

H B

137

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House State Affairs:*

*January 15, 1988*

13. Jane Barcott  
APOC  
2221 East Northern Lights  
Anchorage, AK 99504
1. Rep. Kay Brown  
P.O. Box V  
Juneau, AK 99811  
(907) 465-3784  
Testified on HB 137
11. Prent Gazaway  
1521 West 14th Avenue  
Anchorage, AK 99501  
(907) 277-2073
14. Katie Hurley  
Box 870157  
Wasilla, AK 99687  
(907) 376-5736  
POM supporting HB 137
7. Greg O'Claray  
MEBA PAC  
124 Front Street  
Juneau, AK 99801  
(907) 586-6040
2. Eve Reckley  
League of Women Voters  
Box 210242  
Auke Bay, AK 99821  
(907) 789-9392  
All campaign & election form
5. Margo Waring  
1215 Fifth Street  
Douglas, AK 99824  
(907) 364-3155
10. Jeff Bowman  
Executive Director  
AKPIRG  
Box 101093  
Anchorage, AK 99510  
(907) 278-3661  
Supports HB 137
9. Karla Forsythe  
Executive Director  
Alaska Public Offices Comm.  
2221 East Northern Lights  
Anchorage, AK 99504  
(907) 276-4176  
Presented APOC Position on HB 137
12. Annie Laurie Howard  
Chair  
Alaska Public Offices Comm.  
3220 Amber Bay Circle  
Anchorage, AK 99515  
(907) 344-0289
3. Brooke Miles  
APOC  
P.O. Box CO  
Juneau, AK 99811  
(907) 465-4864  
Testified on HB 137 and HB 234
4. Rep. Pat Pourchot  
P.O. Box V  
Juneau, AK 99811  
(907) 465-3879  
Testified on HB 137 and HB 234
6. E.M. Tucker  
1050 Salmon Creek Lane, #D201  
Juneau, AK 99801
8. John Yarbor  
EPIC PAC  
Box 671073  
Chugiak, AK  
(907) 688-0861



Official Business

# Alaska State Legislature

## House

P.O. BOX V  
State Capitol  
Juneau, Alaska 99811

### STATE AFFAIRS COMMITTEE HOUSE BILL 137

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\* 15. INTERIM WORK SESSION SUMMARIES OF SS HB 137 AND HB 234

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FISCAL NOTE

A. 1987, DEPARTMENT OF ADMINISTRATION, PUBLIC OFFICES  
COMMISSION: \$25,000

\* B. 1988, DEPARTMENT OF ADMINISTRATION, PUBLIC OFFICES  
COMMISSION: PENDING

\* MATERIALS ADDED TO PACKET IN 1988 SESSION

# HOUSE AMENDMENT

#3  
as amended

TO: CSSSHB 137 (fin)

BY: Pettyjohn

Page 7 Line 14

New section 14 as follows:  
Renumber all Sec. 14 as Sec. 15

"Sec. 14.

A.S.15.13.090 is amended to read:

Sec. 15.13.090 IDENTIFICATION OF COMMUNICATION. All advertisements, billboards, paid-for television and radio announcements and other communications designed to injure or defeat any candidate for nomination or election to any public office by reflecting upon his personal character or political action [INTENDED TO INFLUENCE THE ELECTION OF A CANDIDATE OR OUTCOME OF A BALLOT PROPOSITION OR QUESTION] shall be clearly identified by the words "paid for by" followed by the name and address of the candidate, group or individual paying for the advertising. In addition, candidates and groups must identify the name of their campaign chairman.

The Candidate's

for S/ACo file  
5655

Submit original amendment to the Chief Clerk.  
It will then be numbered and duplicated.

# Visiting grandma with Mitch Abood

Maybe Sen. Mitch Abood has been reading too much Little Red Riding Hood. When looking at the state's campaign watchdog agency, he apparently sees a wolf where a friendly but toothless grandma should be.

At a press conference this past week, Sen. Abood discussed his plans for revamping state campaign laws. The Alaska Public Offices Commission figured prominently in his ideas. He believes the agency's rules are often confusing and its relationships with candidates have, at times, been unnecessarily adversarial.



*"In the past they've (APOC) been portrayed as a saber-toothed snow tiger. . . . But they're not that way. We're going to try to straighten it out so they're friendly . . . like grandma. And you go to grandma and you can get the answers."*

That transformation would certainly make life easier for officials like Sen. Abood, who've had their run-ins with APOC. But Alaskans will be losers if legislators trade a watchdog with sharp teeth for someone with dentures.

Lawmakers have already created one friendly grandma: the legislative ethics committee. This guardian of capitol ethics includes six legislators and three members of the public. The committee's advice, investigations and hearings are confidential unless the legislator under scrutiny says otherwise. In its three-plus years, the panel has never recommended sanctioning anyone.

When it comes to legislative ethics, the ethics committee hasn't done much to reassure the public. And when it comes to campaign laws, the same thing will happen if lawmakers pull APOC's teeth and put grandma in charge.

