~~^{\$1,000} in the aggregate during a
4 calendar year in money, goods, or services from a person or a political
5 action committee. A political party or a political action committee
6 formed solely for the purpose of sponsoring or opposing an
7 initiative or a referendum may,

8 (1) accept any amount in money, goods, or services;

9 (2) not accept a contribution in the form of a cash payment
10 in excess of \$100 in the aggregate during a calendar year from a
11 person.

12 (d) A candidate and a political action committee may not accept
13 a contribution in the form of a loan or a loan guarantee.

14 Sec. 15.14.140. EXPENDITURES. (a) A political party may make a
15 contribution or expenditure of money, goods, or services without
16 limitation as to amount or value.

17 (b) Except as provided under AS 15.14.170, a candidate may make
18 expenditures of money, goods, or services on behalf of the candidate's
19 own campaign without limitation as to amount or value.

20 (c) A person or political action committee may make an independent
21 expenditure as defined in AS 15.14.090 of money, goods, or services
22 without limitation as to amount or value on behalf of or in
23 opposition to a candidate or ballot proposition.

24 Sec. 15.14.150. PROHIBITED CONTRIBUTIONS. (a) A contribution
25 may not be made and an expenditure may not be made or incurred either
26 directly or indirectly in a fictitious name, anonymously, or by one
27 person or political action committee in the name of another. A contribution
28 made by a corporation is not a contribution in the name of a
29 shareholder of the corporation for the purposes of this subsection.

1 address, and telephone number of the political action committee's
2 campaign treasurer. Each candidate who appoints a campaign chairman
3 and each political action committee shall include in the statement the
4 name, address, and telephone number of the campaign chairman.

5 (c) An individual may not act as the campaign chairman, campaign
6 treasurer, or deputy campaign treasurer for a candidate or political
7 action committee until the name, address, and telephone number of the
8 individual has been filed with the commission. The address of a
9 candidate's campaign treasurer is the address of the candidate unless
10 the candidate files a different mailing address with the commission.

11 (d) In the case of the death, resignation, or removal of a
12 campaign officer required to be appointed under this section, the
13 candidate or political action committee shall file the name, address,
14 and telephone number of the successor in the central or a district
15 office of the commission within 10 days after the vacancy occurs.

16 (e) A candidate may receive contributions and make expenditures
17 only in person or through a campaign chairman, a campaign treasurer,
18 or a deputy campaign treasurer. A political action committee may re-
19 ceive contributions and make expenditures only through the campaign
20 chairman, campaign treasurer, or deputy campaign treasurer of the
21 political action committee. A person does not receive or make a
22 contribution under this section on behalf of a candidate or political
23 action committee if

24 (1) the person ~~receives a contribution and~~ transfers or
25 delivers ^{aa} that contribution to a candidate or a campaign officer of a
26 candidate or political action committee and discloses to the candidate
27 or political action committee the identity of the contributor;

28 (2) the person does not exercise discretion or control as
29 to the amount or as to the identity of the recipient of the contribu-

1 tion; and

2 (3) the person is not a campaign officer of the candidate
3 or political action committee ultimately receiving the contribution.

4 (f) The candidate is responsible for the performance of the
5 campaign officers of the candidate. The campaign chairman of a polit-
6 ical action committee is responsible for the performance of the other
7 officers of the political action committee. A default or violation by
8 the officer is considered a default or violation by the candidate if
9 the candidate knew or had reason to know of the default or violation.
10 A default or violation by the officer of the political action commit-
11 tee is considered a default or violation by the campaign chairman of
12 the political action committee if the campaign chairman knew or had
13 reason to know of the default or violation.

14 Sec. 15.14.170. USE OF CAMPAIGN FUNDS. (a) Campaign funds
15 received by a candidate or by a political action committee may be used
16 only to

17 (1) influence or attempt to influence the actions of the
18 voters for or against the election of a candidate or the passage or
19 defeat of a ballot proposition or question; or

20 (2) repay a loan made to the campaign of the candidate.

21 (b) Campaign funds may not be used to repay a loan not timely
22 reported as a loan under AS 15.14.060(a)(2).

23 (c) Surplus campaign funds shall be disposed of under AS 15.14.-
24 190.

25 Sec. 15.14.180. TERMINATION OF CAMPAIGN ACTIVITY AND CLOSING OF
26 CAMPAIGN ACCOUNTS. (a) A candidate shall close each campaign account
27 relating to a designated election campaign on or before one of the
28 following dates:

29 (1) for a ~~legislator~~ or statewide candidate in the general

(2) for a legislative candidate in the general election, 30 days after the date of the election;

1 election, the date on which the successful candidate in the designated
2 election is sworn into office;

3 (2) for a candidate in a municipal election, 30 days after
4 the date of the election; ³ (or 30 days after the date of a run-off election

5 ⁴ in the case of a candidate in a run-off election
6 days after the date of the election;

7 ⁵ for a candidate who withdraws before an election, 30
8 days after filing a notice of withdrawal; or

9 ⁶ for a candidate who withdraws after registering under
10 AS 15.40.040 but before filing for office, 30 days after the deadline
11 for filing a declaration of candidacy or a nominating petition;

12 ⁷ for a judicial candidate or a delegate to a constitu-
13 tional convention, 30 days after the date of the election.

14 (b) A candidate and a campaign officer of a candidate may not
15 solicit or accept a contribution for the designated election campaign
16 after the date on which the candidate is required to close campaign
17 accounts under (a) of this section.

18 (c) A candidate and a campaign officer of a candidate may not
19 make expenditures of any kind, except for the disposition of surplus
20 funds, after the date on which the candidate is required to close
21 campaign accounts under (a) of this section for

22 (1) goods or services provided to the candidate with re-
23 spect to the designated election campaign;

24 (2) the payment of campaign debts to an individual, person,
25 or political action committee; or

26 (3) the payment of loans made by the candidate to the
27 campaign of the candidate.

28 Sec. 15.14 190. SURPLUS CAMPAIGN FUNDS. (a) A candidate shall
29 dispose of campaign funds that are not spent during the designated

1 election campaign by

2 (1) donating the funds to an organization that qualifies as
3 a charitable organization under 26 U.S.C. 501(c);

4 (2) donating the funds to the general fund of the state or
5 of a municipality organized under AS 29;

6 (3) after registering with the commission under AS 15.14.-
7 040, transferring the funds to a newly designated election campaign
8 account for a designated state election to be held not more than four
9 years after the election designated under AS 15.14.040(b);

10 (4) paying an individual who worked in the candidate's
11 designated election campaign;

12 (5) transferring the funds to an account for the office, in
13 the case of a successful candidate only, and using the funds only for
14 communication with constituents and other voters in the state by
15 telephone or newsletter;

16 (6) returning the funds to contributors on a pro rata
17 basis.

18 (b) A candidate shall dispose of surplus funds under (a) of this
19 section before the date on which a final report of expenditures is
20 required to be filed under AS 15.14.070.

21 Sec. 15.14.200. SOLICITATION OF CONTRIBUTIONS. (a) A public
22 officer or employee of the state or of a municipality of the state may
23 not, while on the premises of a state or municipal office, solicit or
24 request a contribution to a candidate, political action committee or
25 political party.

26 (b) A ^{person} ~~public officer or employee of the state~~ may not solicit or
27 request ^a ~~another~~ public officer or employee to contribute to a candi-
28 date, political action committee, or political party while the ~~other~~
29 public officer or employee is on the premises of a state or municipal

1 office.

2 (c) A candidate, an officer of a candidate, a political action
3 committee, and an officer of a political action committee may not
4 knowingly accept a contribution obtained in violation of this section.

5 (d) Subsections (a) and (b) of this section do not apply to a
6 public officer elected to office by popular vote.

7 Sec. 15.14.210. IDENTIFICATION OF COMMUNICATION. (a) An adver-
8 tisement, billboard, handbill, paid-for television or radio announce-
9 ment, or other communication intended to influence the election of a
10 candidate or the outcome of a ballot proposition or question shall be
11 clearly identified by the words "paid for by" followed by the name and
12 address of the candidate, political action committee, or the person or
13 persons paying for the communication.

14 (b) A person or political action committee making an independent
15 expenditure for an item described in (a) of this section shall, within
16 the printed material or during a broadcast, state: "This communication
17 was not authorized by any candidate."

18 (c) The information required under (a) and (b) of this section
19 need not be included on an object used for a campaign advertisement,
20 if the object is one that the commission, by regulation, has deter-
21 mined is too small to practicably include the information.

22 ARTICLE 5. VIOLATIONS, CIVIL PENALTIES, AND PROCEDURES.

23 Sec. 15.14.220. CAMPAIGN FINANCING VIOLATIONS IN THE FIRST
24 DEGREE. (a) A person who, with intent to avoid disclosure, fails to
25 file a report of contributions, ^{or} expenditures ^{or loans} required to be filed 30
26 days or seven days before an election under AS 15.14.060(b) or fails
27 to file a report within 24 hours after receiving a contribution or
28 making an expenditure under AS 15.14.060(c) is subject to a civil
29 penalty of not less than ~~\$100~~ ^{\$500}, nor more than ~~\$500~~ ^{\$2,000} for each day that the

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1 report is due but not filed up to a maximum of \$25,000 for each
2 report.

3 (b) A political action committee that, with intent to avoid
4 disclosure, fails to file a report of contributions, ^{or} expenditures, ⁱⁿ ^{loa}
5 required to be filed 30 days or seven days before an election under
6 AS 15.14.070(b) or fails to file a report within 24 hours after re-
7 ceiving a contribution or making an expenditure under AS 15.14.070(c)
8 is subject to a civil penalty of not less than ~~\$100~~ ^{\$500} nor more than ~~\$300~~
9 ^{\$2,000} for each day that the report is due but not filed up to a maximum of
10 \$25,000 for each report.

11 (c) A person who, with intent to avoid disclosure, files a
12 report of contributions or expenditures containing a false or mislead-
13 ing statement as to a contributor, contribution, loan, or expenditure
14 required to be included in a report under AS 15.14.060(a) is subject
15 to a civil penalty

16 (1) of not less than \$500 nor more than \$5,000 for each
17 false or misleading statement; and

18 (2) not to exceed twice the amount of the contribution or
19 expenditure involving the false or misleading statement.

20 (d) A political action committee that, with intent to avoid
21 disclosure, files a report of contributions or expenditures containing
22 a false or misleading statement as to a contributor, contribution,
23 loan, or expenditure required to be included in a report under AS 15.-
24 14.070(a) is subject to a civil penalty

25 (1) of not less than \$500 nor more than \$5,000 for each
26 false or misleading statement; and

27 (2) not to exceed twice the amount of the contribution or
28 expenditure involving the false or misleading statement.

29 (e) A person who knowingly makes a contribution in excess of the

1 ~~\$22,000~~ ^{\$1,000} limitation under AS 15.14.110(b) or (c) is subject to a civil
2 penalty

- 3 (1) of not less than \$1,000 nor more than \$5,000; and
4 (2) not to exceed twice the amount that the contribution
5 exceeds the limitation.

6 (f) A political action committee that knowingly makes a contri-
7 bution in excess of the ~~\$2,000~~ ^{\$1,000} limitation under AS 15.14.120(b) or ~~in~~
8 ~~excess of the \$25,000 limitation under AS 15.14.120(d)~~ is subject to a
9 civil penalty

- 10 (1) of not less than \$1,000 nor more than \$5,000; and
11 (2) not to exceed twice the amount that the contribution
12 exceeds the limitation.

13 (g) Except as provided in AS 15.14.130(c), a political action
14 committee that knowingly accepts a contribution in excess of the
15 ~~\$2,000~~ ^{\$1,000} limitation established in AS 15.14.130(c) is subject to a civil
16 penalty

- 17 (1) of not less than \$1,000 nor more than \$5,000; and
18 (2) not to exceed twice the amount that the contribution
19 exceeds the limitation.

20 (h) A person who knowingly makes a contribution in the form of
21 cash during the year of more than \$100 in the aggregate in violation
22 of AS 15.14.110(a) is subject to a civil penalty of

- 23 (1) not less than \$100 nor more than \$1,000 if the contri-
24 bution is less than \$500, in the aggregate; and
25 (2) an additional civil penalty of not to exceed twice the
26 amount of the cash contribution if it amounts to \$500 or more in the
27 aggregate.

28 (i) A political action committee that knowingly makes a contri-
29 bution in the form of cash during the year of more than \$100 in the

1 maximum fine of \$3,000 for each report, registration, or statement.

2 (d) A person who files a report of contributions or expenditures
3 containing a false or misleading statement as to a contributor, con-
4 tribution, loan, or expenditure required to be included in a report
5 under AS 15.14.060(a) is subject to a civil penalty

6 (1) of not less than \$50 nor more than \$500 for each false
7 or misleading statement; and

8 (2) not to exceed the amount of the contribution or expen-
9 diture involving the false or misleading statement.

10 (e) A political action committee that files a report of contri-
11 butions or expenditures containing a false or misleading statement as
12 to a contributor, contribution, loan, or expenditure required to be
13 included in a report under AS 15.14.070(a) is subject to a civil
14 penalty of

15 (1) not less than \$50 nor more than \$500 for each false or
16 misleading statement; and

17 (2) not to exceed the amount of the contribution or expen-
18 diture involving the false or misleading statement.

19 (f) A person who makes a contribution in excess of the ~~\$2,000~~ ^{\$1,000}
20 limitation under AS 15.14.110(b) or (c) is subject to a civil penalty

21 (1) of not less than \$50 nor more than \$500; and

22 (2) not to exceed the amount that the contribution exceeds
23 the limitation.

24 (g) A political action committee that makes a contribution in
25 excess of the ~~\$2,000~~ ^{\$1,000} limitation under AS 15.14.120(b) ~~or in excess of~~
26 ~~the \$25,000 limitation under AS 15.14.120(b)~~ is subject to a civil
27 penalty

28 (1) of not less than \$50 nor more than \$500; and

29 (2) not to exceed the amount that the contribution exceeds

1 the limitation.

2 (h) A person who makes a contribution in the form of cash during
3 the year of more than \$100 in the aggregate in violation of AS 15.14.-
4 110(a) is subject to a civil penalty of not to exceed the amount of
5 the cash contribution.

6 (i) A political action committee that makes a contribution in
7 the form of cash during the year of more than \$100 in the aggregate in
8 violation of AS 15.14.120(a) is subject to a civil penalty of not to
9 exceed the amount of the cash contribution.

10 (j) A candidate or an officer of a candidate that accepts a
11 contribution in excess of the ^{\$1,000}~~\$2,000~~ limitation under AS 15.14.130(b)
12 is subject to a civil penalty

13 (1) of not less than \$50 nor more than \$500; and
14 (2) not to exceed the amount that the contribution exceeds
15 the limitation.

16 (k) A political action committee that accepts a contribution in
17 excess of the ^{\$1,000}~~\$2,000~~ limitation under AS 15.14.130(c) is subject to a
18 civil penalty

19 (1) of not less than \$50 nor more than \$500; and
20 (2) not to exceed the amount that the contribution exceeds
21 the limitation.

22 (l) A candidate, an officer of a candidate, a political action
23 committee, or an officer of a political action committee that accepts
24 a contribution in the form of cash during the year of more than \$100
25 in the aggregate in violation of AS 15.14.130(a) is subject to a civil
26 penalty of not to exceed the amount of the cash contribution.

27 (m) A candidate who fails to close a campaign account by the
28 date established in AS 15.14.180(a) is subject to a fine of not less
29 than \$25 nor more than \$100 per day for each day that the account

- 1 if the candidate is a candidate for the state legislature;
- 2 (2) art. II, sec. 20, Constitution of the State of Alaska,
- 3 if the candidate is a candidate for governor or lieutenant governor;
- 4 (3) AS 29.20.170, if the candidate is a candidate for
- 5 borough assembly;
- 6 (4) AS 29.20.280, if the candidate is a candidate for
- 7 borough mayor;
- 8 (5) AS 29.20.170, if the candidate is a candidate for city
- 9 council;
- 10 (6) AS 29.20.280(a), if the candidate is a candidate for
- 11 city mayor;
- 12 (7) the provisions of the bill for the constitutional
- 13 convention, if the candidate is a candidate for constitutional conven-
- 14 tion delegate;
- 15 (8) art. IV., sec. 10, Constitution of the State of Alaska,
- 16 if the candidate is a candidate for judicial retention.

17 (b) Information developed by the commission under AS 15.14.270

18 shall be considered during a proceeding under (a) of this section.

19 (c) When, after being sworn into office, a successful candidate

20 is charged with a violation in the first degree under AS 15.14.220(a),

21 the commission shall promptly hear the matter and accord it a pre-

22 ferred position for purposes of argument and decision so as to assure

23 a speedy disposition of the matter.

24 Sec. 15.14.260. LIMITATIONS ON ACTIONS. (a) A proceeding

25 alleging a violation of AS 15.14.220 must be commenced within four

26 years from the date of the alleged violation.

27 (b) A ~~prosecution~~ ^{proceeding} alleging a violation of AS 15.14.230 must be

28 commenced within two years from the date of the alleged ~~offense~~ ^{violation}.

29 (c) For the purposes of this section, a violation involving the

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1 of office as determined by two-thirds vote of the governing body;

2 (5) is convicted of a felony or of an offense involving a
3 violation of the oath of office;

4 (6) is convicted of a felony or misdemeanor described in
5 AS 15.56 and two-thirds of the members of the governing body concur in
6 expelling the person elected; misdemeanor under former AS 15.13 or is

7 (7) is convicted of a ~~violation of AS 15.14 or former~~
8 ~~AS 15.13~~ found to have committed a violation in the first
9 degree under AS 15.14.220 [VIOLATION OF AS 15.13];

(8) no longer physically resides in the municipality and

10 the governing body by two-thirds vote declares the seat vacant; or

11 (9) if a member of the governing body, misses three con-
12 secutive regular meetings and is not excused.

13 * Sec. 8. AS 29.20.280(a) is amended to read:

14 (a) The governing body shall, by two-thirds concurring vote,
15 declare the office of mayor vacant only when the person elected

16 (1) fails to qualify or take office within 30 days after
17 election or appointment;

18 (2) unless excused by the governing body, is physically
19 absent for 90 consecutive days;

20 (3) resigns and the resignation is accepted;

21 (4) is physically or mentally unable to perform the duties
22 of office;

23 (5) is convicted of a felony or of an offense involving a
24 violation of the oath of office;

25 (6) is convicted of a felony or misdemeanor described in
26 AS 15.56; misdemeanor under former AS 15.13 or is found

27 (7) is convicted of a ~~violation of AS 15.14 or former~~
28 ~~AS 15.13~~ found to have committed a violation in the first degree
29 under AS 15.14.220 [VIOLATION
OF AS 15.13];

(8) no longer physically resides in the municipality; or

1 * Sec. 14. AS 15.56.010(1) and (2) are repealed.

2 * Sec. 15. Alaska Public Office Commission members serving on the
3 effective date of this Act continue to serve out their terms as provided
4 under AS 15.13.020, repealed in sec. 13 of this Act. Vacancies occurring
5 after the effective date of this Act shall be filled in accordance with
6 AS 15.14.020 enacted in sec. 1 of this Act.

7 * Sec. 16. Notwithstanding AS 15.14.010(b) as enacted in sec. 1 of this
8 Act, the election of a municipality held under former AS 15.13.010(a) to
9 exempt its officers from the application of AS 15.13 is confirmed as an
10 exemption from the application of AS 15.14.

11 ~~* Sec. 17. AS 15.14.180 as enacted in sec. 1 of this Act does not apply~~
12 ~~to campaign accounts for election campaigns held before the effective date~~
13 ~~of this Act and does not apply to contributions solicited or accepted and~~
14 ~~to expenditures made for the purpose of retiring campaign debts incurred by~~
15 ~~a candidate in an election campaign held before the effective date of this~~
16 ~~Act.~~

17 * Sec. 18. This Act applies to election campaign activities that take
18 place after January 1, 1987, ~~and that relate to state or municipal elec-~~
19 ~~tions held after January 16, 1987.~~

20 * Sec. 19. This Act takes effect January 1, 1987.

*Sec. 17. In accordance with AS 15.14.180
enacted in sec. 1 of this Act, a candidate shall,
no later than January 31, 1987, close each
campaign account relating to a campaign for an
election held before the effective date of this
Act unless the campaign has outstanding debts. If
the campaign has outstanding debts, the candidate
may keep campaign accounts open after January 31,
1987, but shall close each campaign account within
30 days after all debts have been paid and in no

event later than January 1, 1988, whether or not
there are outstanding debts remaining on that
date. During the time that an account remains
open under this section, contributions may be
solicited and accepted and expenditures made only
for the purpose of retiring outstanding debts of a
campaign for an election held before the effective
date of this Act. An outstanding campaign debt
remaining on January 1, 1988 becomes the personal
debt of the candidate.

2 technical changes in work draft pages 1 and 10 alt 3-13-86

CS being ordered by Susan Burke 3/13/86 - JJA

Bradley
3/10/86.

Original sponsor: State Affairs Committee

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 356 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to election campaign financing and
7 the Alaska Public Offices Commission; and providing
8 for an effective date."

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

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

11 CHAPTER 14. ELECTION CAMPAIGN FINANCING.

12 ARTICLE 1. ALASKA PUBLIC OFFICES COMMISSION.

13 Sec. 15.14.010. APPLICABILITY. (a) This chapter applies in
14 each election for governor, lieutenant governor, a member of the state
15 legislature, a delegate to a constitutional convention, and a judge
16 seeking electoral retention.

17 (b) This chapter applies to each election for mayor, ^{municipal governing} ~~assembly,~~ ^{body}
18 and school board in a municipality with a population of more than
19 1,000 according to the latest estimates of population certified by the
20 Department of Community and Regional Affairs under AS 29.60.020. A
21 municipality may exempt its elections from the requirements of this
22 chapter if a majority of the voters voting on the question at a regu-
23 lar election as defined by AS 29.71.800 or a special municipality-wide
24 election called for that purpose vote to exempt its elections from the
25 requirements of this chapter. The question of exemption from the
26 requirements of this chapter may be submitted to the voters by initia-
27 tive or by the city council or borough assembly by ordinance.

28 (c) This chapter does not prohibit a municipality from addition-
29 al regulation of campaign contributions and expenditures by ordinance.

1 (d) Except as otherwise provided, this chapter applies to a
2 contribution, an expenditure or a communication made by a candidate, a
3 political action committee, a municipality, or a person for the pur-
4 pose of influencing the outcome of a ballot proposition or question as
5 well as that made to influence the nomination or election of a candi-
6 date.

7 (e) This chapter does not apply to contributions or expenditures
8 made for the sole purpose of acquiring signatures on a state or munic-
9 ipal initiative or referendum petition.

10 Sec. 15.14.020. ALASKA PUBLIC OFFICES COMMISSION. (a) The
11 Alaska Public Offices Commission is established in the Department of
12 Administration.

13 (b) The commission consists of five members.

14 (c) The governor shall appoint two members from each of the two
15 political parties whose candidates for governor received the highest
16 and second highest number of votes in the most recent preceding gener-
17 al election at which a governor was elected. The governor shall
18 appoint each member from a party from a list of four names submitted
19 to the governor by the central committee or other governing body of
20 the party.

21 (d) The four members who were appointed by the governor from
22 nominations submitted by political parties shall, by a majority vote,
23 appoint the fifth member.

24 (e) The governor shall fill a vacancy or appoint a successor to
25 a member appointed under (c) of this section within 30 days after
26 receiving the nominations from the central committee or other govern-
27 ing body of the party. An appointment may be made in anticipation of
28 an impending vacancy, and the appointment takes effect on the actual
29 vacancy.