unavail	Int Eq	23.82	26.03	+ .25	HYG86	7.25	7.21	- .04	Glob II	10.77	11.99	+ .22	WHYS	13.58	NL+	.84	
unavail	Invest	6.47	7.39	+ .81	HngSec	6.99	7.34	+ .35	Grwth	11.13	13.34	+ .22	V Pnt	1.26	NL+	.81	
14.77	MATx r	11.96	NL	.....	SEMIHEAL GROUP				Inco	12.23	11.18	- .05	V ARP	21.35	NL+	.85	
5.17	MATx r	11.99	NL	.....	Balan	12.14	13.29	+ .14	World	13.13	14.35	+ .22	Quot	16.33	NL+	.83	
11.33	MATx r	11.84	NL	+ .01	Bond	4.26	4.84	+ .58	THOMSON ACKERN				STAR	10.27	NL+	.83	
15.71	ONTx r	11.57	NL	+ .01	Com S	23.28	24.44	+ .16	Global r	9.39	NL	.....	TCR	27.08	NL+	.87	
15.34	NYTx	14.82	17.44	.....	GrvSec	9.44	10.54	+ .10	Grwth r	12.73	NL+	.81	TCUSA	23.77	NL+	.88	
8.90	OTC E	22.53	24.18	- .16	Grwth	11.30	12.35	+ .10	Inco r	9.80	NL	.....	GMAA	9.49	NL	.....	
9.19	Oph	4.04	9.18	+ .03	Sequl	28.91	NL	- .14	Opnr r	10.79	NL	+ .02	HVBND	8.54	NL	.....	
12.58	Optmil	8.08	9.92	+ .81	Sequl	10.43	11.34	+ .09	TrasEx r	10.92	NL	+ .02	IGBND	1.16	NL+	.83	
10.71	Tex Ex	25.14	26.41	+ .27	SHEARSON FUNDS				USQV r	9.79	NL	.....	SHRTF	10.44	NL	.....	
12.58	TFMY r	13.74	NL	- .01	ATIG r	44.37	NL	- .02	YmratIn	11.33	NL	+ .09	US Tr	9.54	NL+	.83	
11.00	TFIN r	14.15	NL	.....	ATLIN r	99.18	NL	+ .15	YmratFr	12.94	NL	+ .07	Inco 300	25.38	NL+	.84	
9.77	USGid	16.56	14.97	- .81	AppGr	12.97	13.45	+ .09	TrasFr	9.98	NL	.....	MAHY	9.90	NL	- .01	
8.44	Vida	14.56	18.10	+ .40	Appr	24.53	27.73	+ .33	TRUSTFUNDS				Munit	11.90	NL	- .02	
14.14	Vidg	18.28	19.99	+ .22	CalWu	15.41	16.23	+ .01	Bldg	9.73	NL	+ .01	MunLnd	10.21	NL	.....	
8.71	QuestF	24.14	NL	+ .03	FdVal	5.41	5.69	+ .01	SHIGov	9.82	NL	+ .01	MuLg	10.23	NL	.....	
19.55	RHC GROUP				Global	22.27	23.44	+ .09	ImVgt	9.73	NL	+ .01	MinLg	11.29	NL	.....	
20.96	CySec	8.83	9.29	- .41	HIVid	18.13	11.11	- .07	Eqids	9.02	NL	+ .02	MuStM	15.30	NL	.....	
8.11	regy	11.49	12.37	+ .82	LinCa	16.00	16.84	+ .01	Value	8.87	NL	+ .01	Callne	9.80	NL	- .01	
9.28	WtrWmd	9.14	9.40	- .11	LanIn	15.50	14.99	- .05	WTH CENTURY				MYNS	9.38	NL	- .01	
19.20	ReaGr	13.41	14.38	+ .11	SpIGV r	11.47	NL	.....	GIR r	6.23	4.39	- .85	PenIn	9.78	NL	.....	
17.50	ReaTng	12.75	13.71	+ .07	SPL Lf	17.29	13.21	- .22	Grwth	11.33	NL	.....	VSPR	10.19	NL	.....	
12.85	ReaTg	13.45	NL	.....	MGVGr	17.29	13.21	- .22	HavrIn	5.34	5.31	- .01	VSPR	9.29	NL+	.18	
9.11	RIGHTIME GROUP				WAL	15.02	15.81	+ .81	LTRnd	4.38	NL	+ .04	VSPR	17.44	NL	- .02	
8.74	Blnc	35.25	27.03	- .84	NLMOp	51.54	NL	- .13	SelecT	25.74	NL	- .81	VSPR	13.73	NL	- .04	
9.11	RTGf	31.04	NL	- .14	SLMAp	15.91	14.73	- .18	TrElct	19.43	NL	.....	VSPR	10.10	NL	- .04	
9.75	GrvSec	14.24	NL	+ .10	SPLMA	16.40	17.34	+ .17	TrElct	17.48	NL	+ .04	Wallst	15.23	NL	+ .04	
8.86	ROCHESTER FDS				SpTxr	13.23	NL	- .01	UnlFr	4.08	6.11	- .01	WallIn	14.17	NL	+ .04	
9.40	CrvInc	4.96	9.23	+ .03	SpGRd	17.16	NL	- .02	USGV	94.55	NL	- .01	Wndr	13.42	NL	+ .83	
9.48	Grwth	4.94	7.43	+ .03	SpOpt r	11.92	NL	- .03	VlsFr	5.23	5.34	- .07	WidIn	11.73	NL	+ .84	
12.17	Muni	15.59	16.24	+ .06	SpGro r	13.70	NL	+ .04	USAA GROUP				WidIn	10.14	fin	+ .05	
9.53	Tax	10.17	11.11	+ .04	SpPlu r	13.54	NL	.....	Gold	15.49	NL	+ .08	WIDUS	7.23	NL	+ .81	
14.04	RodSqBn	9.84	NL	+ .09	SpSec	11.84	NL	+ .05	Grwth	7.97	NL	+ .11	VENTURE ADVISERS				
11.32	RodSqB	8.53	NL	+ .02	SpStr	12.48	NL	+ .03	Inco	11.31	NL	- .01	INCI	8.48	9.45	.....	
10.02	ROTHSCHILD LP				SpHIn	13.97	NL	- .01	IncoStk	9.81	NL	+ .02	Muni	9.65	NL	+ .81	
8.74	CpCsh	21.20	21.53	+ .03	SpMty	11.24	NL	- .01	Sbit	15.13	NL	.....	M/V Ven	7.31	7.99	.....	
8.41	ImVgd	8.94	9.22	.....	SpTxr	16.48	NL	+ .01	TrEH	12.74	NL	.....	RPF B	7.34	NL	+ .82	
10.83	RldDiv	9.20	9.59	+ .39	Sherm D	5.43	NL	- .03	TrEH	11.91	NL	- .01	RPF Er	17.84	NL	- .81	
8.43	ROYCE FUNDS				SIGMA FUNDS				TrEH	10.91	NL	.....	VixEqIn	13.50	NL	+ .92	
9.23	Inco r	8.73	NL	- .81	CapIt	8.14	9.90	.....	UNIFIED MOMY				WealthM	4.52	7.13	+ .81	
11.33	Valu r	7.10	NL	.....	1SIGh	6.55	7.17	+ .01	Genl	8.82	NL	.....	WEISS PECK GREER				
17.82	VolR	4.62	NL	+ .81	1SITS	10.35	11.31	+ .09	Grwth	16.32	NL	+ .02	Tudor	18.42	NL	+ .84	
9.68	RUSHMORE GROUP				Inco	8.37	9.37	.....	Incl	10.63	NL	.....	WFG	18.74	NL	- .89	
8.05	Gov r	9.79	NL	+ .04	Invest	9.85	10.77	+ .09	Incl	8.84	NL	+ .81	Govt	10.23	NL	+ .83	
8.05	OTC Idx	11.32	NL	+ .83	Spec	8.44	9.22	+ .04	Muti	13.49	NL	+ .83	Grwth	8.82	NL	+ .87	
8.08	SMP In	11.84	NL	+ .83	Trust	12.25	14.48	+ .83	UNITED FUNDS				Wallst	5.57	5.89	+ .82	
8.77	SBSF	11.90	NL	+ .83	USGVt	3.22	3.51	.....	Bond	5.94	4.51	- .02	Westrd	11.15	11.61	+ .84	
11.11	SFT GROUP				Vent	8.23	9.09	+ .02	Con Inc	14.94	16.33	+ .04	WOOD STRUTHERS				
5.14	Direct	10.23	11.18	- .03	WldFd	12.90	14.10	+ .10	SIGOV	7.10	7.74	+ .03	New	11.99	NL	- .83	
10.18	Equity	13.00	13.09	+ .03	SHNBG	24.94	NL	- .81	GrvSec	5.00	5.22	+ .01	Ping	11.07	NL	- .82	
15.94	US Gv	4.67	7.02	.....	SMITH BARNEY				INIGM	1.12	4.70	+ .81	Wing r	9.39	NL	- .81	
9.23	SAPSCO SECUR				Equi	12.69	13.22	+ .02	Hi Inc	12.24	13.28	+ .01	NL - No initial sales load.				
9.40	CapItF	11.02	NL	.....	IncGro	10.44	11.29	+ .02	HiIncl	4.60	5.03	.....	Previous day's quote.				
8.00	Equi	7.67	NL	.....	InclRet	9.34	9.38	+ .01	Incom	14.00	17.49	+ .84	Redemption charge may apply.				
9.21	Grwth	13.60	NL	+ .85	MOGvt	12.18	13.49	+ .03	Muni	8.97	7.41	- .81	Dividend.				
9.41	Inco	13.46	NL	+ .85	MunH	12.69	13.59	+ .02	MunH	4.94	5.11	.....					
9.21	Munic	13.13	NL	- .81	USGVt	12.24	13.79	+ .02	HwCpt	4.84	5.29	- .82					
9.80	USGv	9.22	NL	.....	SoGen In	15.82	16.53	+ .81	Retr	5.08	5.55	+ .81					
14.23	SalemGr	12.49	NL	+ .82	SANDVH	11.72	NL	.....	Scng	5.32	10.20	- .82					
16.23	SarbBar				SMITH	11.47	NL	+ .83	Vnt	5.32	5.81	.....					
	unavail				Sover In	11.61	12.21	+ .83	USD SERVICES								

## GOLD PRICES

Selected World Prices

	Price	Change
morning fixing is	\$455.15	Up \$2.45
afternoon fixing is	\$455.90	Up \$3.20
noon fixing	\$457.34	Up \$3.61
fixing is	\$457.18	Up \$2.53
afternoon bid	\$457.00	Up \$5.15
varman is	\$455.90	Up \$3.20
is	\$457.33	Up \$3.21
fabricated is	\$480.20	Up \$3.37
spot Tue.	\$453.90	Off \$0.20
ational Bank	\$454.50	Off \$0.25

## METALS

Tuesday's Prices

## otc

Alaska Apollo Mines	46-46
Alaska Bancorporation	1-194
Apple Computer	41-41 1/2
Carver Corp.	4-44
Coors Brewing	194-20
Costco	9 1/2-10 1/4
Cypress Minerals	21-21 1/4
Data I/O	5 1/4-5 1/2
First Nat'l Bank Anch	1,340-1,400 w/o
Fred Meyer Inc.	12 1/2-12 3/4
Genentech	39 1/4-39 1/2
Palmer G. Lewis Co.	7-7 1/2
MCI Corp.	10 1/2-10 3/4
Micron Technology Inc.	13-13 1/2
National Bank of Alaska	27 1/2-29
Nika	19 1/2-19 3/4
Nordstrom	23-23 1/4
Northern Air Freight	5 1/2-5 1/4
Pacific Telecom	13-13 1/2
Pay 'n Save	4 1/4-4 1/2
Sea Galley	1 1/2-1 1/4
Seafoods from Alaska Inc.	7 1/2-7 3/4
Skippers	4 1/4-4 1/2
TCBY	6 1/2-6 1/4
Tyson Foods Inc.	12 1/4-12 1/2
U.S. Healthcare Inc.	7 1/4-7 1/2
Yellow Freight Systems	26 1/4-26 1/2
Quotations provided by Vince O'Reilly of Boettcher and Company.	

## penny stocks

Alaska Precious Metals .0225-.0225  
 Malibu .03-.0355  
 McGregor .04-.04

BILL NUMBER HB 137 \*\*

DATE	ACTION
'13/88	DRAFT NUMBER
'15/88	MOVED FROM COM TO JUDICIARY



Winner, 1976 Pulitzer Prize Gold Medal for Public Service

Gerald E. Grilly  
Publisher

Howard Weaver  
Managing Editor

Michael Carey  
Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983  
Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1946 by Norman C. Brown

## No wonder this reform is popular

After much searching, state house Reps. Kay Brown and Fran Ulmer have found a campaign financing reform they think is politically feasible. And it's not hard to see why their proposal might be popular with their colleagues. Rep. Brown's reform bill (HB 137), as passed from Rep. Ulmer's House State Affairs committee, might be labelled "The Incumbent Protection Act of 1988."

No one can doubt the two lawmakers' sincerity. They both want to cut the influence of money in state politics. But if this is the best that can be done in the cause of reform, the resistance from their colleagues must be a formidable obstacle, indeed.

The measure bars any legislative candidate — incumbent or challenger — from raising money or starting a formal campaign during an election year until the legislature adjourns.

On the plus side, such a change prevents powerful lawmakers from piling up big warchests that scare off potential challengers. Incumbents won't be able to head home for fundraisers and milk lobbyists who want their votes on pending legislation.

But the bill reinforces built-in advantages that every incumbent enjoys. Cutting fund-raising time hurts challengers, since office holders can almost always raise more money faster.

Lawmakers already get state-paid office allowances to communicate with voters during the session. This bill lets them use surplus funds from previous campaigns for the same purpose. With the limits on campaigning during the session, it will get harder and harder to tell legitimate voter communication from disguised campaigning.

Non-incumbents also would lose one small advantage they now enjoy. While lawmakers are tied to their duties in Juneau, challengers back home won't be able to get a jump on the campaign.