1 (f) When the term of the member appointed under (d) of this
2 section expires or the position becomes vacant, a majority of the four
3 members appointed under (c) of this section shall appoint a successor
4 within 30 days after the position becomes vacant. An appointment may
5 be made in anticipation of an impending vacancy, and the appointment
6 takes effect on the actual vacancy.

7 (g) The term of office for each member of the commission is five
8 years and until a successor is appointed and qualifies. If a vacancy
9 occurs before the expiration of a member's term, the member appointed
10 to fill the vacancy serves for the remainder of the unexpired term. A
11 commission member may not serve more than one term, but a person
12 appointed to fill an unexpired term may be appointed to a successive
13 full five-year term.

14 (h) A member of the commission, during tenure, may not

15 (1) hold or campaign for elective office;

16 (2) be an officer of a political party, political commit-
17 tee, or political action committee;

18 (3) publicly support or oppose or make a contribution in
19 support of or in opposition to a candidate or proposition or question
20 that appears on a state, municipal or other ballot in the state;

21 (4) participate in an election campaign or participate in
22 or contribute to a political party; or

23 (5) lobby, employ, or assist a lobbyist.

24 (i) Members of the commission are entitled to receive compen-
25 sation of \$100 a day while attending commission meetings and are
26 entitled to travel expenses and per diem authorized by law for state
27 employees.

28 (j) The members of the commission shall elect a chairman. A
29 majority of the commission constitutes a quorum. The affirmative vote

1 of at least three members is required to take official action. A
2 vacancy does not impair the power of the remaining members to exercise
3 the powers of the commission.

4 (k) The commission may employ an executive director and other
5 employees it considers necessary. The executive director and an
6 employee of the commission may not, during tenure,

7 (1) serve as a member of the commission;

8 (2) engage in an activity described in (h) of this section.

9 (1) The commission shall establish a central office and shall
10 establish or designate a commission office in each election district
11 of the state for the filing and public inspection of the reports,
12 registrations, or statements required to be filed with the commission.
13 Only one commission office may be established or designated in a
14 municipality that contains more than one election district. A dis-
15 trict office designated under this subsection may be a municipal or
16 other public office.

17 (m) The forms and material required for compliance with this
18 chapter shall be made available in each commission office to candi-
19 dates, persons, and political action committees required to file
20 reports under this chapter.

21 (n) The commission shall promptly forward a copy of each report
22 filed by a statewide candidate to each district office and it shall
23 promptly forward a copy of each report filed by a legislative candi-
24 date to the district office in the election district where the candi-
25 date is seeking office.

26 (o) The commission shall ensure that copies of each report filed
27 by a candidate for municipal office are made available for public
28 inspection in the municipality in which the candidate is seeking
29 office.

1 Sec. 15.14.030. DUTIES OF THE COMMISSION. The commission shall

2 (1) develop and provide forms for the reports, registra-
3 tions, and statements required under this chapter, AS 24.45, and
4 AS 39.50;

5 (2) prepare and publish a manual setting out uniform meth-
6 ods of bookkeeping and reporting for use by persons required to make
7 reports, registrations, and statements under this chapter and other-
8 wise assist candidates, political action committees, and persons in
9 complying with this chapter;

10 (3) receive and hold open for public inspection reports,
11 registrations, and statements required to be filed under this chapter
12 and, upon request, furnish copies to an interested person at cost;

13 (4) compile and maintain a current list of each report,
14 registration, and statement filed with the commission;

15 (5) prepare a summary of each report, registration, or
16 statement filed under this chapter and make a copy of the summary
17 available to an interested person at cost;

18 (6) notify, by registered or certified mail, each person
19 whom the commission or its staff has probable cause to believe is
20 delinquent in filing a report, registration, or statement required
21 under this chapter;

22 (7) compile within 60 days after each election a list of
23 the names of all persons, candidates, and political action committees
24 who have failed to timely file a report, registration, or statement
25 required under this chapter and make the list available to the public;

26 (8) examine, investigate, and compare reports, registra-
27 tions, statements, and actions required by this chapter, AS 24.45, and
28 AS 39.50;

29 (9) prepare and publish an annual report to the legislature

1 concerning the activities of the commission, the effectiveness of this
2 chapter, and recommendations and proposals for change;

3 (10) adopt regulations necessary to implement and clarify
4 the provisions of this chapter, AS 24.45, and AS 39.50, subject to the
5 provisions of the Administrative Procedure Act (AS 44.62).

6 ARTICLE 2. REGISTRATION AND REPORTS.

7 Sec. 15.14.040. REGISTRATION BY CANDIDATES. (a) An individual
8 shall register with the commission on a form prescribed by the commis-
9 sion within 10 days after the individual either

10 (1) accepts contributions of \$1,000 or more in the aggre-
11 gate from persons or from political action committees for the purpose
12 of seeking elective office; or

13 (2) files for an elective office.

14 (b) The registration under (a) of this section must designate
15 the office and the year of the election for which the campaign will be
16 conducted, and designate whether the election is for a state or a
17 municipal office.

18 (c) An individual required to register under this section shall
19 include with the registration information required under AS 15.14.160.

20 Sec. 15.14.050. REGISTRATION BY POLITICAL ACTION COMMITTEES.

21 (a) A political action committee shall register with the commission
22 on a form prescribed by the commission within 10 days after the polit-
23 ical action committee either

24 (1) accepts contributions of \$1,000 in the aggregate; or

25 (2) makes

26 (A) a contribution to an individual who has registered
27 with the commission under AS 15.14.040; or

28 (B) an expenditure in support of or in opposition to
29 the election of an individual to an office covered by this

1 chapter, or on behalf of or in opposition to a ballot proposition
2 or question.

3 (b) A political action committee formed solely for the purpose
4 of sponsoring an initiative, a referendum or a recall shall register
5 with the commission within 30 days after it files a petition with the
6 lieutenant governor or with a municipal clerk.

7 (c) The registration of a political action committee is valid
8 from the date of registration until the following January 31.

9 (d) A political action committee may not use or file with the
10 commission a name that is the same as or materially similar to the
11 name of a political action committee whose registration is then on
12 file with the commission.

13 (e) If a political action committee intends to support or oppose
14 only one candidate or to contribute to or expend more than 50 percent
15 of its funds on behalf of or in opposition to one candidate, the name
16 of the candidate must be part of the name of the political action
17 committee. On receipt of the registration, the commission shall
18 promptly notify the candidate of the political action committee's
19 organization and its intent.

20 (f) A political action committee that makes expenditures or re-
21 ceives contributions with the authorization or consent, express or
22 implied, or under the control, direct or indirect, of a candidate is
23 controlled by the candidate. A contribution to a political action
24 committee controlled by a candidate is a contribution to the candi-
25 date.

26 (g) A political action committee required to register under this
27 section shall include with the registration the information required
28 under AS 15.14.160 and shall designate the year of the election for
29 which the campaign will be conducted or shall indicate that it

1 anticipates continuing existence.

2 Sec. 15.14.060. REPORTS BY CANDIDATES OF CONTRIBUTIONS, LOANS,
3 AND EXPENDITURES. (a) A candidate shall make full reports upon a
4 form prescribed by the commission of the contributions and loans
5 received and the expenditures made by the candidate for the designated
6 election campaign, including

7 (1) for each individual, person, or political action com-
8 mittee from which contributions in the aggregate amount of more than
9 \$100 were received:

10 (A) the full name, complete address, principal occupa-
11 tion, and employer of each individual;

12 (B) the full name, complete address, and principal
13 business activity of each person other than an individual;

14 (C) the full name, complete address, and principal
15 area of interest of each political action committee; and

16 (D) the date and amount of each contribution;

17 (2) for each person or political action committee that lent
18 any amount to the candidate or that guaranteed or otherwise agreed to
19 assume a financial obligation in any amount for or on behalf of a
20 candidate,

21 (A) the full name, complete address, principal occupa-
22 tion, and employer of each individual;

23 (B) the full name, complete address, and principal
24 business activity of each person other than an individual;

25 (C) the full name, complete address, and principal
26 area of interest of each political action committee;

27 (D) the purpose of the loan;

28 (E) the date and total value of the loan or financial
29 obligation;

1 (F) the interest rate of the loan or financial obliga-
2 tion;

3 (G) the date the loan or financial obligation is due;
4 and

5 (H) the security, if any, for the loan or financial
6 obligation;

7 (3) the total number and amount of all contributions re-
8 ceived of \$100 or less;

9 (4) a total of all contributions received;

10 (5) the total of all expenditures made or obligated;

11 (6) the total amount of all funds that the candidate con-
12 tributed or lent to the campaign of the candidate; and

13 (7) the date, check number, the amount of the check, the
14 full name of the payee, and the purpose of each expenditure.

15 (b) A report containing the information required under (a) of
16 this section must list the contributions and loans received and the
17 expenditures made during the period ending three days before the due
18 date of the report and beginning on the last day covered by the most
19 recent previous report. The report shall be filed in the central
20 office or a district office of the commission at the following times:

21 (1) 30 days before the election unless the deadline for
22 filing a nominating petition or declaration of candidacy is less than
23 34 days before the election;

24 (2) seven days before the election.

25 (c) A candidate shall file a special contribution, loan, or
26 expenditure report with the commission for each contribution, loan, or
27 expenditure of more than \$250 that is received within the last 10 days
28 before the election. The report must include the full name, complete
29 address, principal occupation and employer of the contributor or

1 lender and the date and amount of the contribution or loan, or the
 2 purpose of the expenditure. The report shall be filed within 24 hours
 3 after the contribution or loan is received or the expenditure is made.

4 (d) A candidate shall file an annual report on or before Janu-
 5 ary 31 of each year, except that a candidate shall file a final report
 6 covering contributions and loans received and expenditures made during
 7 the year in which an election designated under AS 15.14.040(b) is
 8 held. The final report shall be filed no later than 30 days after the
 9 date on which the candidate must close campaign accounts under AS 15.-
 10 14.180. The annual report must include all of the information re-
 11 quired under (a) of this section for contributions and loans received
 12 and expenditures made between January 1 and December 31 of the immedi-
 13 ately preceding year, except that ^{final report covering} ~~an annual report filed by~~ January 31
 14 ~~following~~ the year in which an election designated under AS 15.14.-
 15 040(b) is held

16 (1) need include only the contributions, loans, and expen-
 17 ditures that were not reported to the commission in the reports re-
 18 quired under (b) and (c) of this section;

19 (2) must include contributions and loans received and
 20 expenditures made through the date that a campaign account is required
 21 to be closed under AS 15.14.180; and

22 (3) must include the amount and the disposition of surplus
 23 funds.

24 Sec. 15.14.070. REPORTS BY POLITICAL ACTION COMMITTEES OF CON-
 25 TRIBUTIONS, LOANS, AND EXPENDITURES. (a) A political action commit-
 26 tee shall make a report on a form prescribed by the commission of
 27 contributions and loans received by the political action committee,
 28 including

29 (1) for each individual, person, or political action

1 committee from which contributions in the aggregate amount of more
2 than \$100 were received:

3 (A) the full name, complete address, principal occupa-
4 tion, and employer of each individual;

5 (B) the full name, complete address, and principal
6 business activity of each person other than an individual;

7 (C) the full name, complete address, and principal
8 area of interest of each political action committee; and

9 (D) the date and amount of each contribution;

10 (2) for each person or other political action committee
11 that lent any amount to the reporting political action committee or
12 that guaranteed or otherwise agreed to assume a financial obligation
13 in any amount for or on behalf of the reporting political action
14 committee,

15 (A) the full name, complete address, principal occupa-
16 tion, and employer of each individual;

17 (B) the full name, complete address, and principal
18 business activity of each person other than an individual;

19 (C) the full name, complete address, and principal
20 area of interest of each political action committee;

21 (D) the purpose of the loan;

22 (E) the date and total value of the loan or financial
23 obligation;

24 (F) the interest rate of the loan or financial obli-
25 gation;

26 (G) the date the loan or financial obligation is due;
27 and

28 (H) the security, if any, for the loan or financial
29 obligation;

1 (3) the total number and amount of all contributions re-
2 ceived of \$100 or less;

3 (4) a total of all contributions received;

4 (5) a total of all expenditures made or obligated;

5 (6) the date, check number, the amount of the check, full
6 name of each payee, and the purpose of each expenditure including

7 (A) for each expenditure that is a contribution to a
8 candidate or a political action committee, the name of the candi-
9 date or political action committee; and

10 (B) for each expenditure that is an independent expen-
11 diture, the name of the candidate or ballot proposition or ques-
12 tion supported or opposed by the independent expenditure.

13 (b) A report containing the information required under (a) of
14 this section must list the contributions and loans received and expen-
15 ditures made during the period ending three days before the due date
16 of the report and beginning on the last day covered by the most recent
17 previous report. The report shall be filed in the central office or a
18 district office of the commission at the following times:

19 (1) 30 days before the election;

20 (2) seven days before the election.

21 (c) A political action committee shall file a special contribu-
22 tion, loan, or expenditures report with the commission for each con-
23 tribution, loan, or expenditure of more than \$250 that is received
24 within the last 10 days before the election. The report must include
25 the full name, complete address, principal occupation and employer of
26 the contributor or lender and the date and amount of the contribution
27 or loan or the purpose of the expenditure. The report shall be filed
28 within 24 hours after the contribution or loan is received or the
29 expenditure is made.

1 (d) A political action committee shall file an annual report on
2 or before January 31 of each year. The annual report must include all
3 of the information required under (a) of this section for contribu-
4 tions and loans received and expenditures made between January 1 and
5 December 31 of the immediately preceding year, except that an annual
6 report covering contributions and loans received and expenditures made
7 during the year in which an election designated under AS 15.14.050(f)
8 is held need include only those contributions, loans, and expenditures
9 that were not reported to the commission in the reports required under
10 (b) and (c) of this section. If the political action committee has
11 not indicated a continuing existence under AS 15.14.050(g), the report
12 filed under this section is the final report.

13 Sec. 15.14.080. STATEMENT BY PERSON MAKING CONTRIBUTION OR
14 EXPENDITURE. (a) A person who makes contributions of more than \$250
15 in the aggregate in goods, services, or money to a candidate or polit-
16 ical action committee or who makes independent expenditures described
17 in AS 15.14.090 with a value of more than \$250 in the aggregate to
18 influence the election of a candidate or the passage of a ballot
19 proposition or question shall make and file in the central or a dis-
20 trict office of the commission a signed statement on a form made
21 available by the commission reporting the activity within 10 days
22 after the contribution or expenditure is made.

23 (b) The statement must list the name, address, principal occupa-
24 tion, and employer of the person who paid for the contribution or
25 expenditure and include the date, amount, payee, and purpose of the
26 contribution or expenditure.

27 (c) The statement must include a certification by the person
28 making the statement that the contribution or expenditure consists of
29 funds or property belonging to the contributor and that the funds have

1 not been given or furnished by another person or political action
2 committee.

3 (d) The person filing the statement shall furnish a copy of the
4 statement to the candidate or the campaign treasurer of the political
5 action committee at the time the statement is filed with the commis-
6 sion.

7 Sec. 15.14.090. INDEPENDENT EXPENDITURE. (a) An independent
8 expenditure is an expenditure by a person or political action commit-
9 tee for a communication expressly advocating the election or defeat of
10 a clearly identified candidate that is made without arrangement,
11 coordination, or direction with or by the candidate or the agent of
12 the candidate before the publication, distribution, display, or broad-
13 cast of the communication. An expenditure is a contribution and not
14 an independent expenditure if it is based on information about the
15 candidate's plans, projects, or needs provided to the expending person
16 or political action committee by the candidate or by an agent of the
17 candidate with a view toward having an expenditure made.

18 (b) An expenditure is made in coordination with the candidate or
19 the agent of the candidate if it is made by or in consultation with a
20 person

21 (1) who is or within one year before the date of the expen-
22 diture has been authorized by the candidate or by a campaign officer
23 to raise or expend funds on behalf of the candidate;

24 (2) who is or within one year before the date of the expen-
25 diture has been an officer of a campaign committee of the candidate;
26 or

27 (3) who is or within one year before the date of the expen-
28 diture has been receiving any form of compensation or reimbursement
29 from the candidate or from campaign funds for professional services

1 that require the exercise of discretion or judgment relating to the
2 conduct of the campaign.

3 (c) In this section, an "agent of the candidate" means an indi-
4 vidual

5 (1) who has actual oral or written authority, either ex-
6 press or implied, to make or to authorize the making of an expenditure
7 on behalf of a candidate; or

8 (2) who has been placed in a position within the campaign
9 organization where it would reasonably appear that in the ordinary
10 course of campaign related activities the individual may authorize an
11 expenditure.

12 Sec. 15.14.100. CERTIFICATION OF REPORTS. Each report, regis-
13 tration, or statement required under this chapter shall be certified
14 as correct by the candidate or the campaign treasurer of the candi-
15 date, by the campaign treasurer of the political action committee, or
16 by the person making the report, registration, or statement. The
17 report, registration, or statement must include or be accompanied by
18 the following certification signed by the individual filing the re-
19 port, registration, or statement:

20 "I certify that, to the best of my knowledge, this report
21 is true, correct, and complete."

22 ARTICLE 3. CONTRIBUTIONS AND EXPENDITURES.

23 Sec. 15.14.110. CONTRIBUTIONS BY A PERSON. (a) A person may
24 not make a contribution in the form of a cash payment in excess of
25 \$100 in the aggregate during a calendar year to a candidate or a
26 political action committee.

27 (b) A person may not make a contribution in excess of \$1,000 in
28 the aggregate during a calendar year in money, goods, or services to a
29 candidate.

1 (c) Except as provided in (d) of this section, a person may not
2 make a contribution in excess of \$1,000 in the aggregate during a
3 calendar year in money, goods, or services to a political action
4 committee.

5 (d) Except as provided in (a) of this section, a person may
6 contribute any amount in money, goods, or services

7 (1) to a political action committee formed solely for the
8 purpose of sponsoring or opposing an initiative or referendum; or

9 (2) to a political party.

10 (e) An individual or person may not make a contribution in any
11 amount to a candidate or political action committee in the form of a
12 loan or loan guarantee. This subsection does not prohibit

13 (1) a contribution in the form of a loan by a candidate or
14 the spouse, parent, or child of the candidate to the campaign of the
15 candidate; or

16 (2) an extension of credit by a person providing goods or
17 services in the normal course of business to a political action com-
18 mittee, a candidate, or a candidate's campaign.

19 Sec. 15.14.120. CONTRIBUTIONS BY A POLITICAL ACTION COMMITTEE.

20 (a) A political action committee may not make a contribution in the
21 form of a cash payment in excess of \$100 in the aggregate during a
22 calendar year to a candidate or political action committee.

23 (b) Except as provided in (c) of this section, a political
24 action committee may not contribute or make an expenditure, other than
25 as an independent expenditure, of more than \$1,000 in the aggregate
26 during a year to a candidate or to a political action committee.

27 (c) Except as provided in (a) of this section, a political
28 action committee may contribute any amount in money, goods, or ser-
29 vices to

1 (1) a political action committee formed solely for the pur-
2 pose of sponsoring or opposing an initiative or referendum; or

3 (2) a political party.

4 (d) A political action committee may not make a loan or a loan
5 guarantee to a candidate or to another political action committee.

6 (e) Two or more political action committees sharing a majority
7 of their officers are considered to be a single group for purposes of
8 the contribution limitations under (a) and (b) of this section.

9 (f) An expenditure for a communication in support of the elec-
10 tion of more than one candidate shall be prorated equally among the
11 candidates for purposes of calculating the amount of the expenditure
12 made on behalf of one of the candidates.

13 (g) A political party and its state, regional, and local subdi-
14 visions are not subject to the limitations prescribed in this section,
15 but each is subject to the reporting requirements of AS 15.14.070.

16 Sec. 15.14.130. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A
17 candidate, a campaign officer of a candidate, a political action
18 committee, and an officer of a political action committee may not
19 accept a contribution in the form of a cash payment in excess of \$100
20 in the aggregate during a year from a person or a political action
21 committee.

22 (b) A candidate and a campaign officer of a candidate may not
23 accept a contribution in excess of \$1,000 in the aggregate during a
24 calendar year in money, goods, or services from a person or a politi-
25 cal action committee.

26 (c) Except as provided in this subsection, a political action
27 committee and an officer of a political action committee may not
28 accept a contribution in excess of \$1,000 in the aggregate during a
29 calendar year in money, goods, or services from a person or a

1 political action committee. A political party or a political action
2 committee formed solely for the purpose of sponsoring or opposing an
3 initiative or a referendum may

4 (1) accept any amount in money, goods, or services;

5 (2) not accept a contribution in the form of a cash payment
6 in excess of \$100 in the aggregate during a calendar year from a
7 person.

8 (d) A candidate and a political action committee may not accept
9 a contribution in the form of a loan or a loan guarantee.

10 Sec. 15.14.140. EXPENDITURES. (a) A political party may make a
11 contribution or expenditure of money, goods, or services without
12 limitation as to amount or value.

13 (b) Except as provided under AS 15.14.170, a candidate may make
14 expenditures of money, goods, or services on behalf of the candidate's
15 own campaign without limitation as to amount or value.

16 (c) A person or political action committee may make an indepen-
17 dent expenditure as defined in AS 15.14.090 of money, goods, or ser-
18 vices without limitation as to amount or value on behalf of or in
19 opposition to a candidate or ballot proposition.

20 Sec. 15.14.150. PROHIBITED CONTRIBUTIONS. (a) A contribution
21 may not be made and an expenditure may not be made or incurred either
22 directly or indirectly in a fictitious name, anonymously, or by one
23 person or political action committee in the name of another. A con-
24 tribution made by a corporation is not a contribution in the name of a
25 shareholder of the corporation for the purposes of this subsection.

26 (b) A contribution made by a person wishing to remain anonymous
27 and received by a candidate or political action committee may not be
28 accepted, but shall be returned to the donor if the identity of the
29 donor is known. If the identity of the donor is not known, the

1 contribution shall be donated to an organization that qualifies as a
2 charitable organization under 26 U.S.C. 501(c).

3 (c) A candidate, a campaign officer of a candidate, political
4 action committee, and a campaign officer of a political action commit-
5 tee may not accept a contribution described in this section. A con-
6 tribution under this section is accepted unless it is returned or
7 donated under (b) of this section within 10 days after the candidate
8 or political action committee knows or should have known that the con-
9 tribution is prohibited under this section.

10 ARTICLE 4. CAMPAIGN CONDUCT AND ADMINISTRATION.

11 Sec. 15.14.160. CAMPAIGN OFFICERS. (a) Each candidate may and
12 each political action committee shall appoint a campaign chairman.
13 Each candidate and each political action committee shall appoint a
14 campaign treasurer who is responsible for receiving, holding, and
15 disbursing all contributions and expenditures, and for filing all
16 reports and statements required by law. Each candidate and each
17 political action committee may appoint deputy campaign treasurers at
18 any time. A candidate may be a campaign treasurer.

19 (b) At the time a candidate registers with the commission under
20 AS 15.14.040, the candidate shall file a statement in the central or a
21 district office of the commission listing the name, address, and
22 telephone number of the candidate's campaign treasurer. At the time a
23 political action committee registers with the commission under AS 15.-
24 14.050, the political action committee shall file a statement in the
25 central or a district office of the commission listing the name,
26 address, and telephone number of the political action committee's cam-
27 paign treasurer. Each candidate who appoints a campaign chairman and
28 each political action committee shall include in the statement the
29 name, address, and telephone number of the campaign chairman.

1 (c) An individual may not act as the campaign chairman, campaign
2 treasurer, or deputy campaign treasurer for a candidate or political
3 action committee until the name, address, and telephone number of the
4 individual has been filed with the commission. The address of a
5 candidate's campaign treasurer is the address of the candidate unless
6 the candidate files a different mailing address with the commission.

7 (d) In the case of the death, resignation, or removal of a
8 campaign officer required to be appointed under this section, the
9 candidate or political action committee shall file the name, address,
10 and telephone number of the successor in the central or a district
11 office of the commission within 10 days after the vacancy occurs.

12 (e) A candidate may receive contributions and make expenditures
13 only in person or through a campaign chairman, a campaign treasurer,
14 or a deputy campaign treasurer. A political action committee may re-
15 ceive contributions and make expenditures only through the campaign
16 chairman, campaign treasurer, or deputy campaign treasurer of the
17 political action committee. A person does not receive or make a
18 contribution under this section on behalf of a candidate or political
19 action committee if

20 (1) the person transfers or delivers a contribution to a
21 candidate or a campaign officer of a candidate or political action
22 committee and discloses to the candidate or political action committee
23 the identity of the contributor;

24 (2) the person does not exercise discretion or control as
25 to the amount or as to the identity of the recipient of the contribu-
26 tion; and

27 (3) the person is not a campaign officer of the candidate
28 or political action committee ultimately receiving the contribution.

29 (f) The candidate is responsible for the performance of the

1 campaign officers of the candidate. The campaign chairman of a polit-
2 ical action committee is responsible for the performance of the other
3 officers of the political action committee. A default or violation by
4 the officer is considered a default or violation by the candidate if
5 the candidate knew or had reason to know of the default or violation.
6 A default or violation by the officer of the political action commit-
7 tee is considered a default or violation by the campaign chairman of
8 the political action committee if the campaign chairman knew or had
9 reason to know of the default or violation.

10 Sec. 15.14.170. USE OF CAMPAIGN FUNDS. (a) Campaign funds
11 received by a candidate or by a political action committee may be used
12 only to

13 (1) influence or attempt to influence the actions of the
14 voters for or against the election of a candidate or the passage or
15 defeat of a ballot proposition or question; or

16 (2) repay a loan made to the campaign of the candidate.

17 (b) Campaign funds may not be used to repay a loan not timely
18 reported as a loan under AS 15.14.060(a)(2).

19 (c) Surplus campaign funds shall be disposed of under AS 15.14.-
20 190.

21 Sec. 15.14.180. TERMINATION OF CAMPAIGN ACTIVITY AND CLOSING OF
22 CAMPAIGN ACCOUNTS. (a) A candidate shall close each campaign account
23 relating to a designated election campaign on or before one of the
24 following dates:

25 (1) for a statewide candidate in the general election, the
26 date on which the successful candidate in the designated election is
27 sworn into office;

28 (2) for a legislative candidate in the general election, 30
29 days after the date of the election;

1 (3) for a candidate in a municipal election, 30 days after
2 the date of the election or, in the case of a run-off election, 30
3 days after the date of a run-off election;

4 (4) for a candidate who loses in a primary election, 30
5 days after the date of the election;

6 (5) for a candidate who withdraws before an election, 30
7 days after filing a notice of withdrawal; or

8 (6) for a candidate who withdraws after registering under
9 AS 15.40.040 but before filing for office, 30 days after the deadline
10 for filing a declaration of candidacy or a nominating petition;

11 (7) for a judicial candidate or a delegate to a constitu-
12 tional convention, 30 days after the date of the election.

13 (b) A candidate and a campaign officer of a candidate may not
14 solicit or accept a contribution for the designated election campaign
15 after the date on which the candidate is required to close campaign
16 accounts under (a) of this section.

17 (c) A candidate and a campaign officer of a candidate may not
18 make expenditures of any kind, except for the disposition of surplus
19 funds, after the date on which the candidate is required to close
20 campaign accounts under (a) of this section for

21 (1) goods or services provided to the candidate with re-
22 spect to the designated election campaign;

23 (2) the payment of campaign debts to an individual, person,
24 or political action committee; or

25 (3) the payment of loans made by the candidate to the
26 campaign of the candidate.

27 Sec. 15.14.190. SURPLUS CAMPAIGN FUNDS. (a) A candidate shall
28 dispose of campaign funds that are not spent during the designated
29 election campaign by

1 (1) donating the funds to an organization that qualifies as
2 a charitable organization under 26 U.S.C. 501(c);

3 (2) donating the funds to the general fund of the state or
4 of a municipality organized under AS 29;

5 (3) after registering with the commission under AS 15.14.-
6 040, transferring the funds to a newly designated election campaign
7 account for a designated state election to be held not more than four
8 years after the election designated under AS 15.14.040(b);

9 (4) paying an individual who worked in the candidate's
10 designated election campaign;

11 (5) transferring the funds to an account for the office, in
12 the case of a successful candidate only, and using the funds only for
13 communication with constituents and other voters in the state by
14 telephone or newsletter;

15 (6) returning the funds to contributors on a pro rata
16 basis.

17 (b) A candidate shall dispose of surplus funds under (a) of this
18 section before the date on which a final report of expenditures is
19 required to be filed under AS 15.14.070.

20 Sec. 15.14.200. SOLICITATION OF CONTRIBUTIONS. (a) A public
21 officer or employee of the state or of a municipality of the state may
22 not, while on the premises of a state or municipal office, solicit or
23 request a contribution to a candidate, political action committee or
24 political party.

25 (b) A person may not solicit or request a public officer or
26 employee to contribute to a candidate, political action committee, or
27 political party while the public officer or employee is on the prem-
28 ises of a state or municipal office.

29 (c) A candidate, an officer of a candidate, a political action

1 committee, and an officer of a political action committee may not
2 knowingly accept a contribution obtained in violation of this section.

3 (d) Subsections (a) and (b) of this section do not apply to a
4 public officer elected to office by popular vote.

5 Sec. 15.14.210. IDENTIFICATION OF COMMUNICATION. (a) An adver-
6 tisement, billboard, handbill, paid-for television or radio announce-
7 ment, or other communication intended to influence the election of a
8 candidate or the outcome of a ballot proposition or question shall be
9 clearly identified by the words "paid for by" followed by the name and
10 address of the candidate, political action committee, or the person or
11 persons paying for the communication.

12 (b) A person or political action committee making an independent
13 expenditure for an item described in (a) of this section shall, within
14 the printed material or during a broadcast, state: "This communication
15 was not authorized by any candidate."

16 (c) The information required under (a) and (b) of this section
17 need not be included on an object used for a campaign advertisement,
18 if the object is one that the commission, by regulation, has deter-
19 mined is too small to practicably include the information.

20 ARTICLE 5. VIOLATIONS, CIVIL PENALTIES, AND PROCEDURES.

21 Sec. 15.14.220. CAMPAIGN FINANCING VIOLATIONS IN THE FIRST
22 DEGREE. (a) A person who, with intent to avoid disclosure, fails to
23 file a report of contributions, loans, or expenditures required to be
24 filed 30 days or seven days before an election under AS 15.14.060(b)
25 or fails to file a report within 24 hours after receiving a contribu-
26 tion or making an expenditure under AS 15.14.060(c) is subject to a
27 civil penalty of not less than \$500 nor more than \$2,000 for each day
28 that the report is due but not filed up to a maximum of \$25,000 for
29 each report.

1 (b) A political action committee that, with intent to avoid
2 disclosure, fails to file a report of contributions, loans, or expen-
3 ditures required to be filed 30 days or seven days before an election
4 under AS 15.14.070(b) or fails to file a report within 24 hours after
5 receiving a contribution or making an expenditure under AS 15.14.-
6 070(c) is subject to a civil penalty of not less than \$500 nor more
7 than \$2,000 for each day that the report is due but not filed up to a
8 maximum of \$25,000 for each report.

9 (c) A person who, with intent to avoid disclosure, files a
10 report of contributions or expenditures containing a false or mislead-
11 ing statement as to a contributor, contribution, loan, or expenditure
12 required to be included in a report under AS 15.14.060(a) is subject
13 to a civil penalty

14 (1) of not less than \$500 nor more than \$5,000 for each
15 false or misleading statement; and

16 (2) not to exceed twice the amount of the contribution or
17 expenditure involving the false or misleading statement.

18 (d) A political action committee that, with intent to avoid
19 disclosure, files a report of contributions or expenditures containing
20 a false or misleading statement as to a contributor, contribution,
21 loan, or expenditure required to be included in a report under AS 15.-
22 14.070(a) is subject to a civil penalty

23 (1) of not less than \$500 nor more than \$5,000 for each
24 false or misleading statement; and

25 (2) not to exceed twice the amount of the contribution or
26 expenditure involving the false or misleading statement.

27 (e) A person who knowingly makes a contribution in excess of the
28 limitation under AS 15.14.110(b) or (c) is subject to a civil penalty

29 (1) of not less than \$1,000 nor more than \$5,000; and

1 (2) not to exceed twice the amount that the contribution
2 exceeds the limitation.

3 (f) A political action committee that knowingly makes a contri-
4 bution in excess of the limitation under AS 15.14.120(b) is subject to
5 a civil penalty

6 (1) of not less than \$1,000 nor more than \$5,000; and

7 (2) not to exceed twice the amount that the contribution
8 exceeds the limitation.

9 (g) Except as provided in AS 15.14.130(c), a political action
10 committee that knowingly accepts a contribution in excess of the
11 limitation established in AS 15.14.130(c) is subject to a civil
12 penalty

13 (1) of not less than \$1,000 nor more than \$5,000; and

14 (2) not to exceed twice the amount that the contribution
15 exceeds the limitation.

16 (h) A person who knowingly makes a contribution in the form of
17 cash during the year of more than \$100 in the aggregate in violation
18 of AS 15.14.110(a) is subject to a civil penalty of

19 (1) not less than \$100 nor more than \$1,000 if the contri-
20 bution is less than \$500, in the aggregate; and

21 (2) an additional civil penalty of not to exceed twice the
22 amount of the cash contribution if it amounts to \$500 or more in the
23 aggregate.

24 (i) A political action committee that knowingly makes a contri-
25 bution in the form of cash during the year of more than \$100 in the
26 aggregate in violation of AS 15.14.120(a) is subject to a civil penal-
27 ty of

28 (1) not less than \$100 nor more than \$1,000 if the contri-
29 bution is less than \$500, in the aggregate; and

1 (2) an additional civil penalty of not to exceed twice the
2 amount of the cash contribution if it amounts to \$500 or more in the
3 aggregate.

4 (j) A person or political action committee that knowingly ac-
5 cepts a contribution in the form of cash during the year of more than
6 \$100 in the aggregate in violation of AS 15.14.130(a) is subject to a
7 civil penalty of

8 (1) not less than \$100 nor more than \$1,000 if the contri-
9 bution is less than \$500, in the aggregate; and

10 (2) an additional civil penalty of not to exceed twice the
11 amount of the cash contribution if it amounts to \$500 or more in the
12 aggregate.

13 (k) A person or political action committee that, with intent to
14 avoid disclosure, makes or accepts a contribution in violation of
15 AS 15.14.150(a) or (c) is subject to a civil penalty of

16 (1) not less than \$500 nor more than \$5,000; and

17 (2) if the contribution amounts to \$500 or more, an addi-
18 tional civil penalty of not to exceed twice the amount of the contri-
19 bution.

20 (l) A person or political action committee that knowingly ac-
21 cepts a contribution obtained in violation of AS 15.56.025 through a
22 threat of physical force, job discrimination, or financial reprisals
23 is subject to a civil penalty of not less than \$1,000 nor more than
24 \$10,000.

25 (m) A person or political action committee that intentionally
26 solicits or requests a contribution from a public officer or employee
27 of the state or a municipality of the state in a manner prohibited
28 under AS 15.14.200(a) or (b) is subject to a civil penalty of not less
29 than \$500 nor more than \$5,000.

1 (n) A person or political action committee that knowingly ac-
2 cepts a contribution from a public officer or employee of the state or
3 a municipality of the state in a manner prohibited under AS 15.14.-
4 200(a) or (b) is subject to a civil penalty of not less than \$500 nor
5 more than \$5,000.

6 Sec. 15.14.230. CAMPAIGN FINANCING VIOLATIONS IN THE SECOND
7 DEGREE. (a) A person who fails to file a report of contributions or
8 expenditures required to be filed 30 days or seven days before an
9 election under AS 15.14.060(b) or fails to file a report within 24
10 hours after receiving a contribution or making an expenditure under
11 AS 15.14.060(c) is subject to a civil penalty of not less than \$25 nor
12 more than \$100 for each day that the report is due but not filed up to
13 a maximum of \$5,000 for each report.

14 (b) A political action committee that fails to file a report of
15 contributions or expenditures required to be filed 30 days or seven
16 days before an election under AS 15.14.070(b) or fails to file a
17 report within 24 hours after receiving a contribution or making an
18 expenditure under AS 15.14.070(c) is subject to a civil penalty of not
19 less than \$25 nor more than \$100 for each day that the report is due
20 but not filed up to a maximum of \$5,000 for each report.

21 (c) A person who fails to file a report, registration, or state-
22 ment required to be filed under this chapter, other than a report
23 described in (a) or (b) of this section, is subject to a civil penalty
24 of not less than \$10 nor more than \$100 per day for each day that the
25 report, registration, or statement is due but not filed, up to a
26 maximum fine of \$3,000 for each report, registration, or statement.

27 (d) A person who files a report of contributions or expenditures
28 containing a false or misleading statement as to a contributor, con-
29 tribution, loan, or expenditure required to be included in a report

1 under AS 15.14.060(a) is subject to a civil penalty

2 (1) of not less than \$50 nor more than \$500 for each false
3 or misleading statement; and

4 (2) not to exceed the amount of the contribution or expen-
5 diture involving the false or misleading statement.

6 (e) A political action committee that files a report of contri-
7 butions or expenditures containing a false or misleading statement as
8 to a contributor, contribution, loan, or expenditure required to be
9 included in a report under AS 15.14.070(a) is subject to a civil
10 penalty of

11 (1) not less than \$50 nor more than \$500 for each false or
12 misleading statement; and

13 (2) not to exceed the amount of the contribution or expen-
14 diture involving the false or misleading statement.

15 (f) A person who makes a contribution in excess of the limita-
16 tion under AS 15.14.110(b) or (c) is subject to a civil penalty

17 (1) of not less than \$50 nor more than \$500; and

18 (2) not to exceed the amount that the contribution exceeds
19 the limitation.

20 (g) A political action committee that makes a contribution in
21 excess of the limitation under AS 15.14.120(b) is subject to a civil
22 penalty

23 (1) of not less than \$50 nor more than \$500; and

24 (2) not to exceed the amount that the contribution exceeds
25 the limitation.

26 (h) A person who makes a contribution in the form of cash during
27 the year of more than \$100 in the aggregate in violation of AS 15.14.-
28 110(a) is subject to a civil penalty of not to exceed the amount of
29 the cash contribution.

1 (i) A political action committee that makes a contribution in
2 the form of cash during the year of more than \$100 in the aggregate in
3 violation of AS 15.14.120(a) is subject to a civil penalty of not to
4 exceed the amount of the cash contribution.

5 (j) A candidate or an officer of a candidate that accepts a
6 contribution in excess of the limitation under AS 15.14.130(b) is
7 subject to a civil penalty

8 (1) of not less than \$50 nor more than \$500; and

9 (2) not to exceed the amount that the contribution exceeds
10 the limitation.

11 (k) A political action committee that accepts a contribution in
12 excess of the limitation under AS 15.14.130(c) is subject to a civil
13 penalty

14 (1) of not less than \$50 nor more than \$500; and

15 (2) not to exceed the amount that the contribution exceeds
16 the limitation.

17 (l) A candidate, an officer of a candidate, a political action
18 committee, or an officer of a political action committee that accepts
19 a contribution in the form of cash during the year of more than \$100
20 in the aggregate in violation of AS 15.14.130(a) is subject to a civil
21 penalty of not to exceed the amount of the cash contribution.

22 (m) A candidate who fails to close a campaign account by the
23 date established in AS 15.14.180(a) is subject to a fine of not less
24 than \$25 nor more than \$100 per day for each day that the account
25 should have been but was not closed, up to a maximum of \$2,000.

26 (n) A person who fails to dispose of surplus funds by the date
27 established in AS 15.14.190(b) is subject to a civil penalty of not
28 less than \$25 nor more than \$100 per day for each day that the surplus
29 funds should have been but were not disposed of, up to a maximum of

1 \$2,000.

2 (o) A person is subject to a civil penalty of not less than \$100
3 nor more than \$2,000 if the person

4 (1) solicits or accepts a contribution or makes an expendi-
5 ture, other than a disposition of surplus funds, after the date that
6 campaign accounts are required to be closed under AS 15.14.180;

7 (2) uses campaign funds for a purpose not permitted under
8 AS 15.14.170;

9 (3) uses surplus funds for a purpose not permitted under
10 AS 15.14.190;

11 (4) acts as a campaign officer at a time when the name of
12 the person has not been filed with the commission; or

13 (5) fails to include in a communication intended to influ-
14 ence the election of a candidate or the outcome of a ballot proposi-
15 tion or question the information required under AS 15.14.210(a) or
16 (b).

17 Sec. 15.14.240. PAYMENT OF CIVIL PENALTY. A civil penalty
18 imposed by the commission under AS 15.14.220 or 15.14.230 may not be
19 paid from campaign funds.

20 Sec. 15.14.250. REMOVAL FROM OFFICE. (a) If, after being sworn
21 into office, a person who was a successful candidate is found to have
22 committed a violation in the first degree under AS 15.14.220, proceed-
23 ings shall be held and appropriate action taken under

24 (1) art. II, sec. 12, Constitution of the State of Alaska,
25 if the candidate is a candidate for the state legislature;

26 (2) art. II, sec. 20, Constitution of the State of Alaska,
27 if the candidate is a candidate for governor or lieutenant governor;

28 (3) AS 29.20.170, if the candidate is a candidate for
29 borough assembly;

1 (4) AS 29.20.280, if the candidate is a candidate for
2 borough mayor;

3 (5) AS 29.20.170, if the candidate is a candidate for city
4 council;

5 (6) AS 29.20.280(a), if the candidate is a candidate for
6 city mayor;

7 (7) the provisions of the call for the constitutional
8 convention, if the candidate is a candidate for constitutional conven-
9 tion delegate;

10 (8) art. IV., sec. 10, Constitution of the State of Alaska,
11 if the candidate is a candidate for judicial retention.

12 (b) Information developed by the commission under AS 15.14.270
13 shall be considered during a proceeding under (a) of this section.

14 (c) When, after being sworn into office, a successful candidate
15 is charged with a violation in the first degree under AS 15.14.220(a),
16 the commission shall promptly hear the matter and accord it a pre-
17 ferred position for purposes of argument and decision so as to assure
18 a speedy disposition of the matter.

19 Sec. 15.14.260. LIMITATIONS ON ACTIONS. (a) A proceeding
20 alleging a violation of AS 15.14.220 must be commenced within four
21 years from the date of the alleged violation.

22 (b) A proceeding alleging a violation of AS 15.14.230 must be
23 commenced within two years from the date of the alleged violation.

24 (c) For the purposes of this section, a violation involving the
25 failure to file a report, statement, or registration is considered to
26 have been committed on the day after the report, statement or regis-
27 tration was due.

28 Sec. 15.14.270. INVESTIGATIONS. (a) The commission may inves-
29 tigate a violation of AS 15.14.220, 15.14.230, AS 24.50 and AS 39.50

1 on its own motion or upon receiving a signed and sworn complaint from
2 any person.

3 (b) If an investigation is commenced by a signed and sworn
4 complaint by a person other than a member of the commission or its
5 employees, the commission shall, within five days after receiving the
6 complaint, mail a copy of the complaint to each person named in the
7 complaint.

8 (c) If, after an investigation, the commission determines that
9 there is probable cause to believe that a person has committed a
10 violation, the commission may commence violation proceedings by filing
11 and serving an accusation on the person alleged to have committed the
12 violation. The commission shall serve an accusation in the manner
13 provided by court rules for serving a complaint in a civil action.

14 (d) If the commission terminates an investigation without filing
15 an accusation, the commission shall, within five days after terminat-
16 ing the investigation, inform the complainant and each person named in
17 the complaint only of the fact that the commission has terminated the
18 investigation and will not be taking further action concerning the
19 complaint.

20 Sec. 15.14.280. ACCUSATIONS. (a) The accusation must be a
21 written statement of the charges setting out in ordinary and concise
22 language the acts or omissions with which the respondent is charged,
23 so that the respondent is able to prepare a defense. The accusation
24 must also specify the statute or regulation that the respondent is
25 alleged to have violated, and the maximum penalty provided for the
26 violation. The accusation may not consist merely of charges phrased
27 in the language of the statute and regulation.

28 (b) The commission shall include in or with the accusation a
29 statement in substantially the following form:

1 "To the Respondent: Unless you deliver or mail a written
2 request for a hearing signed by you or on your behalf to
3 the commission within 15 days after this accusation was
4 personally served on you or mailed to you, the commission
5 may proceed upon the accusation without further notice to
6 you. You may request a hearing by delivering or mailing
7 the enclosed form entitled 'Notice of Defense,' or by
8 delivering or mailing a notice of defense under AS 15.14.290
9 to the commission at its central office address (insert central
10 office address)."

11 (c) The commission shall include with the accusation served upon
12 the respondent a post card or other form entitled, "Notice of Defense"
13 that, when signed by or on behalf of the respondent and returned to
14 the commission constitutes a notice of defense under AS 15.14.290.

15 Sec. 15.14.290. NOTICE OF DEFENSE. (a) Within 15 days after
16 service upon the respondent of the accusation, the respondent may file
17 with the commission a notice of defense. In the notice the respondent
18 may

19 (1) deny the accusation in whole or in part and request a
20 hearing;

21 (2) object to the accusation on the ground that it does not
22 state acts or omissions upon which the commission may proceed;

23 (3) object to the form of the accusation on the ground that
24 it is so indefinite or uncertain that the respondent cannot identify
25 the transaction or prepare a defense;

26 (4) present new matter by way of defense;

27 (5) admit or plead no contest to the accusation in whole or
28 in part, and present material in mitigation of penalty.

29 (b) Within the time specified in (a) of this section, the

1 respondent may file one or more notices of defense upon any or all of
2 the grounds set out in (a) of this section but all of the notices must
3 be filed within the period unless the commission in its discretion
4 authorizes the filing of a later notice.

5 (c) The respondent is entitled to a hearing on the merits if the
6 respondent files a notice of defense. The notice of defense is con-
7 sidered a specific denial of all parts of the accusation not expressly
8 admitted. Failure to file a notice of defense within the time spec-
9 ified in (a) of this section constitutes a waiver of the respondent's
10 right to a hearing, but the commission in its discretion may neverthe-
11 less grant a hearing. Unless objection is taken as provided in (a)(3)
12 of this section, all objections to the form of the accusation are
13 waived.

14 (d) The notice of defense must be in writing, signed by or on
15 behalf of the respondent, and must state the respondent's address.
16 The notice of defense need not be verified or follow a particular
17 form.

18 Sec. 15.14.300. HEARINGS. (a) If a respondent requests a
19 hearing on a contested accusation or, in the absence of a request, the
20 commission in its discretion decides to hold a hearing, the commission
21 shall mail or deliver a notice of hearing to the respondent at least
22 10 days before the hearing. The hearing may not be held before the
23 expiration of the time within which the respondent is entitled to file
24 a notice of defense. The notice to respondent must be consistent with
25 the form for notice of hearing under AS 44.62.420.