Rep. Brown's bill raises constitutional questions, as well. Any measure that restricts the time or place of political speech, which is what campaigns are, must have a compelling justification. Sponsors haven't even begun to build a case for such restrictions.

The measure does do some good things. It bans post-election fund-raising. It also bars candidates from pocketing leftover campaign funds for personal use.

Taken alone, these would be reforms worthy of the name. But when they're linked with such strong protections for incumbents, they become part of a reform package Alaska campaigns can do without.

## Buckle up or less bucks

Motorists everywhere have plenty of well-known reasons to wear seat belts, but folks in Arizona have a

## We ex

I once spent playing poker "The Greek" Sr and I won, so being a little for

One of the th ber about that c that he sold talking. He d make sense, but were almost n dotes about athl gamblers, min how poker shou and frequent g phone to place bookie.

When the gar we split up, one players expres that a professi could lose to the

I told him i thing. Although be a simple ga quires some th was clear t couldn't think a same time.

And this la mouth coordin did him in. Som a microphone in he talked but dic

By now, just body knows w

## Nine i

I don't know but that Crayo national newsp read in airports pots — and c where time is o gum under seats nervous.

It isn't the b stories, those ni

FISCAL NOTE

REQUEST:

Revision Date: 1/12/88  
Title: "An Act relating to the duration & financing of election campaigns"  
Sponsor: Rep. Brown, et. al.  
Requestor: House State Affairs committee

Agency Affected: Alaska Public Offices Commission  
BRU: \_\_\_\_\_

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		98.7	80.5	80.5	80.5	80.5
TRAVEL			.4	.4	.4	.4
CONTRACTUAL		9.2	.8	.8	.8	.8
SUPPLIES		1.2	.8	.8	.8	.8
EQUIPMENT		4.6	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		113.7	82.5	82.5	82.5	82.5

CAPITAL		0	0	0	0	0
---------	--	---	---	---	---	---

REVENUE		0	0	0	0	0
---------	--	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND		113.7	82.5	82.5	82.5	82.5
FEDERAL FUNDS						
OTHER						
TOTAL		113.7	82.5	82.5	82.5	82.5

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY		1	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Please see attached page.

Prepared by: Karla L. Forsythe, Executive Director  
Division: Alaska Public Offices Commission

Phone: 276-4176

Date: 1/12/88

Approved by Commissioner: Daniel Patrick O'Tierney  
Agency: Alaska Public Offices Commission

Date: 1/12/88

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SS HB 137  
Fiscal Detail

Fiscal Note:

1. Personal Services

Permanent, Fulltime:

Range 12A, Administrative Assistant I, to  
monitor and render specific disclosure advice  
to those who file reports 35.5

Range 16A, Paralegal II, to assist in investigations  
of violations; to present affidavits appealing fines  
for failure to comply; to pursue collection of fines 45.0

First Year, Temporary, 6 months:

Range 16A, Research Analyst II, to prepare initial  
forms, manuals, revise regulations, develop public  
information 18.2

2. Travel

1 trip, annually, for paralegal to pursue investigations  
or fine collections in either Fairbanks or Juneau .4

3. Contractual Services

Ongoing costs:  
telephone, postage, xeroxing @ .4/position .8

First year costs:  
initial, additional costs to redesign manuals 3.0  
modification of computer program to prepare  
required summaries 5.0  
telephone, postage, xeroxing support for Res. Anal. .4

4. Supplies

.4/position annually .8  
.4/temporary, first year only .4

5. Equipment

One time costs:  
2 double floppy computers, with monochrome monitors,  
dot matrix printers 3.2  
2 desks and office chairs 1.6

Fiscal Note Analysis

Enactment of this measure would require substantial revision and expansion of the Alaska Public Office Commission's recordkeeping and tracking systems, as well as greater demand for compliance assistance from staff.

Under current law, candidates in all races are subject to the same contribution limits, with unlimited contributions allowed from political parties. Forms, manuals, monitoring systems, and staff assignments to help candidates with compliance questions are based on a division of campaign disclosure work into two functional areas: candidates and groups.

Although the \$1000 contribution limit for individuals, non-party groups, corporations and unions would be retained under SS HB 137, the measure would establish new provisions for cumulative limits on contributions, with amounts depending on the race and the source of the contribution. This means that new forms, manuals, recordkeeping procedures, policy guidelines and regulations would have to be developed, broken down by type of candidate, type of group and type of contributor. Staff would still be required to administer provisions of the law relating to \$1000 contribution limits.

Staff administers the present law by processing campaign disclosure paperwork and by answering questions to assist candidates and groups in complying with the law. Under SS HB 137, requests for advice will also come from contributors, inquiring about the status of candidates' cumulative contribution limits. Additional functional categories based on type of race and contribution level would require even further specialization among staff, and the addition of another staff member to assist with this work.

Existing manuals and forms would need comprehensive revisions. Assuming this measure became effective in mid-summer of 1988, implementation activity would be added to the ongoing workload of the office at the beginning of its busiest time of year. Existing staff could not absorb the work needed to implement the law while continuing to perform ongoing functions. To ensure timely implementation, the office would contract for six months with a position funded at the Range 16 level to redraft forms and manuals, to develop new internal processing procedures, and to review existing regulations for proposed revisions and additions to comport with the new law. Additionally, the new categories which the office would monitor would result in an overall increase in the volume of manuals and forms which the office must print and distribute. The campaign disclosure law also requires summaries of candidate activity. Existing computer programs would be revised to permit data entry and compilation in accordance with these categories, for a contractual services cost of \$5000.

It is anticipated that many more complaints alleging violations of the law would be filed with the commission. An additional staff member with paralegal skills will be needed to carry out the additional investigations, and also to help answer complicated compliance questions (such as those dealing with good faith expenditures by candidates refiling in a race with a lower contribution ceiling).

Since penalties for violations will probably increase, there will be more of an incentive for candidates to appeal fine assessments recommended by staff. However, the cost of these appeals is not included in the fiscal note, since there is no basis for estimating the number of additional appeals.

*Dennis F4E*

# Kay Brown

Alaska State Legislature  
House of Representatives

## MEMORANDUM

TO: House Judiciary Committee

DATE: February 4, 1988

FROM: Rep. Kay Brown

RE: AKPIRG Position Paper on  
CS HB 137 (State Affairs)

*Kay*

Attached for your information is a position paper from the Alaska Public Interest Research Group regarding the State Affairs version of HB 137. It arrived too late for inclusion in your bill folders last Monday.



# AKPIRG

## ALASKA PUBLIC INTEREST RESEARCH GROUP

Post Office Box 10-1093 / Anchorage, Alaska 99510 / (907) 278-3661

*Kay - FYI*

Letters to the Editor  
Anchorage Daily News  
Box 14-9001  
Anchorage, AK 99514-9001

30 January 1988

Editor,

The Daily News is to be commended for being alert to implications of the current version of HB 137 which provides for major improvements to our current campaign financing laws. However, it may be that you have overreacted in your recent editorial to one key feature of the bill--the feature that would shorten all campaigns to begin June 1 and end the day before the election.

You have suggested that this approach will favor incumbents by virtue of giving challengers less time to develop name-recognition and to do fundraising. As one of the principal organizations involved in trying to improve these laws, AKPIRG would like to suggest taking a more open-minded position on what this will actually do. We soon hope to develop some information on just exactly how soon challengers actually start significant fundraising. And until it can be confirmed that much of that activity has occurred prior to June 1, it is premature to make the categorical statements found in that editorial.

Further, there is nothing to suggest that even if much fundraising and campaigning has occurred earlier, that its absence will cause things to change. The British and other democracies operate with abbreviated campaigns to no apparent detriment to the voters.

We do not disagree that the version of HB 137 that went into the committee, which contained specific limits on different categories of non-individual contributors (corporations, PACs, etc.) and a single "campaign period" beginning Sept. 1 of the year preceeding the election had very attractive features which are worth pursuing. However, the improvements contained in the current version are extremely important and we believe they're worth achieving even with the "half a loaf" represented by the June 1 campaign start date--especially until it's demonstrated otherwise--that such a date truly would impair challengers candidacies. After all, the incumbents won't have nearly as much time to build up their incredible "war chests". And they'll have completed their work in Juneau, so we won't have to worry about whose contribution is buying what.

*Jeff Bohman*  
Jeff Bohman  
Executive Director

5-0227P  
Bradley  
1/15/88

probleur:

Original sponsors: Brown, Ellis,  
Davis, et al.

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 137 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

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

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

10 \* Section 1. AS 15.13 is amended by adding a new section to read:

11 Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A  
12 candidate may accept a campaign contribution only during an election  
13 campaign after filing a declaration of candidacy or a nominating  
14 petition.

[Regular session]

15 (b) In this section, "election campaign" means:

House + senate

16 (1) for a candidate for a nonstatewide state office, the  
17 period between the day after the adjournment sine die of the second  
18 regular session of the legislature through the day before the date of  
19 the general election;

Governor

20 (2) for a candidate for a statewide office, the period  
21 between January 2 of the year of the election through the day before  
22 the date of the general election;

23 (3) for a candidate for municipal office, the period

24 push into  
25 Full running session  
DURING  
\* (A) 90 days before the date of the municipal election  
26 through the day before the date of the general election; and  
27 After election

28 (B) from the day after the date of the municipal  
29 election through the day before the date of the run-off election,  
if one is held.

\* Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

permissible under APOC - recovered  
 before election held  
 All activities defined during  
 election campaign -  
~~15th day of campaign~~

1 (i) An individual who accepts campaign contributions as a candi-  
 2 date for public office may not convert surplus campaign funds to  
 3 personal income at any time. A candidate who has advanced funds to  
 4 the campaign may recover the amounts advanced. A candidate shall  
 5 dispose of campaign funds that were not spent or obligated during the  
 6 election campaign by

7 (1) transferring the funds to an account for a future  
 8 election campaign;

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

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

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

17 (5) returning the funds to contributors on a pro rata  
 18 basis; or

19 (6) making campaign contributions not in violation of  
 20 AS 15.13.070(a) to another candidate or group or by making independent  
 21 expenditures. <sup>\$1,000</sup>

22 \* Sec. 3. AS 15.13.125 is amended to read:

23 Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIR-  
 24 ED REPORTS]. A person who fails to file a properly completed and  
 25 certified report within the time required by AS 15.13.110(a)(1), (3),  
 26 (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10  
 27 a day for each day the delinquency continues as determined by the  
 28 commission subject to right of appeal to the superior court. A person  
 29 who fails to file a properly completed and certified report within the

1 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a  
 2 civil penalty of not more than \$50 a day for each day the delinquency  
 3 continues as determined by the commission subject to right of appeal  
 4 to the superior court. A candidate who accepts a contribution in  
 5 violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty  
 6 of not more than five times the amount of the contribution accepted.

7 An affidavit stating facts in mitigation may be submitted to the  
 8 commission by a person against whom a civil penalty is assessed.  
 9 However, the imposition of the penalties prescribed in this section or  
 10 in AS 15.13.120 does not excuse that person from filing reports re-  
 11 quired by this chapter.

12 \* Sec. 4. AS 15.25.040 is amended by adding a new subsection to read:

13 (e) A statewide candidate may not file a declaration before  
 14 January 2 of the year in which the election will be held. Except for  
 15 a statewide candidate, a declaration may not be filed before the day  
 16 after the adjournment sine die of the second regular session of the  
 17 legislature.

18 \* Sec. 5. AS 15.25.150 is amended by adding a new subsection to read:

19 (b) A statewide candidate may not file a petition before  
 20 January 2 of the year in which the election will be held. Except for  
 21 a statewide candidate, a petition may not be filed before the day  
 22 after the adjournment sine die of the second regular session of the  
 23 legislature.

24 \* Sec. 6. AS 24.60.030(f) is amended to read:

25 (f) It is a conflict of interest for a ~~member~~ *PRECLUDE FROM*  
 26 to accept campaign contributions except during an election campaign  
 27 described in AS 15.13.065 [MONEY FROM AN EVENT HELD WITHIN THE CAPITAL  
 28 CITY DURING THE SESSION IF A SUBSTANTIAL PURPOSE OF THE EVENT IS TO  
 29 RAISE MONEY ON BEHALF OF THE MEMBER FOR STATE LEGISLATIVE CAMPAIGN  
*RAISING DURING SESSION*

PURPOSES OR FOR OTHER STATE LEGISLATIVE POLITICAL PURPOSES].

\* Sec. 7. AS 29.26.020 is amended by adding a new subsection to read:

(c) A nominating petition or declaration of candidacy may not be filed more than 90 days before the date of the election.

\* Sec. 8. The prohibition in AS 15.13.065, as added in sec. 1 of this Act, against the acceptance of campaign contributions outside of an election campaign does not apply to the acceptance of campaign contributions to retire campaign debt in existence on November 8, 1988, and a candidate may accept campaign contributions to retire debt in existence on November 8, 1988, at any time.

*QUANTUM OF DEBT LAW EXISTING DEBT - LAW EFFECT JULY 1*

\* Sec. 9. ~~AS 15.13.070(a)~~ and ~~AS 24.60.030(g)~~ are repealed. <sup>IS</sup>

\* Sec. 10. APPLICABILITY. The provisions of this Act are applicable to state election campaigns started after November 8, 1988. The provisions of this Act are applicable to municipal election campaigns started after the day after the first municipal election occurring after July 1, 1988.

\* Sec. 11. This Act takes effect July 1, 1988.

*elect. sec. AS 15.13.070 -*

*Delete*

\_\_\_\_\_

Original sponsors: Brown, Ellis,  
Davis, et al.

ROXANNE TURNER

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 137 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of  
7 election campaigns."  
8

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

10 \* ~~Section 1. AS 15.13 is~~ amended by adding a new section to read:

11 *Keep* Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A  
12 candidate may accept a contribution only during an election campaign.

13 (b) During the election campaign, a candidate for the office of  
14 governor or lieutenant governor may not accept

15 (1) more than \$1,000 in contributions from a person, a  
16 corporation, a labor union, or a group other than a political party  
17 and its subdivisions;

18 (2) a cumulative total of more than \$40,000 in contribu-  
19 tions from corporations, labor unions, and groups other than political  
20 parties and their subdivisions;

21 (3) a cumulative total of more than \$40,000 in contribu-  
22 tions from political parties and their subdivisions.

23 (c) During the election campaign, a candidate for the state  
24 senate may not accept

25 (1) more than \$1,000 in contributions from a person, a  
26 corporation, a labor union, or a group other than a political party  
27 and its subdivisions;

28 (2) a cumulative total of more than \$20,000 in contribu-  
29 tions from corporations, labor unions, and groups other than political  
parties and their subdivisions;

1 (3) a cumulative total of more than \$20,000 in contribu-  
2 tions from political parties and their subdivisions.

3 (d) During the election campaign, a candidate for the state  
4 house of representatives may not accept

5 (1) more than \$1,000 in contributions from a person, a  
6 corporation, a labor union, or a group other than a political party  
7 and its subdivisions;

8 (2) a cumulative total of more than \$10,000 in contribu-  
9 tions from corporations, labor unions, and groups other than political  
10 parties and their subdivisions;

11 (3) a cumulative total of more than \$10,000 in contribu-  
12 tions from political parties and their subdivisions.

13 (e) Except for a candidate for mayor, during an election cam-  
14 paign a candidate for municipal office and a candidate for office not  
15 described in (b) - (d) of this section may not accept

16 (1) more than \$1,000 in contributions from a person, a  
17 corporation, a labor union, or a group other than a political party  
18 and its subdivisions;

19 (2) a cumulative total of more than \$10,000 in contribu-  
20 tions from corporations, labor unions, and groups other than political  
21 parties and their subdivisions;

22 (3) a cumulative total of more than \$10,000 in contribu-  
23 tions from political parties and their subdivisions.

24 (f) Except as provided under (g) of this section, during an  
25 election campaign a candidate for mayor may not accept

26 (1) more than \$1,000 in contributions from a person, a  
27 corporation, a labor union, or a group other than a political party  
28 and its subdivisions;

29 (2) a cumulative total of more than \$10,000 in

1 contributions from corporations, labor unions, and groups other than  
2 political parties and their subdivisions;

3 (3) a cumulative total of more than \$10,000 in contribu-  
4 tions from political parties and their subdivisions.

5 (g) Notwithstanding (f) of this section, a candidate for mayor  
6 in a municipality that contains more than one house election district  
7 within its boundaries may accept contributions during an election  
8 campaign with a cumulative total under (f)(2) and (3) of this section  
9 multiplied by the number of house election districts that are located  
10 within the municipality.

11 ~~(h) A candidate is subject to the limitations established in  
12 this section only for the office for which the candidate most recently  
13 filed a declaration of candidacy or nominating petition. A candidate  
14 who withdraws as a candidate for an office and refiles for an office  
15 with a lower limitation on the acceptance of campaign contributions  
16 shall return the amount of each contribution that exceeds the limita-  
17 tions established for the current candidacy. Notwithstanding the  
18 provisions of this subsection, a candidate is not required to return a  
19 contribution spent in a good faith effort to seek election to the  
20 office with the higher limitation.~~

21 (i) In this section, "election campaign" means:

22 (1) for a candidate for a nonstatewide state office, the  
23 period between <sup>the date of the general election</sup> ~~September 1~~ of the year before the year in which the  
24 election will be held through the day before the date of the general  
25 election;

26 (2) for a candidate for a statewide office, the period  
27 between <sup>SAW</sup> ~~September 1~~ of the year that is two years before the year in  
28 which the election will be held through the day before the date of the  
29 general election;

70 days before the election

1 (3) for a candidate for municipal office, either of the  
2 following periods, considered separately:

3 (A) the period one year before the date of the municipi-  
4 pal election through the day before the date of the general  
5 election;

6 (B) the period from the day after the date of the  
7 municipal election through the day before the date of the run-off  
8 election, if one is held.

9 \* Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

10 (i) An individual who accepts campaign contributions as a candi-  
11 date for public office may not convert surplus campaign funds to  
12 personal income at any time. A candidate shall dispose of campaign  
13 funds that were not spent during the election campaign by

14 (1) transferring the funds to an account for a future state  
15 election campaign;

16 (2) transferring the funds to an account for the office, in  
17 the case of a successful candidate only, and using the funds only for  
18 communication with constituents and other voters in the state by  
19 telephone, newsletter, or personal contact;

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

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

24 (5) returning the funds to contributors on a pro rata  
25 basis; or

26 (6) making campaign contributions to another candidate.

27 \* Sec. 3. AS 15.13.125 is amended to read:

28 Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIR-  
29 ED REPORTS]. A person who fails to file a properly completed and

1 certified report within the time required by AS 15.13.110(a)(1), (3),  
2 (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10  
3 a day for each day the delinquency continues as determined by the  
4 commission subject to right of appeal to the superior court. A person  
5 who fails to file a properly completed and certified report within the  
6 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a  
7 civil penalty of not more than \$50 a day for each day the delinquency  
8 continues as determined by the commission subject to right of appeal  
9 to the superior court. A candidate who accepts a contribution in  
10 violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty  
11 of not more than five times the amount of the contribution accepted.  
12 An affidavit stating facts in mitigation may be submitted to the  
13 commission by a person against whom a civil penalty is assessed.  
14 However, the imposition of the penalties prescribed in this section or  
15 in AS 15.13.120 does not excuse that person from filing reports re-  
16 quired by this chapter.

17  
18 \* Sec. 4. AS 15.25.040 is amended by adding a new subsection to read:

19 (e) A statewide candidate may not file a declaration before  
20 <sup>SAW 1</sup> September ~~1~~ of the year that is two years before the year in which the  
21 election will be held. Except for a statewide candidate, a declara-  
22 tion may not be filed before <sup>SAW 1</sup> September ~~1~~ of the year before the year  
23 in which the election will be held.

24 \* Sec. 5. AS 15.25.150 is amended by adding a new subsection to read:

25 (b) A statewide candidate may not file a petition before  
26 <sup>SAW 1</sup> September ~~1~~ of the year that is two years before the year in which the  
27 election will be held. Except for a statewide candidate, a petition  
28 may not be filed before <sup>SAW 1</sup> September ~~1~~ of the year before the year in  
29 which the election will be held.

\* Sec. 6. AS 24.60.030(f) is amended to read:

1  
2 (f) It is a conflict of interest for a member of the legislature  
3 to accept campaign contributions [MONEY FROM AN EVENT HELD WITHIN THE  
4 CAPITAL CITY] during the session [IF A SUBSTANTIAL PURPOSE OF THE  
5 EVENT IS TO RAISE MONEY ON BEHALF OF THE MEMBER FOR STATE LEGISLATIVE  
6 CAMPAIGN PURPOSES OR FOR OTHER STATE LEGISLATIVE POLITICAL PURPOSES].

7 \* Sec. 7. AS 29.26.020 is amended by adding a new subsection to read:

8 (c) A nominating petition or declaration of candidacy may not be  
9 filed more than one year before the date of the election.

10 \* Sec. 8. The prohibition in AS 15.13.065, as added by sec. 1 of this  
11 Act, against a candidate accepting a contribution after the date of the  
12 general election through the dates specified in AS 15.13.065 does not apply  
13 to contributions accepted by a candidate or elected public official after  
14 the effective date of this Act that are used to retire campaign debt in  
15 existence on January 1, 1988.

16 \* Sec. 9. AS 15.13.070(a) and AS 24.60.030(g) are repealed.  
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Rep. Kay Brown  
Jan. 15, 1988

CHANGES IN PROPOSED CS SS HB 137 (STATE AFFAIRS)  
**Work Draft 1-15-88**

Several sections have been modified in the new proposed CS, including:

- Sections 1 (b); 4, 5.** • Campaigns could begin the day after adjournment of the legislative session, in the election year, for House and Senate races; Jan. 2 of the election year for statewide races; and 90 days before the election for municipal races.
- Sec. 2 (i)** • A candidate may recover loans he made to his own campaign.
- Sec. 10** • Applicability: state election campaigns started after November 8, 1988 and municipal elections started after the day after the first municipal election occurring after July 1, 1988.
- Sec. 11** • Effective Date of July 1, 1988. ✓

Rep. Kay Brown  
Jan. 15, 1988

**PROPOSED CS SS HB 137 (State Affairs)**  
(Work Draft 1-15-88)

The new proposed Committee Substitute would:

- shorten the length of campaigns for statewide (Governor/  
Lieutenant Governor), Senate, House, and Municipal elections
- prohibit post-election fundraising
- prohibit use of contributions as personal income
- establish civil penalties for accepting an illegal  
contribution
- not apply to existing campaign debt; and
- add effective dates for statewide, House and Senate, and  
municipal candidates.

The new proposed Committee Substitute **deletes** sections that would:

- set cumulative limits for contributions from
  - political parties
  - labor unions, corporations and PAC's

## PROPOSED CS SS HB 137 (State Affairs)

The proposed Committee Substitute is comprehensive in scope.

The bill covers Governor/Lieutenant Governor (statewide), Senate, House, and Municipal campaigns.

The bill also:

- sets limits on campaign duration
- prohibits post-election fundraising
- sets cumulative limits for contributions from
  - political parties
  - labor unions, corporations and PAC's
- prohibits use of contributions as personal income
- establishes civil penalties for accepting an illegal contribution; and
- does not apply to existing campaign debt.

Rep. Kay Bro  
Jan. 13, 1988

## NEW FEATURES IN PROPOSED CS SS HB 137 (STATE AFFAIRS)

Several sections have been modified in the proposed CS, including:

**Sections 1 (i); 4, 5.** • Campaigns could begin Sept. 1 of the year before the election for House and Senate races; Sept. 1 two years before the election for statewide races; and one year before the election for municipal races.

14  
2-5

**Section 6** • Accepting a campaign contribution during a legislative session is prohibited.

**Section 1 (f), (g).** • Mayoral contribution limits are based on number of house districts in a municipality (See Chart)

~~26 months~~  
1 yr  
12

**Section 1(i)(3)** • Run-off elections are treated as a separate election campaign for purposes of contribution limits.

**Section 2** • Use of campaign funds as personal income is prohibited. Ways to dispose of excess campaign funds are specified.

Rep. Kay Brown  
 Jan. 13, 1988  
 Proposed CS SS HB 137 (State Affairs)  
 Section 1 (g)

**IMPACT OF CAP ON MAYORAL RACE CONTRIBUTIONS  
 IN MUNICIPALITIES WITH ONE OR MORE HOUSE DISTRICTS**

MUNICIPALITY	NUMBER OF HOUSE DISTRICTS	POTENTIAL FROM CORPS, UNIONS, PACS	POTENTIAL FROM POLITICAL PARTIES	POTENTIAL FROM INDIVIDUALS	TOTAL POTENTIAL
Anchorage	9 (17 seats)	\$90,000	\$90,000	Unlimited	\$180,000 +
Fairbanks	4 ( 5 seats)	\$40,000	\$40,000	Unlimited	\$ 80,000 +
Juneau	1 ( 2 seats)	\$10,000	\$10,000	Unlimited	\$ 20,000 +
Kenai Borough	1 ( 2 seats)	\$10,000	\$10,000	Unlimited	\$ 20,000 +
North Slope Borough	1 ( 1 seat)	\$10,000	\$10,000	Unlimited	\$ 20,000 +
Ketchikan	1 ( 2 seats)	\$10,000	\$10,000	Unlimited	\$ 20,000 +
Mat-Su Borough	1 ( 2 seats)	\$10,000	\$10,000	Unlimited	\$ 20,000 +

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

M E M O R A N D U M

February 19, 1987

SUBJECT: HB 137: Elections  
TO: Representative Kay Brown  
FROM: Richard A. Bradley  
Legislative Counsel

You have requested a sectional analysis of the above described bill.

As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 of the bill states the legislative findings.

Section 2 of the bill adds certain sections to AS 15.13, a chapter relating to campaign financing.

Sec. 15.13.041 relates to "prohibited contributions."

Sec. 15.13.041(a) provides that a person may not contribute and a candidate may not accept a contribution during the times stated in the subsection. The period during which contributions may not be accepted starts on election day and continues through the day on which the candidate files a declaration of candidacy (AS 15.25.030) or a nominating petition (AS 15.25.180). Note also Secs. 4 and 5 of the bill.

Sec. 15.14.041(b) is a section parallel to Sec. 15.13.041(a) that relates to municipal elections. See also Sec. 6 of the bill.

Sec. 15.13.041(c) is a section parallel to Sec. 15.13.041(a) that relates to special elections. Under the present provisions of the election code, the only special election that is subject to AS 15.13 is the one occurring under AS 15.40.230 - 15.40.310.

Sec. 15.13.041(d) provides that the provisions of the section do not apply to a candidate for statewide office. I observe that since the only candidates that may be voted on at a state special election subject to AS 15.13 are candidates for governor and lieutenant governor, the interaction of (c) and (d) renders (c) unnecessary.

Section 3 of the bill amends AS 15.13.070(a). The amendment eliminates some obsolete law and

(1) provides for a contribution limit of \$1,000 for statewide candidates;

(2) provides for a contribution limit of \$500 for nonstatewide candidates.

The section eliminates references to expenditures because it is generally agreed that the decision in Buckley v. Valeo effectively precluded limitations on "independent expenditures."

Section 4 of the bill provides that a declaration of candidacy may not be filed before January 2 of the year of the election. The section does not apply to statewide candidates.

Section 5 of the bill provides that a nominating petition may not be filed before January 2 of the year of the election. The section does not apply to statewide candidates.

Section 6 provides that a nominating petition or declaration of candidacy for municipal office may not be filed more than 150 days before the date of the election.

The bill does not have an explicit effective date; the bill therefore takes effect 90 days after enactment. Art. II, sec. 18, Alaska Constitution.

If I may be of further assistance, please advise.

RAB:mkr  
m9/028



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y. State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

November 7, 1984

MEMORANDUM

TO: Representative Don Clocksin  
FROM: Heidi Borson Paine ~~HRP~~  
Legislative Analyst  
RE: Corporate Campaign Contributions  
Research Request 85-032

This memorandum responds to your request for information on laws prohibiting corporate campaign contributions. You specifically asked that we provide information on: 1) the federal law prohibiting corporate campaign contributions; 2) states with similar laws; 3) the development of laws limiting contributions by corporations; 4) any legal issues involved, i.e. free speech for corporations; and 5) the pros and cons of prohibiting corporate campaign contributions, with a focus on how political action committees (PACs) are affected by such prohibitions.