26 (b) The commission shall conduct its hearings under AS 44.62.-
27 440 - 44.62.500, except that

28 (1) the commission may, but is not required to, appoint a
29 hearing officer under AS 44.62.350; and

1 (2) if a hearing officer is not appointed, the chairman of
2 the commission, or the commission member designated by the chairman,
3 shall preside at the hearing, and the attorney general shall assign an
4 assistant attorney general to the commission to advise it on matters
5 of law during the hearing.

6 (c) A hearing under this section shall be open to the public
7 except that a respondent may request and the hearing officer or the
8 presiding commission member may order that the hearing be closed if
9 one or more of the requirements for holding an executive session under
10 AS 44.62.310(c) is met.

11 Sec. 15.14.310. IMPOSITION OF PENALTY. (a) The commission may
12 impose the penalty provided by law for the violation only if the
13 accused person, having been advised of the right to a hearing, admits
14 or pleads no contest to the allegations contained in the accusation,
15 or if the commission

16 (1) holds a hearing at which the person accused is afforded
17 the right to appear, with or without counsel, the right to present
18 witnesses or other evidence and the right to cross examine witnesses;
19 and

20 (2) following the hearing, determines by clear and convinc-
21 ing evidence that the person has committed the violation of which the
22 person was accused.

23 (b) The executive director of the commission may not formally or
24 informally make a recommendation to the commission as to a particular
25 penalty in a pending matter or make a commitment to the respondent to
26 make a particular recommendation to the commission in the future until
27 after the respondent has admitted or pleaded no contest to the accusa-
28 tion or until after a hearing and a final determination by the com-
29 mission that the respondent has committed the acts charged in the

1 accusation.

2 (c) Before the executive director of the commission may make a
3 recommendation to the commission for the imposition of a particular
4 penalty in a matter, the respondent must first be given notice of the
5 recommendation and afforded an opportunity to respond to the recom-
6 mendation in person or in writing.

7 (d) In imposing a penalty, the commission shall consider

8 (1) the seriousness of the violation in terms of the extent
9 to which the violation has impeded public disclosure of information
10 required to be filed with the commission as to the amount and source
11 of contributions that are large enough to be of significant interest
12 to voters; and

13 (2) the extent to which the respondent's conduct, including
14 prior violations of this chapter, AS 24.50, AS 39.50, or of former
15 AS 15.13 shows a continuing disregard for the law.

16 Sec. 15.14.320. SUMMARY DISPOSITION OF VIOLATIONS. (a) Not-
17 withstanding the provisions of AS 15.14.280 - 15.14.310, the commis-
18 sion may establish by regulation the violations under AS 15.14.230
19 that are amenable to summary disposition without formal accusation or
20 hearing and may establish a schedule of fines, not to exceed \$500, for
21 each violation.

22 (b) If an investigation by the commission discloses that a
23 person has committed a violation included in the schedule of fines
24 established under (a) of this section, the commission may, in lieu of
25 serving an accusation on the person, mail a notice of fine to the
26 person indicating the circumstances of the violation and the amount of
27 the fine established in the schedule for the violation. The person to
28 whom the notice is directed may pay the fine within 15 days after
29 receiving the notice or may file a notice of defense under

1 AS 15.14.290.

2 (c) If the person does not pay the fine under (b) of this sec-
3 tion, the notice of fine constitutes an accusation under AS 15.14.280
4 and the commission shall proceed against the person under AS 15.14.-
5 280 - 15.14.310 and, upon determining that the person committed the
6 violation, may impose a penalty for the violation not to exceed the
7 maximum provided for the violation under AS 15.14.230.

8 Sec. 15.14.330. CONFIDENTIALITY. (a) An investigation by the
9 commission under AS 15.14.270 is confidential unless and until the
10 investigation results in the filing of an accusation under AS 15.-
11 14.280.

12 (b) A member or a former member of the commission and an em-
13 ployee or a former employee of the commission may not divulge the fact
14 of or any particular concerning a pending, past, or contemplated
15 investigation by the commission unless and until the filing of an
16 accusation by the commission.

17 (c) Knowing violation of the provisions of (b) of this section
18 is a class A misdemeanor.

19 Sec. 15.14.340. JUDICIAL REVIEW. Judicial review of a final
20 order of the commission may be had by filing a notice of appeal under
21 applicable rules of court governing appeals from administrative agen-
22 cies.

23 Sec. 15.14.350. POWERS OF THE COMMISSION. (a) In connection
24 with an investigation or hearing under AS 15.14.270 - 15.14.310,
25 AS 24.45, or AS 39.50, the commission may compel the attendance of
26 witnesses and production of papers, books, records, accounts, docu-
27 ments, and testimony, and may have the depositions of witnesses taken
28 in a manner prescribed by court rule or law for the taking of depo-
29 sitions in civil actions when consistent with the powers and duties

1 assigned to the commission by law.

2 (b) The commission may examine the papers, books, records,
3 accounts and documents of a person subject to this chapter to deter-
4 mine the correctness of a report filed with the commission or in
5 conjunction with an investigation or inspection conducted under (a) of
6 this section.

7 (c) Subpoenas may be issued and shall be served in the manner
8 prescribed by AS 44.62.430 and court rule. The failure, refusal, or
9 neglect to obey a subpoena is punishable as contempt in the manner
10 prescribed by law or court rule. The superior court may compel obedi-
11 ence to the commission's subpoena in the same manner as prescribed for
12 obedience to a subpoena issued by the court.

13 Sec. 15.14.360. LEGAL COUNSEL. (a) The attorney general is
14 legal counsel for the commission. The attorney general shall advise
15 the commission in legal matters arising out of the discharge of its
16 duties and represent the commission in actions to which it is a party.

17 (b) When the public interest warrants, and if the attorney
18 general concurs, the commission may employ temporary legal counsel
19 from time to time in matters in which the commission is involved.

20 ARTICLE 6. GENERAL PROVISIONS.

21 Sec. 15.14.900. DEFINITIONS. In this chapter

22 (1) "candidate" means an individual who

23 (A) files for election to the state legislature, for
24 governor, for lieutenant governor, for municipal office, for
25 retention in judicial office, or for constitutional delegate;

26 (B) campaigns as a write-in candidate for an elective
27 office; or

28 (C) accepts contributions totalling \$1,000 or more in
29 the aggregate from another person or political action committee

1 for the purpose of seeking elective office or retention in judi-
2 cial office;

3 (2) "contribution"

4 (A) means the purchase, payment, promise or obligation
5 to pay, loan or loan guarantee, deposit or gift of money, goods
6 or services for which charge is ordinarily made and that is made
7 for the purpose of influencing the nomination or election of a
8 candidate or for the purpose of influencing a ballot proposition
9 or question, including the payment by a person other than a
10 candidate or political party, of compensation for the personal
11 services of another person that are rendered to the candidate or
12 political party;

13 (B) does not include

14 (i) services provided without compensation by an
15 individual volunteering on behalf of a candidate or ballot
16 proposition or question, unless the services are volunteered
17 by an individual who would ordinarily be paid a fee or wage
18 for the services;

19 (ii) services provided by an accountant or other
20 person to prepare reports and statements required by this
21 chapter;

22 (iii) services provided by an attorney relating to
23 AS 15;

24 (iv) ordinary hospitality in a home;

25 (3) "expenditure"

26 (A) means a purchase or a transfer of money or any-
27 thing of value or a promise or agreement to purchase or transfer
28 money or anything of value, incurred or made for the purpose of

29 (i) influencing the nomination or election of a

1 candidate or of any individual who files for nomination at a
2 later date and becomes a candidate;

3 (ii) influencing the outcome of a ballot proposition
4 or question; or

5 (iii) providing payment of compensation for the
6 personal services of another person that are rendered to a
7 candidate or political party;

8 (B) does not include a candidate's filing fee or the
9 cost of preparing reports and statements required by this chap-
10 ter;

11 (4) "individual" means a natural person;

12 (5) "municipality" has the meaning given by AS 01.10.-
13 060(4);

14 (6) "person" has the meaning given in AS 01.10.060 but does
15 not include an entity organized to influence an election;

16 (7) "political action committee" means a person or combina-
17 tion of persons, including a political party and its state, regional,
18 or local subdivisions that accepts contributions for the purpose of
19 influencing an election and exercises discretion over the expenditure
20 of the contributions;

21 (8) "political party"

22 (A) means a group of organized voters that

23 (i) claims to represent a political program; and

24 (ii) nominated a candidate for governor who re-
25 ceived at least five percent of the total vote cast at the
26 preceding general election for governor;

27 (B) does not include the campaign committee of a
28 candidate.

29 * Sec. 2. AS 11.56.130 is amended to read:

1 Sec. 11.56.130. DEFINITION. In AS 11.56.100 - 11.56.130, "bene-
2 fit" has the meaning given [ASCRIBED TO IT] in AS 11.81.900 but does
3 not include

4 (1) political campaign contributions reported under AS 15.-
5 14 [IN ACCORDANCE WITH AS 15.13];

6 (2) concurrence in official action in the cause of legiti-
7 mate compromise between public servants; or

8 (3) support, including a vote, solicited by a public ser-
9 vant or offered by any person in an election.

10 * Sec. 3. AS 15.56 is amended by adding a new section to read:

11 Sec. 15.56.025. UNLAWFUL SOLICITATION OF CONTRIBUTIONS. (a) A
12 person commits the crime of unlawful solicitation of campaign contri-
13 butions if the person intentionally solicits a campaign contribution
14 through a threat of physical force, job discrimination, or financial
15 reprisal.

16 (b) Unlawful solicitation of campaign contributions is a class C
17 felony.

18 * Sec. 4. AS 24.45.021(a) is amended to read:

19 (a) This chapter shall be administered by the Alaska Public
20 Offices Commission established [CREATED] under AS 15.14.020 [AS 15.-
21 13.020(a)].

22 * Sec. 5. AS 24.45.091 is amended to read:

23 Sec. 24.45.091. PUBLICATION OF REPORTS. Copies of the state-
24 ments and reports filed under this chapter shall be made available to
25 the public at the commission's central office, the office of the
26 lieutenant governor, the legislative reference library of the Legisla-
27 tive Affairs Agency, and at the commission's district offices [PRE-
28 SCRIBED IN AS 15.13.020(j)] as soon as practicable after each re-
29 porting period.

1 * Sec. 6. AS 24.60.080 is amended to read:

2 Sec. 24.60.080. GIFTS. Unless otherwise provided for under
3 AS 24.60.030, a person to whom this chapter applies may not solicit a
4 gift in any amount, or accept or receive, directly or indirectly, a
5 gift, whether in the form of money, services, a loan, travel, enter-
6 tainment, hospitality, or other form, if the gift was intended as a
7 reward or inducement for an official action by the person. A gift of
8 travel and hospitality within the state received by a member of the
9 legislature in obtaining information on matters of legislative concern
10 is not prohibited by this section, nor are political contributions
11 received and reported under AS 15.14 [AS 15.13.040].

12 * Sec. 7. AS 29.20.170 is amended to read:

13 Sec. 29.20.170. VACANCIES. The governing body may provide by
14 ordinance the manner in which a vacancy occurs in any elected office
15 except the office of mayor or school board member. Unless otherwise
16 provided by ordinance, the governing body shall declare an elective
17 office, other than the office of mayor or school board member, vacant
18 when the person elected

19 (1) fails to qualify or take office within 30 days after
20 election or appointment;

21 (2) is physically absent from the municipality for 90
22 consecutive days unless excused by the governing body;

23 (3) resigns and the resignation is accepted;

24 (4) is physically or mentally unable to perform the duties
25 of office as determined by two-thirds vote of the governing body;

26 (5) is convicted of a felony or of an offense involving a
27 violation of the oath of office;

28 (6) is convicted of a felony or misdemeanor described in
29 AS 15.56 and two-thirds of the members of the governing body concur in

1 expelling the person elected;

2 (7) is convicted of a misdemeanor under former [VIOLATION
3 OF] AS 15.13 or is found to have committed a violation in the first
4 degree under AS 15.14.220;

5 (8) no longer physically resides in the municipality and
6 the governing body by two-thirds vote declares the seat vacant; or

7 (9) if a member of the governing body, misses three con-
8 secutive regular meetings and is not excused.

9 * Sec. 8. AS 29.20.280(a) is amended to read:

10 (a) The governing body shall, by two-thirds concurring vote,
11 declare the office of mayor vacant only when the person elected

12 (1) fails to qualify or take office within 30 days after
13 election or appointment;

14 (2) unless excused by the governing body, is physically
15 absent for 90 consecutive days;

16 (3) resigns and the resignation is accepted;

17 (4) is physically or mentally unable to perform the duties
18 of office;

19 (5) is convicted of a felony or of an offense involving a
20 violation of the oath of office;

21 (6) is convicted of a felony or misdemeanor described in
22 AS 15.56;

23 (7) is convicted of a misdemeanor under former [VIOLATION
24 OF] AS 15.13 or is found to have committed a violation in the first
25 degree under AS 15.14.220;

26 (8) no longer physically resides in the municipality; or

27 (9) if a member of the governing body in a second class
28 city, misses three consecutive regular meetings and is not excused.

29 * Sec. 9. AS 39.50.050(a) is amended to read:

1 (a) The Alaska Public Offices Commission established [CREATED]
2 under AS 15.14.020 [AS 15.13.020(a)] shall administer the provisions
3 of this chapter. The commission shall prepare and keep available for
4 distribution, standardized forms on which the reports required by this
5 chapter shall be filed.

6 * Sec. 10. AS 39.50.200(a) is amended to read:

7 (a) In this chapter:

8 (1) "assistant to the governor" includes any executive,
9 legislative, special, administrative or press assistant to the gover-
10 nor, and any person similarly employed;

11 (2) "child" includes a biological child, an adoptive
12 child, and a stepchild;

13 (3) "commission" means the Alaska Public Offices Commis-
14 sion established [CREATED] under AS 15.14.020 [AS 15.13.020(a)];

15 (4) "instrumentality of the state" means a state depart-
16 ment or agency, whether in the legislative, judicial, or executive
17 branch, including such entities as the University of Alaska and the
18 Alaska State Housing Authority;

19 (5) "judicial officer" means a person appointed as a
20 justice to the supreme court or as a judge to the court of appeals,
21 superior court, district court, or magistrate court;

22 (6) "mother or father" includes a biological parent, an
23 adoptive parent, and a step-parent;

24 (7) "municipal officer" includes a borough or city mayor,
25 borough assemblyman, city councilman, school board member, elected
26 utility board member, city or borough manager, members of a city or
27 borough planning or zoning commission within a home rule or general
28 law city or borough, or a unified municipality;

29 (8) "public official" means a judicial officer, a member

1 of the legislature, the fiscal analyst of the legislative finance
2 division, the legislative auditor of the legislative audit division,
3 the executive director of the Legislative Affairs Agency and the
4 directors of the divisions within the Legislative Affairs Agency, the
5 governor, the lieutenant governor, a person hired or appointed as the
6 head or deputy head of, or director of a division within, a department
7 in the executive branch, and assistant to the governor, chairman or
8 member of a state commission or board, and each appointed or elected
9 municipal officer;

10 (9) "source of income" means the entity for which service
11 is performed or which is otherwise the origin of payment; if the
12 person whose income is being reported is employed by another, the
13 employer is the source of income; but if the person is self- employed
14 by means of a sole proprietorship, partnership, professional corpora-
15 tion, or a corporation in which the person, the person's spouse or
16 children, or a combination of them, hold a controlling interest, the
17 "source" is the client or customer of the proprietorship, partnership
18 or corporation, but if the entity which is the origin of payment is
19 not the same as the client or customer for whom the service is per-
20 formed, both are considered the source;

21 * Sec. 11. AS 39.50.200(b) is repealed and reenacted to read:

22 (b) In this chapter "state commission or board" means the

23 (1) Agricultural Revolving Loan Fund Board (created admin-
24 istratively to assist in administration of AS 03.10);

25 (2) Alaska Coastal Policy Council members and their alter-
26 nates (AS 44.19.155);

27 (3) Alaska Commercial Fisheries Entry Commission (AS 16.-
28 43.020);

29 (4) Alaska Commission on Postsecondary Education

1 (AS 14.42.015);

2 (5) Alaska Energy Center (AS 46.12);

3 (6) Alaska Housing Finance Corporation (AS 18.56.010 -
4 18.56.210);

5 (7) Alaska Judicial Council (art. IV, sec. 8, Alaska Con-
6 stitution);

7 (8) Alaska Medical Facility Authority (AS 18.26.010 -
8 18.26.900);

9 (9) Alaska Municipal Bond Bank Authority (AS 44.85.020);

10 (10) Alaska Power Authority public directors (AS 44.83.030);

11 (11) Alaska Oil and Gas Conservation Commission (AS 31.05.-
12 005 - 31.05.170);

13 (12) Alaska Public Broadcasting Commission (AS 44.21.256);

14 (13) Alaska Public Offices Commission, including the execu-
15 tive director and employees of the commission (AS 15.14.020);

16 (14) Alaska Public Utilities Commission (AS 42.05.010);

17 (15) Alaska Resources Corporation (AS 37.12.010);

18 (16) Alaska Royalty Oil and Gas Development Advisory Board
19 (AS 38.06.020);

20 (17) Alaska Seafood Marketing Institute (AS 16.51.010);

21 (18) Alaska State Council on the Arts (AS 44.27.040);

22 (19) Alaska State Housing Authority (AS 18.55.020);

23 (20) Alaska Teachers' Retirement Board (AS 14.25.035);

24 (21) Alcoholic Beverage Control Board (AS 04.06.010);

25 (22) Board of Education (AS 14.07.075);

26 (23) Board of Fisheries (AS 16.05.221(a));

27 (24) Board of Game (AS 16.05.221(b));

28 (25) Board of Parole (AS 33.16.020);

29 (26) Board of Trustees and executive director of the Alaska

1 Permanent Fund Corporation (AS 37.13.040);

2 (27) Commission on Judicial Conduct (art. IV, sec. 10,
3 Alaska Constitution);

4 (28) Council on Domestic Violence and Sexual Assault
5 (AS 18.66.010);

6 (29) Employment Security Advisory Council (AS 23.20.025);

7 (30) Fishermen's Fund Advisory and Appeals Council (AS 23.-
8 35..

9 (31) Governor's Commission on the Administration of Justice
10 (AS 44.19.110);

11 (32) Local Boundary Commission (AS 44.47.565);

12 (33) Occupational Safety and Health Review Board (AS 18.60.-
13 057);

14 (34) Public Employees' Retirement Board (AS 39.35.030);

15 (35) State Assessment Review Board (AS 43.56.040);

16 (36) State Commission for Human Rights (AS 18.80.010);

17 (37) State Personnel Board (AS 39.25.060);

18 (38) University of Alaska Board of Regents (AS 14.40.120);

19 (39) Workers' Compensation Board (AS 23.30.005).

20 (b) Unlawful solicitation of campaign contributions is a class C
21 felony.

22 * Sec. 12. AS 44.62.330(a)(39) is amended to read:

23 (39) Alaska Public Offices Commission except to the extent
24 that AS 44.62.350 - 44.62.630 is inconsistent with AS 15.14.270 -
25 15.14.350

26 * Sec. 13. AS 15.13 and AS 15.56.010(1) and (2) are repealed.

27 * Sec. 14. Alaska Public Office Commission members serving on the
28 effective date of this Act continue to serve out their terms as provided
29 under AS 15.13.020, repealed in sec. 13 of this Act. Vacancies occurring

1 on or after January 1, 1987, shall be filled in accordance with AS 15.14.-
2 020 enacted in sec. 1 of this Act.

3 * Sec. 15. Notwithstanding AS 15.14.010(b) as enacted in sec. 1 of this
4 Act, the election of a municipality held under former AS 15.13.010(a) to
5 exempt its officers from the application of AS 15.13 is confirmed as an
6 exemption from the application of AS 15.14.

7 * Sec. 16. In accordance with AS 15.14.180 as enacted in sec. 1 of this
8 Act, a candidate shall, no later than January 31, 1987, close each campaign
9 account relating to a campaign for an election held before January 1, 1987,
10 unless the campaign has outstanding debts. If the campaign has outstanding
11 debts, the candidate may keep campaign accounts open after January 31,
12 1987, but shall close each campaign account within 30 days after all debts
13 have been paid and in no event later than January 1, 1988, whether or not
14 there are outstanding debts remaining on that date. During the time that
15 an account remains open under this section, contributions may be solicited
16 and accepted and expenditures made only for the purpose of retiring
17 outstanding debts of a campaign for an election held before January 1,
18 1987. An outstanding campaign debt remaining on January 1, 1988, becomes
19 the personal debt of the candidate.

20 * Sec. 17. This Act applies to election campaign activities that take
21 place after January 1, 1987.

22 * Sec. 18. This Act takes effect January 1, 1987.
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Amendments to SB 356 -- Campaign Financing -- Made in Senate C&RA

Gross & Burke Amendments

- Amend #1 Page 1, line 19, delete "United States census figures or"
COGHILL MOVED, UNANIMOUS CONSENT 3/4/86
- Amend #2 Page 20, line 24, delete "solicits a contribution and"
FISHER MOVED UNANIMOUS CONSENT 3/6/86
- Amend #3 Page 24, lines 24-29 through page 25, lines 1-2, amend subsection
(a) -- (see atch #1)
STURGULEWSKI MOVED, 3-Y, 1-N 3/4/86
- Amend #4 Page 25, lines 3-10, amend subsection (b) as follows:
(see atch #2)
STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/4/86
- Amend #5 Page 32, lines 27-28, amend subsection (b) to read:
(b) a proceeding [PROSECUTION] alleging a violation of AS 15.14.230
must be commenced within two years from the date of the alleged
violation [OFFENSE].
FISCHER MOVED, UNANIMOUS CONSENT 3/4/86
- Amend #6 Page 44, lines 7-8 and lines 27-28, amend subparagraph (7)
in both instances to read:
(7) is convicted of a misdemeanor under former AS 15.13 or is found
to have committed a violation in the first degree under AS.15.14.220
[VIOLATION OF AS 15.13]
COGHILL MOVED, UNANIMOUS CONSENT 3/4/86
- Amend #7 Page 49, lines 11-16, delete Sec. 17 and insert the following:
and (see atch #3)
- Amend #8 COGHILL MOVED, UNANIMOUS CONSENT 3/6/86

Senator Sturgulewski Amendment

- Amend #9 Page 1, lines 17 & 18
(b) This chapter applies to each election for mayor, municipal governing
body, [ASSEMBLY] and [OR] school board ...
STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/4/86

Senator Vic Fischer Amendments

Amend #10 Change contribution limit from \$2,000 to \$1,000 throughout bill

FISCHER MOVED, UNANIMOUS CONSENT 3/4/86

Amend #11 Change disclosure requirement from \$250 to \$100 throughout bill

FISCHER MOVED, UNANIMOUS CONSENT 3/4/86

Amend #12 Change reporting requirement limit from \$500 to \$250 for special contributions, loans, or expenditures made or received within the last 10 days before the election.

Page 9, line 29, delete [\$500], insert \$250

FISCHER MOVED, UNANIMOUS CONSENT 3/4/86

Amend #13 Delete Political Action Committee contribution limit of \$25,000. (see atch #4)

FISCHER MOVED, UNANIMOUS CONSENT 3/6/86

Amend #14 Page 21, line 29 -- delete ["legislative candidate"]

Page 22, line 3 -- add new subsection (2) and renumber sections accordingly

"(2) for a legislative candidate in the general election, 30 days after the date of the election;"

Page 22, line 4 add after "the election;" or 30 days after the date of a run-off election in the case of candidates in a run-off election.

(amend is combination of wording from Fischer & Sturgulewski)
STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/6/86

Amend #15 Page 23, Line 26, subsection (b)

Delete [..public officer or employee of the state], insert person

FISCHER MOVED, UNANIMOUS CONSENT 3/6/86

Senator Sturgulewski Amendments

Amend #16 Throughout bill change ["over \$100"] to read "more than \$100"

STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/6/86

Amend #17 Page 10, lines 10 & 11

delete ["filed by January 31 following"]

insert "must be filed no later than 30 days after the date on which campaign accounts must be closed under 15.14.180. An annual report for the year in which an election designated under AS 15.14.040(b)"

STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/6/86

Amend #18 Page 15, line 14

change to read "...as correct by the candidate, campaign treasurer of the candidate, by the campaign..."

STURGULEWSKI MOVED, UNANIMOUS CONSENT 3/6/86

Atch #1

PROPOSED AMENDMENTS TO CSSB 356 (SA)

- (1) Page 1, line 19, delete "United States census figures or"
(2) Page 20, lines 24-27, delete subsection (1) and substitute the following:

(1) the person transfers or delivers contributions of others of \$4,000 or less in the aggregate during a year to a candidate, a campaign officer of a candidate, a political action committee, or an officer of a political action committee and discloses to the candidate or political action committee the identity of the contributors;

AMEND. # 3. Page ~~24~~²⁴, lines 24-29 through page ~~26~~²⁵, lines 1-2, amend subsection (a) to read:

(a) A person who, with intent to avoid disclosure, fails to file a report of contributions, expenditures, or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.060(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.060(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than \$2,000 [\$300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

Amend #4

Attch #2

Page 25, lines 3-10, amend subsection (b) as follows:

(b) A political action committee that, with intent to avoid disclosure, fails to file a report of contributions, expenditures or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.070(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.070(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than \$1,000 [300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

~~(5) Page 32, lines 27-28, amend subsection (b) to read:~~

~~(b) A proceeding [PROSECUTION] alleging a violation of AS 15.14.230 must be commenced within two years from the date of the alleged violation [OFFENSE].~~

(6) Page 44, lines 7-8 and lines 27-28, amend subparagraph

(7) in both instances to read:

(7) is convicted of a misdemeanor under former AS 15.13 or is found to have committed a violation in the first degree under AS 15.14.220 [VIOLATION OF AS 15.13].

AMEND #7

Atch #3

Page 49, lines 11-16, delete sec. 17 and insert the following:

*Sec. 17. In accordance with AS 15.14.180 enacted in sec. 1 of this Act, a candidate shall, no later than January 31, 1987, close each campaign account relating to a campaign for an election held before the effective date of this Act unless the campaign has outstanding debts. If the campaign has outstanding debts, the candidate may keep campaign accounts open after January 31, 1987, but shall close each campaign account within 30 days after all debts have been paid and in no event later than January 1, 1988, whether or not there are outstanding debts remaining on that date. During the time that an account remains open under this section, contributions may be solicited and accepted and expenditures made only for the purpose of retiring outstanding debts of a campaign for an election held before the effective date of this Act. An outstanding campaign debt remaining on January 1, 1988 becomes the personal debt of the candidate.

Page 49, lines 17-19, amend sec. 18 to read:

*Sec. 18. This Act applies to election campaign activities that take place after January 1, 1987 [AND THAT RELATE TO STATE OR MUNICIPAL ELECTIONS HELD AFTER JANUARY 1, 1987].

Atch #4

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

AMEND#13

Deletes PAC contribution limit of \$25,000.

Page 16, lines 26 - 28:

Delete "and may not contribute more than \$25,000 in the aggregate during a calendar year to candidates or political action committees generally,"

Page 26, lines 7 - 8:

Delete "or in excess of the \$25,000 limitation under AS 15.14.120 (b)"

Page 29, lines 25 - 26:

Delete "or in excess of the \$25,000 limitation under AS 15.14.120 (b)"

PROPOSED AMENDMENTS TO CSSB 356 (SA)

- (1) Page 1, line 19, delete "United States census figures or"
- (2) Page 20, lines 24-27, delete subsection (1) and substitute the following:

(1) the person transfers or delivers contributions of others of \$4,000 or less in the aggregate during a year to a candidate, a campaign officer of a candidate, a political action committee, or an officer of a political action committee and discloses to the candidate or political action committee the identity of the contributors;

- (3) Page ~~25~~²⁴, lines 24-29 through page ~~26~~²⁵, lines 1-2, amend subsection (a) to read:

(a) A person who, with intent to avoid disclosure, fails to file a report of contributions, expenditures, or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.060(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.060(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than \$2,000 [\$300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

(4) Page 25, lines 3-10, amend subsection (b) as follows:

(b) A political action committee that, with intent to avoid disclosure, fails to file a report of contributions, expenditures or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.070(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.070(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than \$1,000 [300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

(5) Page 32, lines 27-28, amend subsection (b) to read:

(b) A proceeding [PROSECUTION] alleging a violation of AS 15.14.230 must be commenced within two years from the date of the alleged violation [OFFENSE].

(6) Page 44, lines 7-8 and lines 27-28, amend subparagraph

(7) in both instances to read:

(7) is convicted of a misdemeanor under former AS 15.13 or is found to have committed a violation in the first degree under AS 15.14.220 [VIOLATION OF AS 15.13].

(8) Page 49, lines 11-16, amend to read:

*Sec. 17. AS 15.14.180 as enacted in sec. 1 of this Act does not apply to campaign accounts for campaigns for elections [ELECTION CAMPAIGNS] held before the effective date of this Act and does not apply to contributions solicited or accepted and to expenditures made for the purpose of retiring campaign debts incurred by a candidate in a campaign for an election [AN ELECTION CAMPAIGN] held before the effective date of this Act.

(9) Page 49, line 19, change "January 16" to "January 1"

Sturgulewski → Amend # 9

OK

A M E N D M E N T

Sec. 15.14.010:

(b) This chapter applies to each election for mayor, municipal governing body, [ASSEMBLY]...

This changes the language in this section to conform to the language used in Title 29 the muncipal code. Legal services should be directed to use consistent language throughout this bill.

line 17 page

moved Fischer # 10
adopted

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Changes contribution limit from \$2,000 to \$1,000 (as in present law).

Page 15, line 27:

Delete "\$2,000" and insert "\$1,000"

Page 16, line 2

Delete "\$2,000" and insert "\$1,000"

Page 16, line 25:

Delete "\$2,000" and insert "\$1,000"

Page 17, line 27:

Delete "\$2,000" and insert "\$1,000"

Page 18, line 3:

Delete "\$2,000" and insert "\$1,000"

Page 26, line 1:

Delete "\$2,000" and insert "\$1,000"

Page 26, line 7:

Delete "\$2,000" and insert "\$1,000"

Page 26, line 15:

Delete "\$2,000" and insert "\$1,000"

Page 29, line 19:

Delete "\$2,000" and insert "\$1,000"

Page 29, line 25:

Delete "\$2,000" and insert "\$1,000"

Page 30, line 11:

Delete "\$2,000" and insert "\$1,000"

Page 30, line 17:

Delete "\$2,000" and insert "\$1,000"

*Fisher moved #11
adopted
4 yes*

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Changes disclosure requirement from \$250 to \$100 (as in current law).

Page 8, line 10:

Delete "\$250" and insert "\$100"

Page 9, line 10:

Delete "\$250" and insert "\$100"

Page 11, line 3:

Delete "\$250" and insert "\$100"

Page 12, line 4:

Delete "\$250" and insert "\$100"

12
Fisher moved
unanimous consent

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Changes reporting requirement limit from \$500 to \$250
(as at present) for special contributions, loans, or
expenditures made or received within the last 10 days before
the election.

Page 9, line 29 delete "\$500" and insert "\$250"

13

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Deletes PAC contribution limit of \$25,000.

Page 16, lines 26 - 28:

Delete "and may not contribute more than \$25,000 in the aggregate during a calendar year to candidates or political action committees generally,"

Page 26, lines 7 - 8:

Delete "or in excess of the \$25,000 limitation under AS 15.14.120 (b)"

Page 29, lines 25 - 26:

Delete "or in excess of the \$25,000 limitation under AS 15.14.120 (b)"

#14

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Changes closing date for campaign activities and
accounts from 30 to 60 days after election or withdrawal.

Page 22, line 3:

Delete "30" and insert "60"

Page 22, line 5;

Delete "30" and insert "60"

Page 22, line 7;

Delete "30" and insert "60"

Page 22, line 10:

Delete "30" and insert "60"

Page 22, line 13:

Delete "30" and insert "60"

15

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Prohibits any person from soliciting contributions from public employees on state property, (per A.G. letter of 2/27/86), but allows labor unions representing public employees to meet in state offices and solicit or request contributions for a candidate or PAC.

Page 23, lines 21 - 22:

Delete "A public officer or employee of the state or of a municipality of the state" and insert "An individual"

Page 23, line 25:

After "party" insert "from a public employee"

Page 24, lines 5 - 6:

Delete all material

Page 24, line 5

Insert "(d) Subsections (a) and (b) of this section do not apply to a meeting held by a labor union representing public employees of the state or of a municipality of the state."

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

BILL SHEFFIELD, GOVERNOR

REPLY TO:

610 O STREET, SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 275-4178

JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 485-4864

March 6, 1986
Telecopy

The Honorable Edna DeVries, Chairman
Senate Community & Regional Affairs
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator DeVries and members of the Committee:

Enclosed is a copy of Jean Rogers' testimony on CSSB 356(SA) as provided at the teleconference meeting on February 28.

The Commission discussed the additional questions raised by members of the Committee at its meeting on Friday and asked that I provide you with a summary of their discussion.

Provisions on Loans:

It appears that CSSB 356(SA) contains inconsistent provisions with respect to loans that would make it difficult to administer. Which provisions are intended to be controlling? For example, the definition of "contribution" includes "[L]oan or loan guarantee...." Page 40, line 10. Candidates and PACs may not accept a contribution in the form of a loan or a loan guarantee. Page 18, line 12; page 17, line 8. Loans and loan repayments are required to be reported by candidates and PACs. Page 8, line 4; page 10, line 26.

Page 16, line 10, AS 15.14.110(3) reads:

(e) An individual or person may not make a contribution in any amount to a candidate or political action committee in the form of a loan or a loan guarantee. This subsection does not prohibit

(1) a contribution in the form of a loan by a candidate or the spouse, parent, or child of the candidate to the campaign of the candidate; or

(2) an extension of credit by a person providing goods or services in the normal course of business to a political action committee, a candidate, or a candidate's campaign.

The Commission's experience has shown there is, unfortunately, no simple solution to the problem of pre-campaign loans to a potential

candidate or non-campaign loans to an existing candidate. The Commission has had many discussions about ways to delineate by statutory or regulatory language allowable loans from those which are not allowable. No single, simple test has been found so far. Individuals who are candidates or who may become candidates can not be, nor should they be, deprived by a campaign finance law of their right to engage in other financial transactions unrelated to the campaign.

Under the language in AS 15.14.110(e)(1), the Commission would be required, in cases of alleged violation, to determine whether a loan transaction to a candidate from someone other than a spouse, parent or child of the candidate was, in reality, a contribution. The determination problem is the same as under present law. The change produced by the new language is that it appears to limit those who may make any loans to the campaign at all to those who fit into the four specified categories: candidate, spouse, parent, child. The language in subsection (e)(2) does not indicate that spouse/parent/child loans may exceed \$2,000; presumably they may not.

Case Law Reference re: return of prohibited contributions.

People v. de Grazia, 434 NE2d 543 (Ill. App. Ct 1982). See also 27 Am. Jur. 2d Sec. 879 Escheat at notes 15-16 (1966).

SB 401 - Repeal of Campaign Disclosure Regulations and Regulations on complaints, preliminary investigations, hearings, advisory opinions:

A position paper has been filed on this bill. Copy enclosed.

Summary Statement with respect to CSSB 356(SA):

There are some provisions the Commission can support and others which it can not support. The provisions related to violations, enforcement, and procedures must provide realistic and useful tools for administering the Law. In the absence of such tools, the other changes may never be implemented effectively.

The Commission asked that I convey to you again its appreciation for the special efforts that were made to set up the audio conference. I look forward to hearing from you, should you have any questions about the enclosed information.

Sincerely,
ALASKA PUBLIC OFFICES COMMISSION

THEDA PITTMAN
Executive Director

cc: Mike McMullen, Dept. of Administration
APOC Members

February 28, 1986

Senate Community & Regional Affairs
Teleconference
CSSB 356(SA)

My name is Jean Rogers. I'm the chairman of the Alaska Public Offices Commission. Arlayne Knox from Fairbanks who is the vice-chairman of the Commission is here with me as is our newest member, Annie Laurie Howard of Anchorage. Yesterday afternoon the Commission spent some time discussing the bill before you. We find there are things in the bill we support and things in the bill we oppose. I'll try to give you a few examples of each in just a moment.

But first, the members of the Commission wish to point out that this bill is very different from both the one that was initially introduced into State Affairs and from the proposals which received public testimony in October. Quite frankly, with such complex language on a subject of intense public interest, a proposal needs to be put on the table and left there in the same form long enough for people to obtain a copy, read it, and think about it before they testify. Unless that is done, the debate takes place only on a few key issues and many other critical provisions are adopted without scrutiny.

All fall the public discussion centered on Mr. Gross's proposal to abolish the contribution limitation. Now we know that provision is not to be part of the language, but the debate about that proposal has created the impression that everyone knows what's in the bill.

With respect to the the provisions we discussed yesterday, we were reviewing the State Affairs Committee Substitute dated February 24th. The items we like the most include the registration section for candidates and political action committees, the codification of independent expenditures, the requirement to terminate a campaign, the ban on solicitations under force or in public offices. While there may well be room for improvement in these sections, we believe the concepts to be good ones and worth pursuing.

Now let me turn to the provisions which give us the most concern. They are listed in the order they appear in the bill.

Page 18, line 27, subsection 150(a) - As you know we do not support the continuation of contributions by subsidiaries. The records of the past two elections amply illustrate how the limitation is undermined by this practice.

Page 19, line 1, subsection 150(b) - The law needs to spell out that any kind of prohibited contribution must be returned whether was anonymous, in the name of another, in a fictitious name, an excess contribution, etc. We have found case law elsewhere that suggest both the present statute and the proposal before you are inadequate on this subject.

Page 19, line 11, subsection 150(c) - If a person is allowed 10 days to return a prohibited contribution, then the Commission will end up

with cases where the issue is what to do about someone who returned a contribution in 11 days, or 12 days or 13 days. Complainants frequently use such provisions to their advantage. It would make more sense to require immediate return and give the Commission room to consider the facts in a specific situation.

Page 20, line 21, subsection 160(e) -- Much has already been said about the language which undermines the requirement to list deputy treasurers. Those of us who believe the public has the right to know who's carrying around campaign money would like to know how a person could solicit a contribution and carry it to a campaign without exercising any discretion over the identify of the campaign or the amount of the contribution. The real bagmen in life don't say, "I hope you give a contribution of some amount to some candidate and if you do, I'll take it to them." That's the only behavior this language would sanction.

Page 21, line 4, subsection 160(f) - This language parrots existing law about the responsibility of candidates. Our experience has shown that there's much room for improvement with respect to the candidates and the organizers of groups being required to be responsible. Anything you can do to strengthen this language would be appreciated.

Campaign Violations in the 1st and 2nd degree - subsections 220 and 230. Although it appears the Commission could levy substantial fines for 1st degree violations, that would be unlikely. In order to assess the larger fines, the Commission would have to prove by clear and convincing evidence that an act was taken with intent to avoid disclosure. This standard of proof is unreasonably high and would mean few penalties at the higher levels. In the second degree area, we feel that the fines may be too low.

Page 32, Statute of Limitations, section 260 - the term should be 4 years for both kinds of violations, especially since 4-year terms of office are covered by this law.

Page 36, subsection 310(b), "ban on plea bargaining," - The Commission staff serves at the pleasure of the Commission; those who are unhappy with its performance are most welcome to write and let us know.

Page 38, subsection 330, confidentiality - Even if we supported the premise - and we're not sure we do - this language is flawed. The confidentiality requirement is clearly imposed on the Commission and its staff but the complainant would still be free to talk. The language forbids discussion if no accusation is ever filed. Certainly the public has an interest in what cases are dismissed and why. The language in subsection (b) is so prohibitive that it might be illegal to conduct an investigation. If a subpoena were issued with the name of the respondent on it, such could be construed as divulging the existence of an investigation.

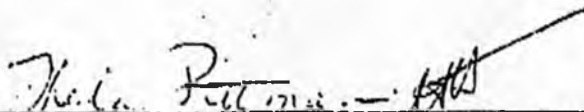
That concludes my remarks on behalf of the Commission. Thank you for this opportunity and for the special effort you made to arrange this teleconference. We're most appreciative.

POSITION PAPER
SB 401

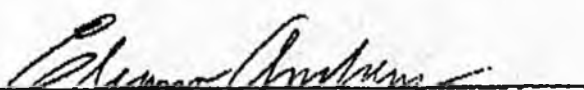
This legislation annuls 34 administrative regulations promulgated by the Alaska Public Offices Commission in accordance with the provisions of the Administrative Procedure Act (AS 44.62). The specific regulations to be annulled include all long-standing and newly-revised regulations, twenty-nine in number, "[N]ecessary to implement and clarify the provisions of" AS 15.13, Alaska's Campaign Disclosure Law. AS 15.13(10). The remaining five regulations annulled by the bill are general provisions, procedural in nature, which are also applicable to AS 24.45, Regulation of Lobbying, and to AS 39.50, Conflict of Interest. The latter regulations include the Commission's procedures for handling complaints, preliminary investigations, hearings, and advisory opinions.

These changes would affect approximately 200 state candidates, 350 municipal candidates in 24 municipalities, over 250 political groups, and their major contributors. Candidates, groups, and contributors desiring to comply with AS 15.13 would be unsure of their responsibilities and would swamp the Commission with anxious inquiries. Those desiring to operate unfettered by the requirements of Alaska law would claim they didn't know their actions were improper.

With the 1986 campaigns well underway, the Commission would be required -- in order to assist those campaigns and in order to comply with its enabling legislation -- to publicize its intent to adopt Campaign Disclosure regulations and then to undertake the adoption of emergency regulations. Since emergency regulations are effective only for a short period of time, a notice of intent to adopt permanent regulations would also be undertaken as soon as the emergency action was complete. The process would require 6-9 months and additional funding due to the size of the task and the requirements of the Administrative Procedures Act.

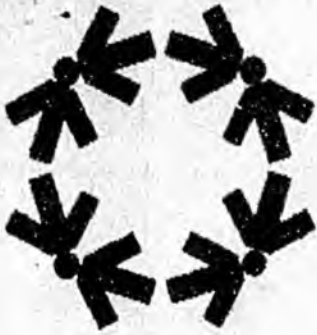

Exec. Dir., Public Offices Commission

2/15/86
Date


Commissioner Eleanor Andrews
Department of Administration

2/18/86
Date

2/20/86
①



AKPIRG

ALASKA PUBLIC INTEREST RESEARCH GROUP

Post Office Box 1093 / Anchorage, Alaska 99510 / (907) 278-3661

Senator Edna DeVries, Chair
Senate Community & Regional Affairs Comm.
Box V
Juneau, AK 99811
Attn: Yvonne Alford

6 March 1986

Dear Senator DeVries,

We appreciate the opportunity to provide comment on SB356 as it passes through your committee. There are a number of serious concerns that we have with the bill, as I suggested in my oral testimony last week, and I will make every effort to include them all here. As you know, commenting on this bill has been a major difficulty since the continual changes have made the exercise a study in trying to hit a rapidly moving target. As the basis for our comments I am using the CS of 2/24/86. I am aware from this morning's press reports that some major and very positive changes have been made to the bill in your committee.

For the record, however, we will respond to the 2/24 version since we do not have information on all the recent changes made. We note with disappointment that you did not support the retention of the \$1000 and \$100 limits just returned to the bill and we encourage your reconsideration of those features and the others described below as the committee continues its work. We look forward to further improvements to this legislation which we regard as one of the most fundamentally important issues that any government must address--that is, the accountability and integrity to which we will hold any candidate to assure the public that the highest standards of representational democracy will be observed at all times.

Our comments follow the pagination of the 2/24 version:

- p2 1 5 "political action committee" is first used here. It appears to us that this term is not defined anywhere in the new version nor is it incorporated by reference from any other statute. **DISREGARD**
- p3 1 27 We feel strongly that the importance of the Commission warrants daily compensation of \$150 to \$200 per day. The public should be confident of the service of the most highly qualified people and more adequate daily compensation furthers this goal.
- p4 1 7-8 This is the first of many places in which "and" is used rather than "or". Generally, we suggest using

"or" so as not to suggest that both subjects or actions must occur. ie. this should read "The executive director or an employee..."

p4 1 23-27 Define "prompt" as a fixed period of time within which candidate reports must be forwarded to district offices.

p8 1 19-22 Note here, as contradicted later, that loans are implied to be permissible. We commend the policy of having all loans, of any amount, fully reported. This commendable treatment is also found at p 11, 1 12-16. This language should be retained.

p16 1 10-12 Here loans are prohibited, in contrast to above and later in the draft. We believe this is a mistake.

p16 1 14 We do not believe it is ethical or consistent to permit children or others below voting age to be financially involved in campaigns in which they cannot vote. We believe they should be involved in other, voluntary ways, but see this as an avenue ripe for abuse by the economically powerful. Minors should be prohibited from making loans or contributions to candidates, with the possible exception of to their own parents.

p17 1 8-9 We commend the position that PACs are prohibited from making loans.

p17 1 10-12 The intent of this provision is a good one. We recommend adopting language similar to that offered by Dept. of Law specifying the number of overlapping officers as more than one, ie. "sharing 2 or more officers...". This provision must also be applied to corporations--presumably by the inclusion of the misleading inclusive term "persons" within this section or wherever else appropriate. We also note here that it is our understanding of the remaining relevant definitions that, generally, "persons" is intended to always include corporations. We find this a confusing use of the term that is also awkward in some places in the bill. It would be far clearer and preferable to specifically refer to corporations in any and all places it is intended and to clearly define the term "corporation" as well.

p18 1 12 "and" to "or" as described above. Also, note prohibitive reference to loans in conflict with sections above.

p19 1 7 "assume a political..."

p19 1 8 "and" to "or"

- p20-21
1 21-3 This section is an intolerable effort to allow unaccountable and unlimited independent fund-raising by persons who aren't associated with the campaign. Such a scheme is a blatant challenge to the tenets of full disclosure and accountability. It should be opposed by every responsible lawmaker and stricken completely.
- p21 1 12-13 The language here does not seem to hold the campaign chairmen sufficiently accountable because it allows, and may even encourage, them to stay uninformed about the conduct of their subordinates. We strongly urge the adoption of language along the lines of Law's "should have known with exercise of reasonable diligence".
- p22 1 3-6 Deadlines for legitimate, active candidates who compete through the primary should not be penalizing in effect. The easiest terminology is for all such candidates to have the swearing-in date of the winner be the deadline. If that is deemed too permissive for the losers in primaries, then terminology should give length of time equal to the time between the relevant election and swearing-in dates. Other candidates who drop out early need not be given any consideration beyond what is provided in the draft.
- p22 1 18 "and" to "or"
- p22 1 18-27 This subsection seems unnecessarily confusing. Why not simply say "No expenditures are permitted after closing a campaign except for distribution of surplus funds as per AS 15.14.190." If this or similar language is adopted, then p23. 1 1 should read "election campaign only by...".
- p23 1 10-11 (4) here seems too loosely constructed. This could provide a wide loophole for all manner of payments after closing that are not intended. This should be eliminated or much more clearly defined.
- p24 1 3 "and" to "or"
- p24 1 5-6 solicitation by anyone, elected, hired or appointed, should not be permitted on government property. There should be a clear and absolute distinction between public service on public property and private campaigning and solicitation.
- p24 et seq The provisions of Article 5 are entirely unsatisfactory in defense of the public interest goals of the highest standards of conduct, accountability and disclosure. Generally we have several overall criticisms

and we encourage revision of this article to respond to these criticisms.