Current Federal Law

The Federal Election Campaign Act (FECA) prohibits corporations and labor organizations from using general treasury funds to make contributions or expenditures in connection with federal elections.<sup>1</sup> (Code of Federal Regulations, Title 11, Section 114.2 b--See attachment A). In addition, national banks and corporations organized by any law of Congress are prohibited from expending their treasury funds in connection with any election: local, state or federal (114.2 a). However, existing federal law allows corporations and labor organizations to use treasury monies to establish, operate and solicit contributions for political committees called separate segregated funds (Code of Federal Regulations, Title 11, Section 114.5 b). Administrative units of these funds are commonly referred to as political action committees (PACs). A separate segregated fund accepts voluntary contributions that are used to make contributions or expenditures on behalf of federal candidates and other political committees.

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<sup>1</sup>Direct contributions from national banks, and incorporated membership organizations, trade associations and cooperatives are also prohibited.

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According to the Federal Elections Committee, separate segregated funds (or corporate PACs) are distinguished from other political committees in three respects: 1) their administrative and solicitation expenses may be paid by the sponsor organization; 2) if paid by the sponsor organization, these expenses do not have to be reported to the Federal Election Committee; and 3) the PACs and their sponsor organizations may solicit contributions only from a restricted class of individuals associated with the sponsor organization. The restricted class for a corporation is currently defined as its executive and administrative personnel and families, and its stockholders and their families. However, corporations are permitted to solicit other employees twice a year for contributions to their corporate PACs.

#### Development of Federal Prohibitions on Corporate Campaign Spending

The first federal prohibition of corporate campaign contributions was enacted in 1907. Backed by President Theodore Roosevelt, the Tillman Act of 1907 made it illegal for a corporation or national bank to make "a money contribution in connection with any election" of candidates for federal office. The Federal Corrupt Practices Act of 1925 expanded the prohibition to include "a gift, subscription, loan, advance, or deposit of money, or anything of value." In 1943, the War Disputes Act extended the prohibition on political contributions to include labor unions. Finally, the Taft-Hartley Act of 1947 broadened the ban to cover primaries as well as general elections.

The Federal Election Campaign Act (FECA) of 1971 modified the federal ban on corporate campaign contributions by allowing the use of corporate funds and union treasury money for the "establishment, administration and solicitation of contributions to a separate, segregated fund to be utilized for a political purpose." Amendments to FECA in 1974 resulted in an increase in corporate PACs. Previous law prevented government contractors from establishing or administering PACs. The range of corporate solicitation was narrowed from all employees to management personnel and stockholders by the FECA amendments of 1976.

#### Effect on PACs

After the 1974 FECA amendments allowed government contractors to fund PACs, the number of PACs and their level of activity greatly increased. In December 1974, there were approximately 600 PACs. By November 1982, the number of PACs had increased to about 3,400. In 1975, PACs spent about \$23 million on congressional races; they contributed approximately \$80 million in 1982.<sup>2</sup> In 1972, 14 percent of all contributions to

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<sup>2</sup>Drew, Elizabeth, Politics and Money: The New Road to Corruption, (New York: Macmillan Publishing Company, 1983) p. 10.

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House and Senate general election candidates were from PACs. By 1980, the proportion had increased to 25 percent.

Two other actions also increased corporate PAC numbers and activity levels: 1) the 1974 FECA amendments ended unrestricted individual contributions and imposed a \$1,000 limit on individual contributions to a House or Senate candidate in a primary or general election; and 2) the 1975 Federal Election Committee's ruling on a case involving Sun Oil Company reaffirmed the legality of corporate PACs. According to Elizabeth Drew in Politics and Money, between 1974 and 1982, the number of corporate PACs increased from 89 to 1,479.

#### Development of State Laws

The Federal Election Campaign Act of 1971 and its amendments in 1974, as well as public outrage after the Watergate exposures, produced a nationwide trend towards campaign finance reform on the state level. According to Common Cause, over 40 states including Alaska have enacted new campaign finance reform laws since the early 1970s. Most reform has been directed at regulating the role of money in politics. According to Herbert Alexander, director of the Citizens' Research Foundation, recent state campaign finance legislation reflects three central themes: public disclosure, expenditure limits and contribution restrictions. Mr. Alexander also notes that in recent years, corporate, labor and trade association PACs have proliferated on the state level as they have on the federal level.

#### Laws in Other States

Twenty states currently prohibit direct corporate contributions.<sup>3</sup> Four other states, Georgia, Kansas, New Jersey and Oregon prohibit contributions from certain corporations only. For example, in Georgia, public utility corporations regulated by the Public Services Commission are prohibited from making direct or indirect contributions to political campaigns. It appears that most states prohibiting corporate campaign contributions modeled their legislation after the Federal Elections Campaign Act. Where they differ, however, is in their laws concerning corporate PACs and the regulation of PAC contributions.

Most states, including those that prohibit direct corporate and union contributions, permit corporations and unions to establish and administer PACs. According to Common Cause, only Massachusetts, New Hampshire,

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<sup>3</sup>Arizona, Connecticut, Iowa, Kentucky, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, West Virginia, Wisconsin, and Wyoming.

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corporations. Thus, if the Johnson Initiative goes into effect, the commission anticipates that about 21 percent of the current contributions will disappear. In California's 1982 elections, approximately 34 percent of all campaign contributions were given by PACs, including corporate and other PACs.

#### Legal Issues

The United States Supreme Court has upheld the constitutionality of prohibiting corporate campaign contributions. In Buckley v. Valeo (1976), the United States Supreme Court upheld limitations on individual and group contributions to candidates and political committees. It follows that the state prohibitions on corporate campaign contributions are also constitutional.

The laws in several states also limited corporate and union contributions to ballot initiative campaigns. But in 1978, in First National Bank v. Bellotti, the U.S. Supreme Court ruled unconstitutional a Massachusetts law prohibiting corporations from making expenditures to influence ballot issue campaigns that did not directly affect a corporation's business. The court held that the statute abridged freedom of speech in violation of the First and Fourteenth Amendments and contended that the abridgment was unjustified because ballot measures, unlike candidate campaigns, do not offer the potential for purchasing influence.

In 1981, the U.S. Supreme Court also struck down a Berkeley, California municipal ordinance limiting to \$250 the amount an individual or corporation could contribute to a committee supporting or opposing a ballot measure. In this decision, the court held that the ordinance restrained rights of association and individual and collective rights of expression. The court also ruled that the ordinance did not advance a legitimate governmental interest significant enough to justify its infringement on First Amendment rights.

Other state court decisions concerning corporate campaign activities have upheld limits on the group of people which corporations may solicit for contributions to their PACs and have prohibited corporations from paying candidates' advertising expenses. In addition, in Frias v. Board of Trustees (1979), the Texas Court of Civil Appeals upheld the right of corporations to make contributions to political committees, which had been forbidden by state statute.

#### Pros and Cons

The pros and cons of prohibiting corporate campaign contributions vary according to whether they are viewed from a citizen's, candidate's or corporation's perspective. Consequently, this section of the memorandum will focus on some issues involved in prohibiting corporate campaign

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contributions on the state level. From a citizen's perspective, prohibiting corporate contributions could encourage greater citizen participation. In the absence of large corporate contributions, candidates would rely more on individual contributions giving the individual a greater voice in state politics.

From a candidate's perspective, an important consideration in prohibiting corporate contributions is its effect on who gets elected. Prohibiting corporate campaign contributions would force many candidates to rely more on their own financial resources, in addition to broadening their base of contributions. Furthermore, it is generally agreed that incumbents have an advantage in congressional and legislative elections. As such, challengers are often in greater need of campaign funds. Prohibiting campaign contributions by any group removes a potential funding source for candidates already hard pressed for money. On the other hand, it appears most corporate money is directed at the candidate they believe is most likely to win, which in most cases is the incumbent.

Another issue is the effect of such legislation on PAC activity. As indicated earlier, there appears to be a relationship between the enactment of legislation prohibiting direct corporate contributions and an increase in the number of PACs. The pros and cons of PACs are debated among political theorists. Some contend that PACs offer a central, well organized way of participating politically. Others argue that PACs are a corrupting influence on the political process because they exert undue influence on legislative decisions. Opponents also point out that PACs steer most of their money to incumbents and claim that PACs and especially corporate PACs are generally pro-Republican. However, in the 1981-1982 election cycle, Democrats received 54 percent of all PAC funds contributed to congressional candidates, whereas Republicans received 45 percent. During that same period, corporate PACs gave approximately 66 percent of their funds to Republicans and 34 percent to Democrats.<sup>4</sup>

Another consideration in assessing the impact of prohibiting corporate campaign contributions is the balance between union and corporation giving. Although federal law prohibits direct contributions by corporations and labor unions, only nine of the twenty states which prohibit corporate contributions also prohibit direct labor union contributions.

One final consideration is how prohibitions against corporate campaign contributions affect corporations. According to Gary Lipkin, Associate General Counsel to the National Association of Manufacturers, other

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<sup>4</sup>Alexander, Herbert E. Financing Politics: Money, Elections, and Political Reform. 3rd edition. (Washington, D.C. Congressional Quarterly Inc.) p.104.

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than disliking government regulations on how they spend their money, corporate executives are pleased with the ban on corporate campaign contributions. A ban takes the pressure off them to give because competitive interests are also prevented from giving. Candidates and political parties no longer lobby them for contributions.

Corporate Campaign Contributions in Alaska

I also contacted the Alaska Public Offices Commission (APOC) for information on the level of corporate campaign financing in Alaska. According to Theda Pittman, APOC director, APOC has no available figures on the total levels of corporate and PAC contributions. However, she indicated that some research produced by the Senate State Affairs Committee staff in September 1984 indicated that direct corporate contributions to political campaigns have increased significantly in recent years. Reportedly, in 1978, corporations contributed \$768,634, or 14 percent, of total campaign expenditures for legislative offices. In 1982, corporate contributions amounted to 24 percent of the total political expenditures or \$2.1 million.

According to Ms. Pittman, in 1978, APOC proposed regulations to prohibit campaign contributions by wholly owned subsidiaries, but withdrew the proposed regulations after public hearings. She indicated that the regulations would have discriminated against corporations by prohibiting corporate contributions and not labor union contributions. In addition, concern was expressed that the regulations would drive corporate money into PACs. Ms. Pittman noted that PAC reporting requirements entail more administrative work for APOC and tend to provide the public with less disclosure. However, Ms. Pittman indicated that APOC could propose a similar measure again.

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I hope this information is helpful. Please contact me if you have any additional questions or concerns.

HBP

Attachment

§ 113.3

dent Commissioner to, the Congress on the date of the enactment of the Federal Election Campaign Act Amendments of 1979 (January 8, 1980), no such amounts may be converted by any person to any personal use, other than: to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office, or to repay to a candidate any loan the proceeds of which were used in connection with his or her campaign.

§ 113.3 Deposits of funds donated to a Federal or State officeholder (2 U.S.C. 132(b)).

All funds donated to a federal officeholder, or State officeholder who is a candidate for federal office, shall be deposited into one of the following accounts:

- (a) An account of the officeholder's principal campaign committee or other authorized committee pursuant to 11 CFR Part 103;
- (b) An account to which only funds donated to an individual to support his or her activities as a holder of federal office are deposited (including an office account).

§ 113.4 Contribution and expenditure limitations (2 U.S.C. 411a).

- (a) Any contributions to, or expenditures from an office account which are made for the purpose of influencing a federal election shall be subject to 2 U.S.C. 441a and 11 CFR Part 110 of these regulations.
- (b) If any treasury funds of a corporation or labor organization are converted to an office account, no funds from that office account may be transferred to a political committee account or otherwise used in connection with a federal election.

**PART 114—CORPORATE AND LABOR ORGANIZATION ACTIVITY**

Sec.

- 114.1 Definitions.
- 114.2 Prohibitions on contributions and expenditures.
- 114.3 Disbursement for communications in connection with a Federal election to the restricted class.

**Title 11—Federal Elections**

Sec.

- 114.4 Expenditures for communications in connection with a Federal election to the restricted class and the general public.
- 114.5 Separate segregated funds.
- 114.6 Twelve yearly solicitations.
- 114.7 Membership organizations, cooperatives, or corporations without capital stock.
- 114.8 Trade associations.
- 114.9 Use of corporate or labor organization facilities and means of transportation.
- 114.10 Extension of credit and settlement of corporate debts.
- 114.11 Employer participation plans.
- 114.12 Miscellaneous provisions.

**Authority:** Sec. 310(b), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107(a)(1), Pub. L. 94-203, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and sec. 315(a)(10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208(a) and (c)(1), and 209(a)(1) and (b)(1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-203, 90 Stat. 481 (2 U.S.C. 438(a)(10)), unless otherwise noted.

**Source:** 41 FR 35955, Aug. 25, 1976, unless otherwise noted.

§ 114.1 Definitions.

(a) For purposes of Part 114 and section 12(b) of the Public Utility Holding Company Act (15 U.S.C. 79r(b))—

(1) The term "contribution or expenditure" shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a State bank, a federally chartered depository institution (including a national bank) or a depository institution whose deposits and accounts are insured by the Federal Deposit Insurance Corporation, the National Savings and Loan Insurance Corporation, or the National Credit Union Administration, if such loan is made in accordance with 11 CFR 100.7(b)(11) to any candidate, political party or committee, organization, or any other person in connection with any election to any of the offices referred to in § 114.2(a) or (b) as applicable.

(2) The term contribution and expenditures shall *not* include—

- (i) Communications by a corporation to its stockholders and executive or administrative personnel and their

**Chapter I—Federal Election Commission**

§ 114.1

families or by a labor organization to its members and executive or administrative personnel, and their families, on any subject;

(ii) Nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families or by a labor organization aimed at its members and executive or administrative personnel, and their families;

(iii) The establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock;

(iv) An honorarium, including actual travel and subsistence, as defined in § 110.12;

(v) The sale of any food or beverage by a corporate vendor for use in a candidate's campaign or for use by a political committee of a political party at a charge less than the normal of comparable commercial rate, if the charge is at least equal to the costs of such food or beverage to the vendor, to the extent that the aggregate value of such discount by the vendor on behalf of a single candidate does not exceed \$1,000 with respect to any single election; and on behalf of all political committees of each political party does not exceed \$2,000 in a calendar year.

(vi) The payment for legal or accounting services rendered to or on behalf of any political committee of a political party other than services attributable to activities which directly further the election of a designated candidate or candidates for Federal office if the corporation or labor organization paying for the services is the regular employer of the individual rendering the services. This exclusion shall not be applicable if additional employees are hired for the purpose of rendering services or if additional employees are hired in order to make regular employees available;

(vii) The payment for legal or accounting services rendered to or on behalf of an authorized committee of a candidate or any other political committee solely for the purpose of ensuring compliance with this Act or chap-

ter 95 or 96 of the Internal Revenue Code of 1954 if the corporation or labor organization paying for the services is the regular employer of the individual rendering the services, but amounts paid or incurred for these services shall be reported in accordance with Part 104. This exclusion shall not be applicable if additional employees are hired for the purpose of rendering services or if additional employees are hired in order to make regular employees available;

(viii) Activity permitted under 11 CFR 9008.7 with respect to a presidential nominating convention;

(ix) A gift, subscription, loan, advance, or deposit of money or anything of value to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office, except that any gift, subscription, loan, advance, or deposit of money or anything of value, and any such cost, shall be reported in accordance with 11 CFR 104.3(g) or

(x) Any activity which is specifically permitted by Part 114.

(b) "Establishment, administration, and solicitation costs" means the cost of office space, phones, salaries, utilities, supplies, legal and accounting fees, fund-raising and other expenses incurred in setting up and running a separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock.

(c) "Executive or administrative personnel" means individuals employed by a corporation or labor organization who are paid on a salary rather than hourly basis and who have policymaking, managerial, professional, or supervisory responsibilities.

(1) This definition includes—

- (i) The individuals who run the corporation's business such as officers, other executives, and plant, division, and section managers; and

(ii) Individuals following the recognized professions, such as lawyers and engineers.

141 FR 35955, Aug. 25, 1976, as amended at 44 FR 76736, Dec. 27, 1979; 48 FR 50506, Nov. 2, 1983, 48 FR 52432, Nov. 10, 1983

#### § 114.5 Separate segregated funds.

(a) *Voluntary contributions to a separate segregated fund.* (1) A separate segregated fund is prohibited from making a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment or by monies obtained in any commercial transaction. For purposes of this section, fees or monies paid as a condition of acquiring or retaining membership or employment are monies required as a condition of membership or employment even though they are refundable upon request of the payor.

(2) A guideline for contributions may be suggested by a corporation or a labor organization, or the separate segregated fund of either, provided that the person soliciting or the solicitation informs the persons being solicited—

(i) That the guidelines are merely suggestions; and

(ii) That an individual is free to contribute more or less than the guidelines suggest and the corporation or labor organization will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute.

A corporation or labor organization or the separate segregated fund of either may not enforce any guideline for contributions.

(3) Any person soliciting an employee or member for a contribution to a separate segregated fund must inform such employee or member of the political purposes of the fund at the time of the solicitation.

(4) Any persons soliciting an employee or member for a contribution to a separate segregated fund must inform the employee or member at the time of such solicitation of his or her right to refuse to so contribute without any reprisal.

(5) Any written solicitation for a contribution to a separate segregated fund which is addressed to an employee or member must contain statements which comply with the requirements of paragraphs (a)(3) and (4) of this section, and if a guideline is suggested, statements which comply with the requirements of paragraph (a)(2) of this section.

(b) *Use of treasury monies.* Corporations, labor organizations, membership organizations, cooperatives, or corporations without capital stock may use general treasury monies, including monies obtained in commercial transactions and dues monies or membership fees, for the establishment, administration, and solicitation of contributions to its separate segregated fund. A corporation, labor organization, membership organization, cooperative, or corporation without capital stock may not use the establishment, administration, and solicitation process as a means of exchanging treasury monies for voluntary contributions.

(1) A contributor may not be paid for his or her contribution through a bonus, expense account, or other form of direct or indirect compensation.

(2) A corporation, labor organization, membership organization, cooperative, or corporation without capital stock may, subject to the provisions of 39 U.S.C. 3005 and Chapter 61, Title 18, United States Code, utilize a raffle or other fundraising device which involves a prize, so long as State law permits and the prize is not disproportionately valuable. Dances, parties, and other types of entertainment may also be used as fundraising devices. When using raffles or entertainment to raise funds, a reasonable practice to follow is for the separate segregated fund to reimburse the corporation or labor organization for costs which exceed one-third of the money contributed.

(3) If the separate segregated fund pays any solicitation or other administrative expense from its own account, which expense could be paid for as an administrative expense by the collecting agent, the collecting agent may reimburse the separate segregated fund no later than 30 calendar days after

the expense was paid by the separate segregated fund.