1) It is necessary to prove intent, under the current language, which is an unreasonable standard to apply to those who wish to represent the public. Violations of campaign laws, as long as those laws are clear and reasonable, should be enforced without regard to intent or ability to prove intent. Citizens have complete right to expect lawful conduct from their elected representatives and all candidates. The entire premise of proving intent should be replaced by a standard similar to that applied above to campaign chairmen, ie. "should have know with exercise of reasonable diligence" or similar standard.

2) Requiring the criminal level of proof, "clear and convincing" is again far too stringent a requirement. The current level of "preponderance of the evidence" is appropriate for the same reasons discussed just above and should be retained in this bill.

3) This section generally removes powers of enforcement from the commission and places them in the Dept. of Law. Law is too cumbersome, too busy with other issues and too slow to be an appropriate enforcement agent. The commission should retain all powers of enforcement that it currently holds. With the various improvements either in or achievable in this bill, the commission will be well-equipped and properly guided to conduct the investigative and deliberative roles of enforcement that are its clear and proper duty.

p36 | 25-27 In accordance with comments above, "clear and convincing" is too high a standard of proof to be required. "preponderance of evidence" is the correct level to apply.

p38 | 17 "and" to "or"

p49 | 11-16 Sec. 17 here does not adequately address how the excluded campaign accounts, pre-existing at the effective date, should subsequently be handled. It seems clear to us that any such campaign account is in place for a particular campaign. In that light, all existing campaigns should declare whether they are or aren't for an ensuing election. If they are for an election to come in the next 2 or 4 years, they may remain in place and immediately become subject to the new laws, starting on the effective date. If they are not for a coming election, they should be required to close within 5 days of the new bill's effective date. Since, if passed, this bill will not become law for 6 or 7 months after passage, all account holders, active or not, will have ample time to respond to their individual needs

prior to the effective date. We suggest a 5-day grace period only to acknowledge that some of the old accounts may be rolled over into new campaigns (under the new law) and there should be a time period available to permit that rollover to occur legally.

We also have several general comments which follow.

As suggested elsewhere above, there appears to be potentially serious confusion with regard to definitions of key terms and phrases. The committee should carefully trace all important terms and phrases to insure they are fully and clearly defined. For instance, AS 15.13, which is repealed and replaced by this bill, contains a definition of "group" which is now replaced, apparently, by "political action committee" and "political party" definitions. Is the committee satisfied that all relevant groups formerly covered are properly included in this new pair of terms? We are also concerned, as described above, about the vague way in which corporations are treated under the definition of "person" and about the way in which "person" and "individual" have overlapping meanings that become confusing and even misleading in certain contexts in the bill.

The current draft does not satisfactorily deal with contributions, loans, etc. by subsidiary organizations. We have suggested ways to deal with some aspects of this question through prohibition of concurrent involvement of entities sharing 2 or more officers, etc. Even this, however does not completely cover the possible subsidiaries that could be created and led by distinctly different individuals, yet still operate according to a single corporate or other control. The committee should carefully review this area and add whatever language necessary to eliminate this insidious means of multiplying economic influence beyond ethical limits.

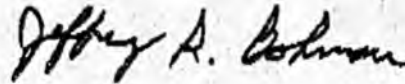
Finally, as addressed in our brief oral testimony last week, all legislators are encouraged to take a far more positive, enlightened and responsible view of the commission and the role of thorough campaign financing laws. The debate has for too long focused on what the bill does or does not do to candidates. This is putting the cart before the horse and is a poor reflection of the vision and principle that the public expects of its representatives. The primary purpose of these laws is to assure the public that they will have open, accountable and ethical performance of the highest standards from candidates and elected officials. If, in order to achieve those goals, some challenging demands are placed on candidates, that is a small and fair price to pay. None of the requirements of this bill or of the many improvements that can still be made should result in the discouragement of potential candidates. In fact, the effect of these measures will be to make candidacy more accessible to all, which is a fundamentally democratic achievement.

We encourage you and the committee to make the additional

5

changes that we and others have suggested and we commend you on the efforts made to date. If we can be of any assistance, we will be happy to do so. We will continue to watch closely as this critical legislation progresses and we look forward to seeing comprehensive, enlightened legislation passed in the near future.

Sincerely,



Jeffrey R. Bohman
Executive Director

cc. Sen. Vic Fischer, APOC Ex. Dir. Theda Pittman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CSSB 356 (State Affairs)
 Title : "An Act relating to election campaign financing and the Alaska Public Offices Commission; ..."
 Sponsor : Sen. State Affairs Committee
 Requestor : Governor's Office/OMB
 Date of Request : February 28, 1986

FISCAL DETAIL

Agency Affected : Department of Law
 BRU : Legal Services
 Components : Legal Services Operations

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		72.9	100.2	103.2	106.3	109.5
TRAVEL		4.0	4.9	5.0	5.2	5.4
CONTRACTUAL		10.8	13.4	13.8	14.2	14.6
SUPPLIES		6.0	3.7	3.8	3.9	4.0
EQUIPMENT		9.5	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		103.2	122.2	125.8	129.6	133.5

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		103.2	122.2	125.8	129.6	133.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME		1	1	1	1	1
PART-TIME		1	1	1	1	1
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Please see attached analysis.

Prepared by: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Division Date: 3-3-86
 Approved by Commissioner: Richard I. Pegues / FOR Date: 3-3-86
Harold M. Brown, Attorney General
 Agency: Department of Law

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 356 (State Affairs)

This bill completely revises existing statutes governing election campaign financing and the operations of the Alaska Public Offices Commission. Because of the number of changes contained in the bill, it will be necessary to adopt a substantial body of regulations, both substantive and technical, to implement the bill's provisions. In this respect, regulations drafting will be a major undertaking, particularly in the areas of accusations, contested accusations, and summary disposition of violations. Such an undertaking can be expected to take a large portion of an attorney's time (40% to 50% in the three months before the bill's effective date and 20% to 30% in the 12 months following implementation.)

Moreover, the bill provides that the commission may conduct hearings without a hearing officer and, in such circumstances, the attorney general shall assign an assistant attorney general to advise the commission on matters of law during hearings. The attorney general is also legal counsel to the commission and advises the commission in legal matters arising out of the discharge of its duties and represents the commission in actions to which it is a party. These latter duties require that a second assistant attorney general be assigned to advise the APOC staff in order to avoid conflicts of representation that would otherwise occur if the same attorney advised both the commission and the APOC staff in matters brought before the commission by the staff.

Although the department currently devotes considerable attorney time to APOC matters, the multi-level representation necessitated by the bill will require that additional Department of Law attorney and support staff resources be provided to the APOC and its staff. Complaints handled by the APOC are increasing, and they are becoming more controversial. Contested accusations are more contentious and, as they generally receive the greatest public attention, there is a public expectation that the accusations will be speedily resolved. To do so in a manner that protects the rights of candidates, public officials, and the public requires that the legal advice furnished to the commission and its staff be provided as promptly and as efficiently as possible. The Department of Law therefore requests that an Attorney IV, together with a part-time legal secretary, be added to its Anchorage civil office to accomplish the purposes of this bill.

Funding Summary CSSB 356 (State Affairs)

	<u>Attorney IV</u>	<u>Legal Sec. I (PPT)</u>	<u>Total</u>
71000	60.0	12.9	72.9
72000	4.0	-0-	4.0
73000	6.2	4.6	10.8
74000	3.5	2.5	6.0
75000	<u>1.5</u>	<u>8.0</u>	<u>9.5</u>
Total	75.2	28.0	103.2

The fiscal note costs shown above are for 10-month start-up costs for FY 87. Costs after FY 87 are on 12-month, full-year basis and include a 3% annual inflation factor, less one-time costs that occur in FY 87.

Position Title Attorney IV			No. of Positions 1	Range/Step 24A	Barg. Unit PX	Gov.	Approv.	Disapp.
Time Status PFT	Staff Months 10	RP Number	Location Anchorage		Election District 8	Leg.		
Type of Expenditure			Justification					
			This Attorney IV position will be required to handle the additional workload that will occur as a result of the enactment of CSSB 356. This bill, which completely revises the statutes governing election campaign financing and the operations of the Alaska Public Offices Commission, will require that the Department of Law provide attorney legal services at both the APOC commission and staff levels. Different attorneys must be used for these purposes to avoid any conflicts of representation. Because the accusations brought before the commission involve the rights and reputations of candidates and public officials, allocation of this position to the full-working level of Attorney IV is recommended.					
Amount								
1	2	3						
Salary	46,870							
Benefits	13,174							
Premium Pay								
Other								
Total Personal Services		60,044						
Travel		4,000						
Contractual		6,180						
Commodities		3,500						
Equipment		1,500						
Other								
Total Cost		75,224						
Receipt Code	Funding Source							
	Federal Receipts	1002						
	G. F. Match	1003						
	General Funds	1004	75,224					
	I-A Receipts	1005						
	Program Receipts	1028						
	CIP Receipts	1061						
	Other							
For B&M Use Only								
Key Number _____								

Request For
New Position

Agency Department of Law
 BRU Legal Services
 Component Legal Services Operations

FY 87

Page 1 of 1
 Revised Date

Position Title Legal Secretary I			No. of Positions 1	Range/Step 10B	Barg. Unit GGU	Gov.	Approv.	Disapp.
Time Status PPT	Staff Months 10	RP Number	Location Anchorage	Election District 8		Leg.		
Type of Expenditure			Justification					
Amount			<p>This part-time position is requested to provide law office support services for the attorney who will be needed to handle the increased workload required by CSB 356. The position will provide typing of legal forms, briefs, legal opinions, and memoranda. The position will also provide office communication and schedule appointments and travel. The typing load is expected to be particularly heavy in view of the overall changes to the state elections campaign financing statutes, which will require the drafting of a substantial body of procedural and substantive regulations. Allocation to the Legal Secretary I level is recommended in view of the specialized nature of the assignments to be undertaken.</p>					
1	2	3						
Salary	9,470							
Benefits	3,429							
Premium Pay								
Other								
Total Personal Services		12,899						
Travel		-0-						
Contractual		4,570						
Commodities		2,500						
Equipment		8,000						
Other								
Total Cost		27,969						
Receipt Code	Funding Source							
	Federal Receipts	1002						
	G. F. Match	1003						
	General Funds	1004	27,969					
	I-A Receipts	1005						
	Program Receipts	1028						
	CIP Receipts	1061						
	Other							
For B&M Use Only								
Key Number								

**Request For
New Position**

Agency Department of Law
 BRU Legal Services
 Component Legal Services Operations

Page 1 of 1
 Revised Date

FY 87

TELECOPY via LAA - THIS sheet plus five - Originals may be mailed.

March 6, 1986

TO: Yvonne Alford, c/o Senator DeVries
Phone Number: 465-4989

FROM: Theda Pittman, APOC, 276-4176

RE: APOC Testimony CSSB 356(SA).

#####

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

BILL SHEFFIELD, GOVERNOR

REPLY TO:

- 610 C STREET, SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 276-4176
- JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

March 6, 1986
Telecopy

The Honorable Edna DeVries, Chairman
Senate Community & Regional Affairs
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator DeVries and members of the Committee:

Enclosed is a copy of Jean Rogers' testimony on CSSB 356(SA) as provided at the teleconference meeting on February 28.

The Commission discussed the additional questions raised by members of the Committee at its meeting on Friday and asked that I provide you with a summary of their discussion.

Provisions on Loans:

It appears that CSSB 356(SA) contains inconsistent provisions with respect to loans that would make it difficult to administer. Which provisions are intended to be controlling? For example, the definition of "contribution" includes "[L]oan or loan guarantee...." Page 40, line 10. Candidates and PACs may not accept a contribution in the form of a loan or a loan guarantee. Page 18, line 12; page 17, line 8. Loans and loan repayments are required to be reported by candidates and PACs. Page 8, line 4; page 10, line 26.

Page 16, line 10, AS 15.14.110(3) reads:

(e) An individual or person may not make a contribution in any amount to a candidate or political action committee in the form of a loan or a loan guarantee. This subsection does not prohibit

(1) a contribution in the form of a loan by a candidate or the spouse, parent, or child of the candidate to the campaign of the candidate; or

(2) an extension of credit by a person providing goods or services in the normal course of business to a political action committee, a candidate, or a candidate's campaign.

The Commission's experience has shown there is, unfortunately, no simple solution to the problem of pre-campaign loans to a potential

candidate or non-campaign loans to an existing candidate. The Commission has had many discussions about ways to delineate by statutory or regulatory language allowable loans from those which are not allowable. No single, simple test has been found so far. Individuals who are candidates or who may become candidates can not be, nor should they be, deprived by a campaign finance law of their right to engage in other financial transactions unrelated to the campaign.

Under the language in AS 15.14.110(e)(1), the Commission would be required, in cases of alleged violation, to determine whether a loan transaction to a candidate from someone other than a spouse, parent or child of the candidate was, in reality, a contribution. The determination problem is the same as under present law. The change produced by the new language is that it appears to limit those who may make any loans to the campaign at all to those who fit into the four specified categories: candidate, spouse, parent, child. The language in subsection (e)(2) does not indicate that spouse/parent/child loans may exceed \$2,000; presumably they may not.

Case Law Reference re: return of prohibited contributions.

People v. de Grazia, 434 NE2d 543 (Ill. App. Ct 1982). See also 27 Am. Jur. 2d Sec. 879 Escheat at notes 15-16 (1966).

SB 401 - Repeal of Campaign Disclosure Regulations and Regulations on complaints, preliminary investigations, hearings, advisory opinions:

A position paper has been filed on this bill. Copy enclosed.

Summary Statement with respect to CSSB 356(SA):

There are some provisions the Commission can support and others which it can not support. The provisions related to violations, enforcement, and procedures must provide realistic and useful tools for administering the Law. In the absence of such tools, the other changes may never be implemented effectively.

The Commission asked that I convey to you again its appreciation for the special efforts that were made to set up the audio conference. I look forward to hearing from you, should you have any questions about the enclosed information.

Sincerely,
ALASKA PUBLIC OFFICES COMMISSION

THEDA PITTMAN
Executive Director

cc: Mike McMullen, Dept. of Administration
APOC Members

February 28, 1986

Senate Community & Regional Affairs
Teleconference
CSSB 356(SA)

My name is Jean Rogers. I'm the chairman of the Alaska Public Offices Commission. Arlayne Knox from Fairbanks who is the vice-chairman of the Commission is here with me as is our newest member, Annie Laurie Howard of Anchorage. Yesterday afternoon the Commission spent some time discussing the bill before you. We find there are things in the bill we support and things in the bill we oppose. I'll try to give you a few examples of each in just a moment.

But first, the members of the Commission wish to point out that this bill is very different from both the one that was initially introduced into State Affairs and from the proposals which received public testimony in October. Quite frankly, with such complex language on a subject of intense public interest, a proposal needs to be put on the table and left there in the same form long enough for people to obtain a copy, read it, and think about it before they testify. Unless that is done, the debate takes place only on a few key issues and many other critical provisions are adopted without scrutiny.

All fall the public discussion centered on Mr. Gross's proposal to abolish the contribution limitation. Now we know that provision is not to be part of the language, but the debate about that proposal has created the impression that everyone knows what's in the bill.

With respect to the the provisions we discussed yesterday, we were reviewing the State Affairs Committee Substitute dated February 24th. The items we like the most include the registration section for candidates and political action committees, the codification of independent expenditures, the requirement to terminate a campaign, the ban on solicitations under force or in public offices. While there may well be room for improvement in these sections, we believe the concepts to be good ones and worth pursuing.

Now let me turn to the provisions which give us the most concern. They are listed in the order they appear in the bill.

Page 18, line 27, subsection 150(a) - As you know we do not support the continuation of contributions by subsidiaries. The records of the past two elections amply illustrate how the limitation is undermined by this practice.

Page 19, line 1, subsection 150(b) - The law needs to spell out that any kind of prohibited contribution must be returned whether was anonymous, in the name of another, in a fictitious name, an excess contribution, etc. We have found case law elsewhere that suggest both the present statute and the proposal before you are inadequate on this subject.

Page 19, line 11, subsection 150(c) - If a person is allowed 10 days to return a prohibited contribution, then the Commission will end up

with cases where the issue is what to do about someone who returned a contribution in 11 days, or 12 days or 13 days. Complainants frequently use such provisions to their advantage. It would make more sense to require immediate return and give the Commission room to consider the facts in a specific situation.

Page 20, line 21, subsection 160(e) -- Much has already been said about the language which undermines the requirement to list deputy treasurers. Those of us who believe the public has the right to know who's carrying around campaign money would like to know how a person could solicit a contribution and carry it to a campaign without exercising any discretion over the identify of the campaign or the amount of the contribution. The real bagmen in life don't say, "I hope you give a contribution of some amount to some candidate and if you do, I'll take it to them." That's the only behavior this language would sanction.

Page 21, line 4, subsection 160(f) - This language parrots existing law about the responsibility of candidates. Our experience has shown that there's much room for improvement with respect to the candidates and the organizers of groups being required to be responsible. Anything you can do to strengthen this language would be appreciated.

Campaign Violations in the 1st and 2nd degree - subsections 220 and 230. Although it appears the Commission could levy substantial fines for 1st degree violations, that would be unlikely. In order to assess the larger fines, the Commission would have to prove by clear and convincing evidence that an act was taken with intent to avoid disclosure. This standard of proof is unreasonably high and would mean few penalties at the higher levels. In the second degree area, we feel that the fines may be too low.

Page 32, Statute of Limitations, section 260 - the term should be 4 years for both kinds of violations, especially since 4-year terms of office are covered by this law.

Page 36, subsection 310(b), "ban on plea bargaining," - The Commission staff serves at the pleasure of the Commission; those who are unhappy with its performance are most welcome to write and let us know.

Page 38, subsection 330, confidentiality - Even if we supported the premise - and we're not sure we do - this language is flawed. The confidentiality requirement is clearly imposed on the Commission and its staff but the complainant would still be free to talk. The language forbids discussion if no accusation is ever filed. Certainly the public has an interest in what cases are dismissed and why. The language in subsection (b) is so prohibitive that it might be illegal to conduct an investigation. If a subpoena were issued with the name of the respondent on it, such could be construed as divulging the existence of an investigation.

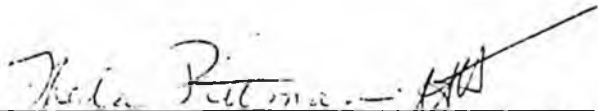
That concludes my remarks on behalf of the Commission. Thank you for this opportunity and for the special effort you made to arrange this teleconference. We're most appreciative.

POSITION PAPER
SB 401

This legislation annuls 34 administrative regulations promulgated by the Alaska Public Offices Commission in accordance with the provisions of the Administrative Procedure Act (AS 44.62). The specific regulations to be annuled include all long-standing and newly-revised regulations, twenty-nine in number, "[N]ecessary to implement and clarify the provisions of" AS 15.13, Alaska's Campaign Disclosure Law. AS 15.13.030(10). The remaining five regulations annuled by the bill are general provisions, procedural in nature, which are also applicable to AS 24.45, Regulation of Lobbying, and to AS 39.50, Conflict of Interest. The latter regulations include the Commission's procedures for handling complaints, preliminary investigations, hearings, and advisory opinions.

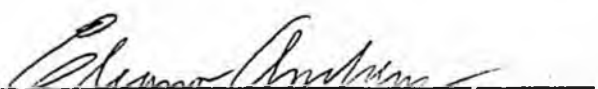
These changes would affect approximately 200 state candidates, 350 municipal candidates in 24 municipalities, over 250 political groups, and their major contributors. Candidates, groups, and contributors desiring to comply with AS 15.13 would be unsure of their responsibilities and would swamp the Commission with anxious inquiries. Those desiring to operate unfettered by the requirements of Alaska law would claim they didn't know their actions were improper.

With the 1986 campaigns well underway, the Commission would be required -- in order to assist those campaigns and in order to comply with its enabling legislation -- to publicize its intent to adopt Campaign Disclosure regulations and then to undertake the adoption of emergency regulations. Since emergency regulations are effective only for a short period of time, a notice of intent to adopt permanent regulations would also be undertaken as soon as the emergency action was complete. The process would require 6-9 months and additional funding due to the size of the task and the requirements of the Administrative Procedures Act.



Exec. Dir., Public Offices Commission

2/15/86
Date



Commissioner Eleanor Andrews
Department of Administration

2/18/86
Date

FEB 22 1986
2/20
①

C&RA 3/6/86

Gross & Burke

- No. 2 - Passed
- No. 7 - Rewrite passed
- No. 13 - passed unanimous consent - Fischer

Moved to reconsider Fisher amend #11
reconsideration passed

Coghill	No	DeVries	No
Sturgis	Yes	Fisher	Yes
Ferguson	Yes		

Ferguson

incumbent should be limited in
some way, because new-comers
don't have a fair chance.

Give new version to committee.

then take up next Thursday —

Sturgis - Go through bill again —

SB 356 - Mtg 3/4/86

Gross & Burke amendments

- No. 1. Coghill moved, unanimous consent
- ~~No. 2. Held over~~ - passed unanimous consent 3/6/86
- No. 3. Sturgulowski moved, passed 3 yea 1 nay
- No. 4. Sturgulowski moved, passed unanimous consent
- No. 5. Fischer moved, passed unanimous consent
- No. 6. Coghill moved, passed unanimous consent
- ~~No. 7. Attornies to redraft~~ - 1 yro grace period.
acct closed when debt paid off
- No. 8. Fischer moved, passed unanimously

Sturgulowski amendment

- No. 9 - Sturgulowski moved, passed unanimously

~~#~~

Five Fischer amendments

- No. 10 - Fischer moved - unanimous
- No. 11 - Fischer moved - unanimous
- No. 12 - Fischer moved - unanimous

Fischer 13, 14, 15 held over.

Gross & Burke

PROPOSED AMENDMENTS TO CSSB 356 (SA)

(1) Page 1, line 19, delete "United States census figures or"

(2) Page 20, lines 24-27, delete subsection (1) and substitute the following:

(1) the person transfers or delivers contributions of others of \$4,000 or less in the aggregate during a year to a candidate, a campaign officer of a candidate, a political action committee, or an officer of a political action committee and discloses to the candidate or political action committee the identity of the contributors;

(3) Page 25, lines 24-29 through page 26, lines 1-2, amend subsection (a) to read:

(a) A person who, with intent to avoid disclosure, fails to file a report of contributions, expenditures, or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.060(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.060(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than \$2,000 [\$300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

7
~~69~~

Page 49, lines 11-16, amend to read:

*Sec. 17. AS 15.14.180 as enacted in sec. 1 of this Act does not apply to campaign accounts for campaigns for elections [ELECTION CAMPAIGNS] held before the effective date of this Act and does not apply to contributions solicited or accepted and to expenditures made for the purpose of retiring campaign debts incurred by a candidate in a campaign for an election [AN ELECTION CAMPAIGN] held before the effective date of this Act.

8
~~67~~

Page 49, line 19, change "January 16" to "January 1"

13



passed unanimous consent

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Deletes PAC contribution limit of \$25,000.

Page 16, lines 26 - 28:

Delete "and may not contribute more than \$25,000 in the aggregate during a calendar year to candidates or political action committees generally,"

Page 26, lines 7 - 8:

Delete "or in excess of the \$25,000 limitation under AS 15.14.120 (b)"

Page 29, lines 25 - 26:

Delete "or in excess of the \$25,000 limitation under AS 15.14.120 (b)"

Fisher moved #14
F-4-S-N-Cog-Y
Deltri-N Ferg-No

#14

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Move Muri candidates
up into Section 1

Changes closing date for campaign activities and
accounts from 30 to 60 days after election or withdrawal.

Page 22, line 3:

Delete "30" and insert "60"

Page 22, line 5;

Delete "30" and insert "60"

Page 22, line 7;

Delete "30" and insert "60"

Page 22, line 10:

Delete "30" and insert "60"

Page 22, line 13:

Delete "30" and insert "60"

Sturg
passed
unanimous
consent

Amend pg 22, Line 4 or 30 days
after the date of election - case of
candidate in a run-off
election

15

A M E N D M E N T

By V. Fischer

CSSB 356(SA)
2/24/86

Prohibits any person from soliciting contributions from public employees on state property, (per A.G. letter of 2/27/86), but allows labor unions representing public employees to meet in state offices and solicit or request contributions for a candidate or PAC.

Page 23, lines 21 - 22:

Delete "A public officer or employee of the state or of a municipality of the state" and insert "An individual"

Page 23, line 25:

After "party" insert "from a public employee"

Page 24, lines 5 - 6:

Delete all material

Page 24, line 5

Moved by Fischer - Fischer Y
Fera N
sturg - N
Coq - N
DeVries - N

Insert "(d) Subsections (a) and (b) of this section do not apply to a meeting held by a labor union representing public employees of the state or of a municipality of the state."

*subsection (b)
solicitation of public employees
delete "by" or "to"
insert "person"
State and
passed unanimous
Fischer*

Tech amendments
Gross/Burke 3/4/86

PROPOSED AMENDMENTS TO CSSB 356 (SA)

Moved Coghill unanimous consent
Amend. #2
Amend. #2

Page 1, line 19, delete "United States census figures or" (1)

Page 20, lines 24-27, delete subsection (1) and substitute the following: (2)

(1) the person transfers or delivers contributions of others of \$4,000 or less in the aggregate during a year to a candidate, a campaign officer of a candidate, a political action committee, or an officer of a political action committee and discloses to the candidate or political action committee the identity of the contributors;

(3) Page ²⁴~~25~~, lines 24-29 through page ²⁵~~26~~, lines 1-2, amend subsection (a) to read: (3)

(a) A person who, with intent to avoid disclosure, fails to file a report of contributions, expenditures, or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.060(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.060(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than \$2,000 [\$300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

Hold action til Thursday

if intent moved fine should be much larger

intent to deceive
deceive w/o intent
distinguish between
inadvertent and
wilful, deliberate

(4)

(4) Page 25, lines 3-10, amend subsection (b) as follows:

(b) A political action committee that, with intent to avoid disclosure, fails to file a report of contributions, expenditures or loans [CONTRIBUTIONS OR EXPENDITURES] required to be filed 30 days or seven days before an election under AS 15.14.070(b) or fails to file a report within 24 hours after receiving a contribution or making an expenditure under AS 15.14.070(c) is subject to a civil penalty of not less than \$500 [\$100] nor more than ²⁰⁰⁰ \$1,000 [300] for each day that the report is due but not filed up to a maximum of \$25,000 for each report.

(5)

(5) Page 32, lines 27-28, amend subsection (b) to read:

(b) A proceeding [PROSECUTION] alleging a violation of AS 15.14.230 must be commenced within two years from the date of the alleged violation [OFFENSE].

(6)

(6) Page 44, lines 7-8 and lines 27-28, amend subparagraph ~~in~~ in both instances to read:

(7) is convicted of a misdemeanor under former AS 15.13 or is found to have committed a violation in the first degree under AS 15.14.220 [VIOLATION OF AS 15.13].

Hold r 7
change ~~18~~

7

Page 49, lines 11-16, amend to read:

election held
before effective
date, rather
than campaign
before effective
date

*Sec. 17. AS 15.14.180 as enacted in sec. 1 of this Act does not apply to campaign accounts for campaigns for elections [ELECTION CAMPAIGNS] held before the effective date of this Act and does not apply to contributions solicited or accepted and to expenditures made for the purpose of retiring campaign debts incurred by a candidate in a campaign for an election [AN ELECTION CAMPAIGN] held before the effective date of this Act.

19
8

Page 49, line 19, change "January 16" to "January 1"

Page 49, lines 11-16, delete sec. 17 and insert the following:

#17
adopted
unanimous
consent

*Sec. 17. In accordance with AS 15.14.180 enacted in sec. 1 of this Act, a candidate shall, no later than January 31, 1987, close each campaign account relating to a campaign for an election held before the effective date of this Act unless the campaign has outstanding debts. If the campaign has outstanding debts, the candidate may keep campaign accounts open after January 31, 1987, but shall close each campaign account within 30 days after all debts have been paid and in no event later than January 1, 1988, whether or not there are outstanding debts remaining on that date. During the time that an account remains open under this section, contributions may be solicited and accepted and expenditures made only for the purpose of retiring outstanding debts of a campaign for an election held before the effective date of this Act. An outstanding campaign debt remaining on January 1, 1988 becomes the personal debt of the candidate.

Page 49, lines 17-19, amend sec. 18 to read:

*Sec. 18. This Act applies to election campaign activities that take place after January 1, 1987 [AND THAT RELATE TO STATE OR MUNICIPAL ELECTIONS HELD AFTER JANUARY 1, 1987].

A M E N D M E N T

06 March 1986
by STURGULEWSKI

Senate Bill 356

Current law addresses dollar amounts by saying "over \$100", etc.

Senate Bill 356 as drafted refers to dollar amounts by saying "\$100 or more". This could lead to a lot of \$99.99 contributions. Legal Services should be directed by change dollar amount references throughout the bill to conform to current law.

"read more than \$100"

Sturg - moved unanimous consent

Fisher - make sure all references are changed

17

Sturg moved
asked unanimous
consent

A M E N D M E N T

06 March 1986
by STURGULEWSKI

Senate Bill 356

Page 10, line 10:

delete: "filed by January 31 following"

insert: "must be filed no later than ~~15~~ 30 days after the date on which campaign accounts must be closed under 15.14.180. An annual report for the year in which an election designated under AS 15.14.040(b)"

The "10-day after" report called for in current law has been deleted in this proposed legislation, and replaced by only an annual report requirement, due on 31 January of each year.

This leaves a losing primary candidate five months before a final report is due. This amendment standardizes reporting of closed campaign accounts for an election year by providing that the annual report be filed 15 days after the campaign account is closed as set out by 15.14.180.

18

Sturgulewski moved
unanimous consent

A M E N D M E N T

06 March 1986
by STURUGLEWSKI

Senate Bill 356

Page 15, line 14:

change to read: "...as correct by the candidate, campaign treasurer of the candidate, by the campaign..."

Current law includes the candidate as being able to certify the campaign report. This change adds the candidate to the list of persons able to certify a campaign report in the proposed bill.

Ferguson - candidate should not
certify his own acct

06 March 1986
by STURGULEWSKI

Senate Bill 356

Sec.15.14.180. TERMINATION OF CAMPAIGN ACTIVITY AND CLOSING OF CAMPAIGN ACCOUNTS. (a) A candidate shall close each campaign account relating to a designated election campaign on or before one of the following dates:

(1) for a legislative or statewide candidate in the general election, the date on which the successful candidate is sworn into office;

This section creates for legislators a time frame of about a month longer than any other candidate for closing a campaign account. The practical effect of this section limits a statewide candidate to less than 30 days to close a campaign account, and the following subsections specify that other candidates have only 30 days in which to close an account. In 1986, for example, the elapsed time between the general election and the first Monday in December, when statewide candidates assume office, is 26 days.

A M E N D M E N T

Page 21, line 29:

DELETE: "legislative candidate"

Page 22, line 3:

ADD: new subsection "(2) for a legislative candidate in the general election, 30 days after the date of the election;"

Renumber following subsections accordingly.

*Sturgulewski moved
unanimous
consent.*

A M E N D M E N T

06 March 1986
by STURGULEWSKI

Senate Bill 356

Page 22, line 3:

add: " , or 30 days after a run-off election;"

The proposed bill makes no provision for municipal run-off elections. This addition clarifies that an account could remain open until 30 days after a run-off election, generally held 20 days after a regular election.

SB 356 - Mtg 3/4/86

Gross & Burke amendments

- No 1. Coghill moved, unanimous consent
- No. 2. Held over
- No. 3. Sturgulewski moved, passed 3 yrs 1 day
- No. 4. Sturgulewski moved, passed unanimous consent
- No. 5. Fischer moved, passed unanimous consent
- No. 6. Coghill moved, passed unanimous consent
- No. 7. Attornies to redraft - 1 yr grace period
acct closed when debt paid off
- No 8. Fischer moved, passed unanimously

Sturgulewski amendment

- No. 9 - Sturgulewski moved, passed unanimously

~~#~~

Vic Fischer amendments

- No. 10 - Fisher moved - unanimous
- No. 11 - Fischer moved - unanimous
- No 12 - Fischer moved - unanimous

Fisher 13, 14, 15 held over.

C&RA Committee 3/4/86
SB-356

Burke Went thru bill based on Cook ~~not~~
Tech amendments:

Amendment #1 passed unanimous consent

Amend #2 - Gross

Sturg - What happen when one event raises more
than \$4000

Gross. have never enforced law the way it is written

Fischer. hired fundraiser who gets 10% of money
would not have to register

Burke. Yes, but this would be shown in
expenditure section

Coghill. If amendment makes problem worse

Amend #3

Close up discretionary power of Commission

Coghill: say fine \$25,000 but waive everything
but \$1500.

~~pk 745-5703~~
~~Dist 16~~
~~Cross Keeling~~
~~Box 135~~
~~Palmer,~~

Averum: if deal w/ offenses as crimes can use
officer of court

Gross - Regulations - any inconsistent w/ Act will have to
be re-written

Com

- Amend # 3 moved Arliss - passed unanimous consent
- Amend # 4 moved Arliss - passed unanimous consent
- Amend # 5 moved Fischer - " " "
- # 6 moved Coghill - " " "
- # 7 ↓ make changes so that acct closed if debt
paid off
allow some grace period, but not indefinite
1 yr. grace period
- # 8 moved Fischer - passed

Arliss

pg 1, line 17 delete assembly insert
line 18 or to "and"

Amendments 13, 14, 15 held to Thursday



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghil

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

Committee Meeting March 4, 1986

SB 356 -- An Act relating to election campaign financing

Note: The minutes from the February 28 meeting wherein testimony was taken from the Alaska Public Offices Commissioners, have been transcribed verbatim.

The committee requested a written copy from the Commission of Chairman Rogers' comments; and also written comments from Jeff Bowman of AKPIRG. A telephone contact with Theda Pittman and Jeff Bowman this morning elicited the information that written comments will be forthcoming from both sometime this week.

Attached are proposed amendments to SB 356 from Gross & Burke.

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

February 27, 1986

The Honorable Edna DeVries
Chair, Senate Committee on Community
and Regional Affairs
Alaska State Legislature
P.O. Box "V"
Juneau, AK 99811

Re: CSSB 356; Revision of campaign
financing laws

Dear Senator DeVries:

I understand that CSSB 356 has been referred to your committee for review. As you know, the Department of Law identified a variety of problems with SB 356 as originally introduced by the Senate Affairs Committee. While CSSB 356 is an improvement over the original bill, I regret to say that it is still far from perfect. One provision in particular troubles me greatly.

This is proposed section 15.14.200, "Solicitation of Contributions." The committee substitute prohibits public employees from soliciting contributions to candidates, political action committees and political parties from other public employees "while on the premises of a state or municipal office." This is fine as far as it goes. However, CSSB 356 exempts officials "elected to office by popular vote" from this prohibition. See proposed section 15.14.200(d). Furthermore, the bill allows candidates, lobbyists, or any other person connected with a political campaign to solicit contributions from public employees on public premises.

Proposed section 15.14.200 should be strengthened to prohibit any person from soliciting political campaign contributions from public employees on public premises. This prohibition should include elected officials, lobbyists, and campaign workers. Any time an elected official or a candidate for elective office (especially a gubernatorial candidate) solicits contributions from a public employee, there is a substantial risk of perception on both the part of the state employee and the public that the contribution was less than voluntary. This is especially true in the case of public employees in the exempt and partially-exempt service, who ultimately serve at the pleasure of elected officials.

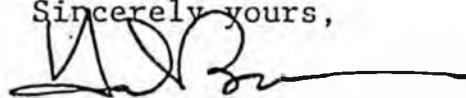
The Honorable Edna DeVries, Chair
Senate Committee on Community and
Regional Affairs
Re: CSSB 356

February 27, 1986
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For example, every attorney in the Department of Law is either partially-exempt or exempt under the state's personnel laws. I cannot help but think that solicitations on behalf of any gubernatorial candidate in our offices would create the impression that an attorney's job may be at risk unless he or she contributes to the campaign. While prohibiting campaign solicitations on public premises would not prevent solicitation from public employees at home, the risk of an impression that refusing to contribute would result in retaliation is much less than it would be if the solicitation was made at the workplace. Consequently, I believe it is entirely appropriate to draw a bright line and prohibit any campaign fundraising from public employees on public premises.

Thank you very much in advance for your consideration of my concerns. Please let me know if the Department of Law can be of any assistance to your committee in its review of CSSB 356.

Sincerely yours,



Harold M. Brown
Attorney General

HMB:RDM:cck

cc: The Honorable Frank Ferguson
Alaska State Senate

The Honorable John B. Coghill
Alaska State Senate

The Honorable Vic Fischer
Alaska State Senate

The Honorable Arliss Sturgulewski
Alaska State Senate

Theda S. Pittman, Executive Director
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AVRUM M. GROSS
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February 25, 1986

To: Members of the Senate Community and Regional Affairs
Committee

From: Avrum M. Gross
Susan A. Burke

SECTIONAL ANALYSIS OF CSSB 356 (State Affairs)
CAMPAIGN FINANCING PRACTICES REVISION

The following is a section by section analysis of CSSB 356 (State Affairs), which revises the campaign financing laws now contained in AS 15.13.

Article 1. ALASKA PUBLIC OFFICES COMMISSION.

Sec. 15.14.010. APPLICABILITY. This section is almost identical to existing AS 15.13.010. One change from existing law is to cite to the specific statute under which the Department of Community and Regional Affairs certifies municipal populations for purposes of identifying those municipalities with populations of more than 1,000 to which the chapter applies. Also, the language in the existing law that states that the law applies to elections "to a municipal office" has been replaced with language that specifically refers to the offices that are to be covered --

mayor, assembly, and school board. This change insures that service area elections are not covered by the law.

The bill contains no counterpart to existing AS 15.13.011, which exempts presidential primary elections from the provisions of the chapter, since the law providing for a presidential primary in Alaska has been repealed.

Sec. 15.14.020. ALASKA PUBLIC OFFICES COMMISSION. Subsections (a) through (g) deal with the appointment of commissioners and are in substance the same as the appointment provisions contained in AS 15.13.020. However, existing law only provides for the initial appointment of commissioners; it contains no procedure for the appointment of successors. The new sec. 15.14.020 establishes such procedures consistent with that used for initial appointments and establishes a period of 30 days after a vacancy within which the appointment must be made.

Under existing law, a member of the commission is prohibited from certain kinds of political activity, but an exception is made for contributions by commission members to a candidate for President of the United States. Under subsection (h) of sec. 15.14.020, this exception is no longer allowed.

Subsection (i) of sec. 15.14.020 changes the amount of compensation received by APOC commissioners to \$100 per day.

Presently, members of the commission receive compensation of \$50 per day -- the generally applicable per diem rate when the commission was established approximately 12 years ago.

Subsection (j) of this section amends existing law dealing with a quorum of the commission to provide that while a majority of the commission constitutes a quorum, a vote of at least three members is required for the commission to take any affirmative action. The purpose of this change is to insure that all actions by the commission will be taken by a bipartisan majority.

Subsection (k) includes a new provision that prohibits the executive director and employees of the commission from engaging in the types of political activity that commission members are prohibited from undertaking under subsection (h).

Sec. 15.14.030. DUTIES OF THE COMMISSION. This section is nearly identical to the present 15.13.030, which spells out the responsibilities of the APOC. Existing law requires the commission to report violations of the law to the Attorney General. Because the bill now contains only civil penalties, to be administered by the commission under provisions similar to the Administrative Procedure Act, subsections (7) and (8) of sec. 15.14.030 do not contain a

requirement that violations be reported to the Attorney General.

Article 2. REGISTRATION AND REPORTS.

Sec. 15.14.040. REGISTRATION BY CANDIDATES. Sec. 040 establishes the point at which a person becomes subject to the requirements of the law for filing reports required to be filed by candidates. It is set as the time the candidate files for nomination or previously, if he accepts contributions from others of more than \$1000 in the aggregate. Present law has no similar provision; AS 15.13.100 does provide, however, that candidates may not make expenditures for other than travel or polls prior to filing for office. This bill does not include the existing prohibition on expenditures prior to filing. A person under the provisions of this bill would be free to spend any amount of his or her own money campaigning without having to register with the commission or actually file for office. Such expenditures would, of course, be reported to the commission once the person did file for office or began to receive contributions from others.

Sec. 15.14.050. REGISTRATION BY POLITICAL ACTION COMMITTEES. Subsection (a) of this section is nearly identical to the present AS 15.13.050. It requires that political action committees register prior to making any

contributions to a candidate or independent expenditures on behalf of or in opposition to a candidate. Subsection (b) applies to committees that are not supporting candidates but instead are formed solely to support initiatives or referendums. Registration for such a committee is required within 30 days after the committee files a petition commencing the process of the initiative or referendum, regardless of whether contributions are solicited or expenditures made.

Subsection (c) is new, and provides that the registration of a PAC is valid only from the date of registration until the following January 31. In effect, this subsection requires a political action committee to renew its registration annually.

Subsection (d) is also new, and provides that a political action committee may not register using a name that is the same or materially similar to the name of another political action committee already registered. Similar provisions are found in the corporations code, and are designed to avoid confusion as to the identity of PACs.

Subsections (e) and (f) deal with PACs that are formed for the purpose of supporting only one candidate or that are so much controlled by a candidate as to be, in essence, nothing more than a campaign committee of the candidate.

These provisions are modeled after provisions of existing law contained in the definition of "group."

Sec. 15.14.060. REPORTS BY CANDIDATES OF CONTRIBUTIONS, LOANS AND EXPENDITURES. This section describes the information that must be included in contribution and expenditure reports and establishes the dates at which those reports must be filed. Under present law, these requirements are set out in AS 15.13.110 and AS 15.13.040. The bill makes very few substantive changes in the existing reporting requirements.

Under existing law, reports of contributions and expenditures must be filed on December 31 of each year, 30 days before an election, one week before an election, and ten days after an election. In addition, a report must be filed within 24 hours of a contribution of \$250 or that is received within one week of an election. The first change made in the bill to existing law is to raise from \$100 to \$250 the amount of aggregate contributions by a single contributor that requires disclosure of the identity and business affiliation of the contributor. The second change is to raise from \$250 to \$500 the amount of a contribution that must be reported within 24 hours of receipt during the period immediately prior to the election. These changes

merely reflect the effects of inflation since the adoption of the existing provisions 12 years ago.

The bill also eliminates the requirement that a report of contributions and expenditures be filed ten days after an election. That report has no impact on the election itself. Moreover, since under AS 15.14.180 of the bill campaign accounts must be closed as of the date the successful candidate is sworn into office and a final report filed shortly thereafter, the same information contained in the report filed ten days after an election will be included in the final report. Thus there is little if anything to be gained by filing the ten day report. The ten day report has, in effect, been replaced in the bill with a "final report," to be filed on or before January 31 of the year following the election. There is no existing requirement that campaign books be closed at any time; accordingly, there is no requirement under present law for a final report.

The bill also deals with an apparent oversight in the existing law regarding the special reports required for contributions of greater than \$500 made within one week of an election. Since under present law, (AS 15.13.110) reports need only include contributions made up to three days before the date of the report, the general report filed

one week before the election actually only includes contributions made up to ten days before the election. The report that is required for larger contributions made within one week of the election, then, leaves a gap of three days during which such contributions need not be specially reported. The new AS 15.14.060(c) closes this inadvertent loophole by requiring reports of \$500 contributions commencing ten days before the election.

The date for the year end contribution and expenditure report by candidates has been also changed from December 31 to January 31, and covers all contributions received and expenditures made between January 1 and December 31 of the immediately preceding year. The same change has been made for contribution and expenditure reports by political action committees in Sec. 15.14.070.

The bill for the first time would require candidates to report all loans received, including the amount, purpose, terms and identity of the lender. Sec. 15.14.110(e) of the bill prohibits contributions to candidates and PACs in the form of loans. Unless candidates and PACs are required to report all loans, there is no way to effectively enforce the prohibition against contributions in the form of loans.

The bill eliminates the requirements of existing AS 15.13.070(f) that limit the total expenditures that may be

made in a campaign, since such limits are unconstitutional. It also eliminates the provision in AS 15.13.040(f) that requires businesses providing media services to a candidate to report the amount of expenditures made by the candidate and received by them. The APOC stopped enforcing this provision years ago and there is no reason to carry it forward in the law.

Sec. 15.14.070. REPORTS BY POLITICAL ACTION COMMITTEES OF CONTRIBUTIONS, LOANS, AND EXPENDITURES. This section is similar to the present AS 15.13.040 and 15.13.110, and establishes the same reporting requirements for political action committees as sec. 15.14.060 establishes for candidates.

Sec. 15.14.080. STATEMENT BY PERSON MAKING CONTRIBUTION OR EXPENDITURE. This section is nearly identical to existing AS 15.13.080, and requires that persons contributing \$250 or more to a candidate or PAC must file a statement with the commission to that effect. This section also requires persons to file such statements concerning "independent" expenditures of \$250 or more.

Sec. 15.14.090. INDEPENDENT EXPENDITURES. The definition of "independent expenditure" set forth in this section raises one of the more difficult issues in the area of campaign financing regulation. Because the United States

Supreme Court has held that there may not be any limits imposed on the amount a person or political action committee spends "independently" of a candidate, and because this bill maintains limits on contributions to candidates by persons and political action committees, some definition must be established to differentiate the truly "independent" expenditure by a person or political action committee from one that is made in coordination with a candidate and therefore subject to the contribution limits. While the differences are easy to distinguish conceptually, fashioning a distinction in statutory language that will work in practice is not so easy.

One of the difficult problems of enforcing the contribution limits as they apply to non-independent expenditures -- particularly in a relatively small state like Alaska -- arises from the fact that professional media consultants often work, during the same election, for a number of individual candidates and also for political action committees. If a consultant is advising a PAC and that PAC is making expenditures on behalf of a candidate who is also one of the consultant's clients, there is a strong possibility that knowledge gained by the consultant from working with the candidate will, consciously or unconsciously, be applied to the development of media

prepared on behalf of the candidate by the political action committee.

From the standpoint of enforcing the contribution limits on political action committees, it is difficult to prove affirmatively, without an objective standard in the law, that a consultant has used information from the candidate in developing "independent" media for a PAC. Unless there is a clear, objective test for nonindependent expenditures, there will be no way to enforce the contribution limits.

This section attempts to establish an objective standard for "independent" expenditures. It is modeled after federal law. It provides, in essence, that an expenditure is not an independent expenditure -- and thus subject to the contribution limitations -- if the expenditure is made in consultation with someone who either was an officer of the candidate's campaign or worked in a professional capacity for the candidate's campaign within one year before the expenditure is made. This does not mean that expenditures made in consultation with candidates or their consultants are illegal. The provision would simply be a means of letting PACs, candidates, campaign workers, and media consultants know when expenditures that are made by "independent" supporters of a candidate must be reported

as contributions and included within the \$2,000 contribution limitation. This provision will unquestionably have some effect on a media consultant's ability to take employment both from a candidate and from PACs that seek to spend more than \$2,000 on that candidate's behalf.

The definition is far from perfect, since it is going to be difficult in many cases to determine if an expenditure is truly independent or whether it has been made through consultation with a candidate. Communication with the Federal Election Commission staff indicates that there have been few, if any, successful efforts to enforce this provision a federal level. Nonetheless, the distinction must be made since under rulings of the Supreme Court, there are no limits on the amount of independent expenditures that may be made by a PAC or individual to support a candidate, while expenditures that are not independent are deemed contributions and may be limited.

Sec. 15.14.100. CERTIFICATION OF REPORTS. Present law requires in numerous sections that reports made to the commission be certified. The proposed section makes that requirement generally applicable to all reports and adds a specific form for the certification.

ARTICLE 3. CONTRIBUTIONS AND EXPENDITURES.

Sec. 15.14.110. CONTRIBUTIONS BY A PERSON. Subsection (a) of this section includes the present limitation of \$100 on the amount that may be contributed to a candidate or PAC in the form of cash. Subsection (b) raises the present limit of \$1,000 for contributions made by persons directly to candidates to \$2,000. Subsection (c) imposes for the first time a limit on the amount that a person may contribute to a PAC, and sets that limit at \$2,000. Subsection (d) permits, as does existing law, unlimited contributions to political parties, and restates the constitutional rulings of the United States Supreme Court that no limits may be imposed on contributions to groups formed solely for the purpose of supporting or opposing ballot propositions or questions. Subsection (e) prohibits persons from making contributions in the form of loans in any amount to candidates or political action committees. The theory behind this prohibition is that a candidate will feel more of an ongoing obligation to a contributor who lends the candidate money than to a contributor who merely gives a contribution in the form of an outright gift. Loans to candidates made by themselves or by members of their immediate families would still be permitted, as would

ordinary extensions of business credit made in the course of a campaign.

Sec. 15.14.120. CONTRIBUTIONS BY A POLITICAL ACTION COMMITTEE. Subsections (a) through (c) contain the same limitations on contributions by political action committees that sec. 15.14.110 imposes on contributions by persons. Subsection (b) of this section additionally prohibits a PAC from contributing more than \$25,000 in the aggregate during a year to candidates and other political action committees generally.

Subsection (e) is concerned primarily with the potential problem of spinning off additional PACs from a "parent" PAC simply to avoid the contribution limitations. This subsection provides that multiple PACs are considered to be a single group for purposes of the contribution limits if the PACs share a majority of the same officers. This is far from an ideal solution to this problem; however, it is extremely difficult to draft objective indicators of "control" or "sameness" among PACs that will identify truly spurious spin-offs but that do not at the same time include genuinely distinct PACs.

Subsection (f) makes it clear that if a political action committee makes a non-independent expenditure for a communication supporting a slate of candidates, the

committee must allocate that expenditure for purposes of the contribution limitation among those candidates on a pro rata basis.

Subsection (g) provides (as in present law) that political parties may make unlimited contributions to candidates. The distinction is made because political parties are far different than the new type of political action committees that have sprung up in the last decade. Political parties are democratically run, and they represent a wide spectrum of interests as compared with political action committee that more and more tend to represent narrow economic or political concerns.

Sec. 15.14.130. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. The two previous sections (15.14.110 and 15.14.120) prohibit persons and PACs from making contributions beyond the limits provided in those sections. This section contains the counterpart provision that prohibits candidates, campaign officers, PACs and PAC officers from accepting contributions made in excess of those limits.

Sec. 15.14.140. EXPENDITURES. This section replaces the unconstitutional provisions of present AS 15.13.070(f) that limit campaign expenditures; the revision brings the law into conformity with U.S. Supreme Court decisions.

Subsection (a) provides that there is no limit on the amount a candidate may expend for his own campaign. Subsection (b) provides that persons or PACs may also make unlimited expenditures of funds so long as those expenditures are independent expenditures.

Sec. 15.14.150. PROHIBITED CONTRIBUTIONS. This section continues the prohibition contained in present law, AS 15.13.070(d), against anonymous contributions or expenditures and against contributions and expenditures made in the name of another. This section also provides, contrary to regulations recently adopted by APOC, that contributions by a shareholder of a corporation are not contributions in the name of the corporation. This would permit a subsidiary corporation and its parent corporation each to contribute \$2,000 to the same candidate.

ARTICLE 4. CAMPAIGN CONDUCT AND ADMINISTRATION.

Sec. 15.14.160. CAMPAIGN OFFICERS. This section is similar to the existing provisions of AS 15.13.060. The new section retains the requirement of existing law that candidates and PACs must appoint a campaign treasurer. It adds a new requirement, however, that PACs must also appoint a campaign chairman. The existing statute requires candidates for state offices to file the name of their campaign treasurers with the director of the division of

elections, who then files it with the commission. The new section deletes the requirement of filing with the division of elections and instead provides for filing the names of campaign officers directly with the commission.

Under existing law, contributions may be "received" and expenditures made only through a campaign officer -- chairman, treasurer or deputy treasurer, or by a candidate personally. Sec. 15.14.160(e) of the bill would exempt a person from registering as a deputy campaign treasurer if the person's only activity is soliciting contributions and transferring contribution checks from contributors to candidates.

Subsection (f) is virtually identical to the existing provisions of AS 15.13.060(f), which provides that a default or violation of a campaign treasurer is considered a default or violation by the candidate if the candidate "knew or had reason to know of the default or violation." The new subsection expands the candidate's responsibility to all campaign officers, not just campaign treasurers.

Sec. 15.14.170. USE OF CAMPAIGN FUNDS. This section is new, and in effect prohibits the personal use of campaign funds by providing that campaign funds may be used only for campaign purposes. While the standards in the bill describing the permissible use of campaign funds --

"influencing or attempting to influence the actions of the voters" -- are very broad, attempts to develop a more precise definition inevitably resulted in banning things that arguably should be legitimate political expenditures. This section would also prohibit a candidate from repaying a loan made by the candidate to his own campaign if the loan was not timely reported as a loan under Sec. 060.

Sec. 15.14.180. TERMINATION OF CAMPAIGN ACTIVITY AND CLOSING OF CAMPAIGN ACCOUNTS. This section is new, and it is one of the major changes that this bill makes in the existing law. Existing law permits office holders to continue to solicit and accept contributions to pay off campaign debts during their terms in office. Not only does this give the winner in an election an enormous advantage over the losers in terms of the ability to raise post-election campaign contributions, but it also involves at the very least an appearance of impropriety, since the winner has the power -- at least in theory -- to assist contributors in ways that the losers do not. It also encourages candidates to run up large debts in their campaigns, since they can always hope that they will be successful and through subsequent fund raisers, be able to reduce or pay the debt.

This section requires candidates to close all accounts relating to a designated campaign no later than the date on which the successful candidate is sworn into office. Candidates who lose in the primary, municipal candidates, and candidates who withdraw before an election must close their accounts within a brief period after the election or withdrawal from the race. The section also prohibits candidates from soliciting or accepting contributions and from making any expenditures other than disposing of surplus funds after the date on which accounts must be closed.

Sec.15.14.190. SURPLUS FUNDS. This section is new. Under existing law, a candidate may use surplus campaign funds for any purpose, including as personal income, the only requirement being that the funds be declared as income for tax purposes. This section strictly limits the ways in which surplus campaign funds may be spent.

Sec. 15.14.200. SOLICITATION OF CONTRIBUTIONS. This section is new. There are currently no restrictions in law concerning the solicitation of contribution by and from public employees. Subsections (a) and (b) prohibit state and municipal officers and employees, except those elected to office by popular vote, from soliciting contributions from other public officials or employees while either the solicitor or the person being solicited is on the premises

of a state or municipal office. Subsection (c) prohibits candidates and PACs from accepting contributions obtained through those means.

Sec. 15.14.210. IDENTIFICATION OF COMMUNICATION.

Subsection (a) of section 210 is identical to existing AS 15.13.090, and requires that all advertisements and other political communications be identified by a "paid for by" statement. Subsection (b) is new. It requires a person or political action committee making an independent expenditure also to include a statement that the communication is not authorized by any candidate. This requirement is directed at independent advertisements that are ostensibly favoring one candidate, but that are so scurrilous as to require the candidate to adopt a defensive posture and disavow the advertisement after the fact. While there is no way constitutionally to prohibit scurrilous independent campaign efforts, this subsection at least offers the "benefited" candidate some protection.

Subsection (c) of this section is also new. In its most recent regulations, the commission adopted a provision that would exempt certain small campaign items -- buttons, pens, pencils, and so forth -- from including the phrase "paid for by." The regulation makes sense, but there is a real question as to whether the existing law provides

sufficient authority for the commission to adopt regulations to allow any exceptions to the statute's "paid for by" requirement. Subsection (c) would provide that authorization. The bill does not define in detail what constitutes "too small," as that is a matter more appropriately left to the commission to determine through regulations.

ARTICLE 5. VIOLATIONS, CIVIL PENALTIES, AND PROCEDURES.

As originally introduced, SB 356 contained three levels of penalties for violations of the provisions of Chapter 14 -- Class C felonies for knowing and intentional violations of the most important requirements of the law, Class A misdemeanors for knowing and intentional violations or less critical requirements, and civil penalties to be administered by the commission for inadvertent violations of the law. However, after the Attorney General testified before the Senate State Affairs Committee that the Department of Law did not want to be involved in prosecuting any violations of the act as crimes, the Committee totally revised the penalty provisions. The Committee Substitute for Senate Bill 356 now contains only civil penalties -- all to be administered by the Public Offices Commission. The bill does, however, continue to make a distinction between

intentional or knowing violations of the more important provisions of the law and those violations for which penalties may be imposed without proof of knowledge or intent.

Sec. 15.14.220. CAMPAIGN FINANCING VIOLATIONS IN THE FIRST DEGREE. This section deals with the more serious violations of the act that are committed either knowingly or with intent to avoid public disclosure. The heaviest potential penalty under this section is provided for a person or PAC that, with intent to avoid disclosure, fails to file a report due 30 days or seven days before the election or within 24 hours after receiving a contribution. Such a person or PAC would be subject to a penalty of not less than \$100 nor more than \$300 for each day the report was due but not filed, up to a maximum of \$25,000 for each report. The following are examples of the types of fines provided under this section for intentional violations of the law. A person or PAC that, with intent to avoid disclosure, files a 30 day, seven day, or 24 hour report containing false or misleading information would be subject to a fine of not less than \$500 nor more than \$5,000 plus an additional fine not to exceed twice the amount of the contribution or expenditure involving the false or misleading statement. Knowingly accepting or making

contributions in excess of the dollar limitations would carry a fine of not less than \$1,000 nor more than \$5,000, plus an additional fine not to exceed twice the amount that the contribution exceeded the limit. Knowingly accepting or making contributions in excess of the \$100 cash limitation would carry a fine of not less than \$100 nor more than \$500 if the cash contribution is less than \$500; if the cash contribution is \$500 or more, the commission would be authorized to assess an additional penalty not to exceed twice the amount of the cash contribution. Knowingly making or accepting a contribution made anonymously or in the name of another would carry a penalty of not less than \$500 nor more than \$5,000; if the contribution is \$500 or more, the commission would be authorized to assess an additional penalty not to exceed twice the amount of the contribution.

Sec. 15.14.230. CAMPAIGN FINANCING VIOLATIONS IN THE SECOND DEGREE. This section provides for lesser civil penalties for acts or omissions included under the previous section for which knowledge or intent to avoid public disclosure need not be proven -- in essence, inadvertent violations. These violations in the second degree carry maximum fines ranging between \$3,000 and \$5,000. This section also provides for civil penalties for less serious violations of the law -- primarily those that do not impede

pre-election disclosure of the sources and amounts of campaign contributions. Maximum penalties for these violations range between \$500 and \$2,000.

Under existing law, any violation of the law is a misdemeanor. As the Attorney General noted in his testimony before the Senate State Affairs Committee, there has never been a criminal case brought under this act in its 12 years of existence. By the same token, the only penalties that the commission is authorized to assess under the current law are daily fines for late reports. The new penalty provisions will ensure that for the first time persons who violate other provisions of the law -- not just those who file reports late -- will receive some penalty. These provisions are also more likely to result in having serious, intentional violators receive severe penalties, particularly in light of the fact that there have been no criminal prosecutions to date under the existing laws.

Sec. 15.14.240. PAYMENT OF FINES. This section is new, and prohibits a candidate or PAC from paying any fine imposed by the commission from campaign funds.

Sec. 15.14.250. REMOVAL FROM OFFICE. Subsection (a) is similar to existing AS 15.13.120(f), and outlines the procedures to be followed for removing a successful candidate from office. This section provides that these

procedures be initiated only a successful candidate is found to have committed an intentional or knowing violation in the first degree under sec. 15.14.220 of the bill.

Subsection (b) is taken from existing AS 15.13.120(g), and simply requires that the record developed by the commission shall be considered during any removal process. Subsection (c) is a slightly edited version of AS 15.13.120(h), which purports to require the courts to give priority on the calendar to criminal proceedings brought against successful candidates or their campaign officers under the existing act. The new subsection (c) requires that the commission give priority in its handling of cases to those involving successful candidates accused of first degree violations.

Sec. 15.14.260. LIMITATIONS ON ACTIONS. Existing law contains a four year statute of limitations for both crimes and violations under the existing law. Proposed sec. 260 adopts a series of statutes of limitation -- four years for first degree violations and two years for second degree violations. Subsection (c) makes it clear that for violations involving late reports, the violation is considered to have been committed on the day after the report was due.

Sec. 15.14.270. INVESTIGATIONS. This section is largely new. The existing statutes governing commission investigations and procedures are hopelessly confused. This section retains the provision of existing law (AS 15.13.120(d)), which permits the commission to commence an investigation upon receiving a citizen's complaint. The proposed section, however, incorporates into the law the commission's current regulation that requires such complaints to be signed and verified.

Subsection (b) requires the commission to send a copy of a citizen's complaint to the person charged in the complaint, and to inform both the complainant and the person being investigated if and when the investigation is closed or an accusation is filed. Existing law provides only that the complainant be informed of the closing of an investigation. Existing law permits the complainant to appeal a decision to terminate an investigation to the superior court. In light of Alaska Supreme Court decisions involving similar issues, a judicial order requiring the commission to prosecute a matter would be a violation of separation of powers. This bill therefore deletes that provision of existing law.

Sec. 15.14.280. ACCUSATIONS. Existing law contains very few provisions governing the actual administrative

procedures that the commission must follow in adjudicating contested violations and imposing penalties. To the extent that its regulations have filled that gap, the commission has generally followed the provisions contained in AS 44.62, the Administrative Procedure Act. It is preferable, however, to include the basic procedures in the law rather than leaving such an important matter to regulations. Sec. 280 thus is borrowed from the Administrative Procedure Act provisions which are applicable to the initiation of proceedings by nearly every other administrative agency in state government.

Sec. 15.14.290. NOTICE OF DEFENSE. Like proposed sec. 280, this section is also taken almost verbatim from the Administrative Procedures Act, and describes the "answering" document that the respondent to an accusation files with the commission.

Sec. 15.14.300. HEARINGS. Subsection (a) requires the commission to provide notice of contested hearings -- a requirement contained in the Administrative Procedure Act. Subsection (b) adopts by reference for the commission the general hearing procedures contained in the Administrative Procedure Act for other agencies' hearings -- mostly governing such things as the use of depositions, rules of evidence, and so forth. In contrast to the Administrative

Procedures Act, however, this section provides that the Commission need not appoint hearing officers to preside at its hearings. Hearing officers must be attorneys, and they do not work for free. Requiring them in every case before the commission would add greatly to the commission's costs. This subsection does require, however, that an assistant attorney general must be present to advise the commission on legal matters during a hearing if a hearing officer is not appointed.

Sec. 15.14.310. IMPOSITION OF PENALTY. This section has no counterpart in the existing statute. It provides that the commission may impose penalties only after a person has admitted or pled no contest to an accusation or after the Commission holds a hearing at which certain rights have been afforded the respondent, and at which the commission determines that the person has committed the violation. This section also proposes that violations must be proved by clear and convincing evidence. The existing statute does not address standards of proof in hearings before the commission. Most agencies are governed by what the court terms "substantial evidence." For violations resulting from inadvertent errors where a report is late or contains inaccuracies, proof of the violation will be simple even under a heightened standard of proof such as "clear and

convincing." But a determination that someone deliberately attempted to deceive the public has obvious and major implications for one's life, to say nothing of one's political career. For these reasons, this section requires proof by "clear and convincing" evidence.

Subsection (b) contains what in essence is a ban on plea bargaining. It is worded similarly to the Department of Law's prohibition against plea bargaining in criminal cases.

Subsection (c) insures that the staff will not communicate penalty recommendations to the commission unless the respondent has notice of what the recommendation will be and has an opportunity to respond to it.

Subsection (d) contains broad guidelines for the commission to follow in imposing penalties in particular cases. In essence, this section suggests that the higher penalties should be reserved for egregious conduct involving relatively large contributions. Including a section like this will provide some guidance to the commission in exercising its discretionary "sentencing" authority, as well as provide some standards for judicial review of commission actions.

Sec. 15.14.340. SUMMARY DISPOSITION OF VIOLATIONS.

This section authorizes the commission to adopt a schedule

of fines for the least serious violations -- with maximum penalties of up to \$500 for a single violation. The vast majority of violations that have come or will come before the commission involve reports that are filed a few days late. This section will permit the commission to continue to deal with those minor violations in a summary fashion, without having to employ the more elaborate procedures of the Administrative Procedure Act. The concept of summary disposition of violations by means of a schedule of fines is modeled after the mail-in-bail provisions of the Motor Vehicle Code (AS 28).

Sec. 15.14.330. CONFIDENTIALITY. This section requires that all commission investigations -- including the fact that an investigation is even being conducted -- must remain confidential until such time as an accusation is filed. Subsections (b) and (c) are modeled after the confidentiality requirements governing employees of the Department of Revenue with respect to tax matters. Like the Revenue statute, this proposed section makes it a misdemeanor for a current or former commission member or current or former commission employee to divulge confidential information about a past, pending, or contemplated investigation.

Sec. 15.14.340. JUDICIAL REVIEW. This section is new, and is modeled after a similar section in the Administrative Procedure Act.

Sec. 15.14.350. POWERS OF THE COMMISSION. This section is, apart from minor editing, identical to existing AS 15.13.045, and provides the commission with the power to compel witnesses, issue subpoenas, and so forth, with respect to an investigation or hearing.

Sec. 15.14.360. LEGAL COUNSEL. This section is modeled after existing AS 15.13.122. It provides that the Attorney General is the legal counsel for the commission. The existing statute allows the commission to request the chief justice of the supreme court to appoint a special prosecutor "if the public interest warrants." Because the bill has removed criminal penalties for violations of the act, this provision was deleted from the bill. The existing statute also permits the commission, without the concurrence of any official, to employ temporary legal counsel. All other agencies must seek the concurrence of the Attorney General before legal counsel outside the Department of Law may be employed, since the Attorney General must be in charge of all state legal policy. Subsection (b) of the proposed section requires concurrence by the Attorney

General before the commission may employ its own legal counsel.

ARTICLE 6. MISCELLANEOUS PROVISIONS.

Sec. 15.14.900. DEFINITIONS.

The definition section is similar to Sec. 15.13.130 in the present law with the following major changes:

(a) Expenditure. The existing definition of "expenditure" is confusing primarily because it is poorly drafted. The new definition attempts to clarify the meaning of the term without changing the substance of the existing law.

(b) Political action committee. A definition of "political action committee" replaces the present definition of "group." A "political action committee" is not simply a combination of persons who act "jointly" for political purposes, but instead is defined as a person or combination of persons that accepts contributions for the purpose of influencing elections. It includes individuals who raise money and use their own discretion as to how that money is spent; present law does not specifically cover such individuals. Individuals who do not use the contributions of others but simply spend their own funds are not a political action committee -- the expenditures will be reported, however, under proposed sec. 15.14.080.

(c) Political Party. There is no current definition of a political party in Alaska. The previous definition contained in AS 15.60.010(20) defined a political party as a group of organized voters representing a political program and that nominated a candidate for governor who received at least 10 percent of the vote at the preceding general election. This definition was struck down in Vogler v. Miller, 660 P.2d 1192 (Alaska 1983) as unduly restrictive. Three members of the court indicated through reference to definitions from other states that replacing the ten percent figure with a five percent requirement would be sufficient to restore the validity of the definition. While two justices stated that their decision on a new definition would depend on the interplay between the rights of a political party to receive unlimited donations and the restriction on contributions to candidates who might not be supported by established political parties, it is nonetheless reasonable to believe that the court would approve the definition proposed in this section, based on a five percent support figure from the previous gubernatorial election.

OTHER SECTIONS OF THE BILL

Sections 2, 4, 5, 6, 7, 8, 9, 10, and 11 amend other statutes that refer to "AS 15.13." These references have

been changed to "AS 15.14." Additionally, in section 11 (page 47, lines 17-18) the conflict of interest statute is amended to require the executive director and employees of the APOC to file conflict of interest statements as well as members of the commission.

Section 3 of the bill adds a section to the criminal penalties for election code violations under AS 15.56. Under the original version of SB 356, it was a crime to intentionally solicit a contribution by threats of physical force, job discrimination or financial reprisal. The Senate State Affairs Committee believed that this was one type of campaign financing activity -- in essence extortion -- that should be a crime, regardless of the way other violations were treated. This section would make such a crime a class C felony.

Section 12 contains a technical amendment to the Administrative Procedure Act that makes it clear that the procedures contained in this bill will govern APOC investigations and hearings rather than any inconsistent provisions in the Administrative Procedure Act.

Section 13 of the bill repeals the existing campaign financing laws (AS 15.13.).

Section 14 repeals the two subsections of AS 15.56.010 that make it a misdemeanor to knowingly fail to include the

"paid for by" information in campaign communications and to knowingly print, publish or broadcast a communication without that information. These two provisions have been relocated to the civil penalty provisions of this bill.

Section 15 makes it clear that the members of the commission appointed under the existing statutes continue in office under the new law.

Section 16 provides that any municipality that has voted to exempt its elections from the provisions of AS 15.13 need not hold a new election after the effective date of this bill in order to maintain the exemption.

Section 17 provides that the provisions of this bill relating to the closing of campaign accounts do not require the closing of campaign accounts that were used during an election held before the effective date of the act. This section further provides that post-election fundraising is not prohibited for the purpose of raising funds to pay campaign debts from previous elections.

Section 18 describes the activities that will be covered by the bill -- those that take place after the general effective date of January 1987 and that relate to state and municipal elections held after January 1, 1987.

Section 19 provides for a general effective date of January 1, 1987, to ensure that the provisions of this bill do not apply to the 1986 election.