(c) *Membership in separate segregated funds.* (1) A separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock may provide that persons who contribute a certain amount to its separate segregated fund will become "members" of its separate segregated fund, so long as—

(i) The fund accepts contributions of all amounts, subject to the limitations of Part 110;

(ii) Subject to paragraph (c)(1)(iii) of this section, nothing of value may be given in return for or in the course of membership;

(iii) The fund may use membership status for intangible privileges such as allowing members only to choose the candidates to whom the fund will contribute.

(2) The fact that the separate segregated fund of a corporation, labor organization, membership organization, cooperative, or corporation without capital stock is a "membership group" does not provide the corporation, labor organization, membership organization, cooperative, or corporation without capital stock with any greater right of communication or solicitation than the corporation, labor organization, membership organization, cooperative, or corporation without capital stock is otherwise granted under this part.

(d) *Control of funds.* A corporation, membership organization, cooperative, corporation without capital stock, or labor organization may exercise control over its separate segregated fund.

(e) *Disclosure.* Separate segregated funds are subject to the following disclosure requirements:

(1) A corporation or labor organization is not required to report any payment made or obligation incurred which is not a contribution or expenditure, as defined in § 114.1(a), except those reporting requirements specifically set forth in this section.

(2) A membership organization or corporation is not required to report the cost of any communication to its members or stockholders or executive or administrative personnel, if such

membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office, except that—

(i) The costs incurred by a membership organization, including a labor organization, or by a corporation, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election, be reported in accordance with 11 CFR 100.8(b)(4); and

(ii) The amounts paid or incurred for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 paid by a corporation or labor organization which is the regular employer of the individual rendering such services, shall be reported in accordance with the provisions of Part 104.

(3) A separate segregated fund is subject to all other disclosure requirements of political committees as set forth in Part 104.

(f) *Contribution limits.* Separate segregated funds are subject to the contribution limitations for political committees set forth in Part 110. (See particularly § 110.3).

(g) *Solicitations.* Except as specifically provided in §§ 114.6, 114.7, and 114.8, a corporation and/or its separate segregated fund or a labor organization and/or its separate segregated fund is subject to the following limitations on solicitations:

(1) A corporation, or a separate segregated fund established by a corporation is prohibited from soliciting contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families. A corporation may solicit the executive or administrative personnel of its subsidiaries, branches, divisions, and affiliates and their families.

(2) This definition does not include —  
(i) Professionals who are represented by a labor organization;

(ii) Salaried foremen and other salaried lower level supervisors having direct supervision over hourly employees;

(iii) Former or retired personnel who are not stockholders; or

(iv) Individuals who may be paid by the corporation or labor organization, such as consultants, but who are not employees, within the meaning of 26 CFR 31.3401(e)-1, of the corporation or labor organization for the purpose of income withholding tax on employee wages under Internal Revenue Code of 1954, section 3402.

(3) Individuals on commission may be considered executive or administrative personnel if they have policymaking, managerial, professional, or supervisory responsibility and if the individuals are employees, within the meaning of 26 CFR 31.3401(e)-1 of the corporation for the purpose of income withholding tax on employee wages under the Internal Revenue Code of 1954, section 3402.

(4) The Fair Labor Standards Act, 29 U.S.C. 201, et seq. and the regulations issued pursuant to that Act, 29 CFR 541, may serve as a guideline in determining whether individuals have policymaking, managerial, professional, or supervisory responsibilities.

(d) "Labor organization" means any organization of any kind, or any agency or employee representative committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(e) "Members" means all persons who are currently satisfying the requirements for membership in a membership organization, trade association, cooperative, or corporation without capital stock and in the case of a labor organization, persons who are currently satisfying the requirements for membership in a local, national, or international labor organization. Members of a local union are considered to be members of a national or international union in which the local

union is a part and of any federation with which the local, national, or international union is affiliated. A person is not considered a member under this definition if the only requirement for membership is a contribution to a separate segregated fund.

(f) "Method of facilitating the making of contributions" means the manner in which the contributions are received or collected such as, but not limited to, payroll deduction or check off systems, other periodic payment plans, or return envelopes enclosed in a solicitation request.

(g) "Method of soliciting voluntary contributions" means the manner in which the solicitation is undertaken including, but not limited to, mailings, oral requests for contributions, and hand distribution of pamphlets.

(h) "Stockholder" means a person who has a vested beneficial interest in stock, has the power to direct how that stock shall be voted, if it is voting stock, and has the right to receive dividends.

(i) "Voluntary contributions" are contributions which have been obtained by the separate segregated fund of a corporation or labor organization in a manner which is in compliance with § 114.5(a) and which is in accordance with other provisions of the Act

(2 U.S.C. 431(b)(1)(B)(i), 432(e)(3), 438(a)-441b; 2 U.S.C. 441b, 437(a)(8))

(41 FR 35955, Aug. 25, 1976, as amended; 44 FR 63045, Nov. 1, 1979; 45 FR 15125, Mar. 7, 1980; 45 FR 21210, Apr. 1, 1980; 46 FR 50500, Nov. 2, 1981)

#### § 114.2 Prohibitions on contributions and expenditures.

(a) National banks, or corporations organized by authority of any law of Congress, are prohibited from making a contribution or expenditure, as defined in § 114.1(a), in connection with election to any political office, including local, State and Federal offices, or in connection with any primary election or political convention or caucus held to select candidates for any political office, including any local, State or Federal office.

(1) Such national banks and corporations may engage in the activities permitted by this part, except to the

extent that such activity is foreclosed by provisions of law other than the Act.

(2) The provisions of this part apply to the activities of a national bank or corporation organized by any law of Congress in connection with both State and Federal elections.

(b) Any corporation whatever or any labor organization is prohibited from making a contribution or expenditure, as defined in § 114.1(a) in connection with any Federal election.

(c) A candidate, political committee, or other person is prohibited from knowingly accepting or receiving any contribution prohibited by this section.

(d) No officer or director of any corporation or any national bank, and no officer of any labor organization shall consent to any contribution or expenditure by the corporation, national bank, or labor organization prohibited by this section.

#### § 114.3 Disbursements for communications in connection with a Federal election to restricted class.

(a) *General.* (1) A corporation may make communications including partisan communications to its stockholders and executive or administrative personnel and their families on any subject. A labor organization may make communications including partisan communications to its members and executive or administrative personnel and their families on any subject. Corporations and labor organizations may also make the nonpartisan communications permitted under 11 CFR 114.4 to their restricted class or any part of that class. No corporation or labor organization may make contributions or expenditures for partisan communications to the general public in connection with a federal election and no national bank or corporation organized by authority of any law of Congress may make contributions or expenditures for partisan communications to the general public in connection with any election to any political office including any State or local office.

(2) Any incorporated membership organization, incorporated trade association, incorporated cooperative or cor-

poration without capital stock may communicate with its members and executive or administrative personnel, and their families, as permitted in 11 CFR 114.3 (a)(1) and (c), and shall report disbursements for partisan communications to the extent required by 11 CFR 100.8(b)(4) and 104.6.

(b) *Reporting partisan communications.* Disbursements for partisan communications made by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and executive or administrative personnel and their families shall be reported to the extent required by 11 CFR 100.8(b)(4) and 104.6.

(c) *Means of making partisan communications.* The means of making partisan communications for which disbursements must be reported under 11 CFR 114.3(b) include, but are not limited to, the examples set forth in 11 CFR 114.3(c) (1) through (4).

(1) *Partisan publications.* Printed material of a partisan nature may be distributed by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and executive or administrative personnel and their families, provided that:

(i) The material is produced at the expense of the corporation or labor organization; and

(ii) The material constitutes a communication of the views of the corporation or the labor organization, and is not the republication or reproduction in whole or in part, of any broadcast, transcript or tape or any written, graphic, or other form of campaign materials prepared by the candidate, his or her campaign committees, or their authorized agents. A corporation or labor organization may, under this section, use brief quotations from speeches or other materials of a candidate that demonstrate the candidate's position as part of the corporation's or labor organization's expression of its own views.

(2) *Partisan candidate and party appearances.* A corporation may allow a candidate or party representative to address its stockholders and executive

(2) A labor organization, or a separate segregated fund established by a labor organization is prohibited from soliciting contributions to such a fund from any person other than its members and executive or administrative personnel, and their families.

(h) *Accidental or inadvertent solicitation.* Accidental or inadvertent solicitation by a corporation or labor organization, or the separate segregated fund of either, of persons apart from and beyond those whom it is permitted to solicit will not be deemed a violation, provided that such corporation or labor organization or separate segregated fund has used its best efforts to comply with the limitations regarding the persons it may solicit and that the method of solicitation is corrected forthwith after the discovery of such erroneous solicitation.

(i) *Communications paid for with voluntary contributions.* A separate segregated fund may, using voluntary contributions, communicate with the general public, except that such communications may not solicit contributions to a separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock, unless such solicitation is permitted under paragraph (g) of this section.

(j) *Acceptance of contributions.* A separate segregated fund may accept contributions from persons otherwise permitted by law to make contributions.

(k) *Availability of methods.* Any corporation, including its subsidiaries, branches, divisions, and affiliates, that uses a method of soliciting voluntary contributions or facilitating the making of voluntary contributions from its stockholders or executive or administrative personnel and their families, shall make that method available to a labor organization representing any members working for the corporation, its subsidiaries, branches, divisions, and affiliates for soliciting voluntary contributions or facilitating the making of voluntary contributions from its members and their families. Such method shall be made available on the written request of the labor organization and at a cost sufficient only

to reimburse the corporation for the expenses incurred thereby. For example—

(1) If a corporation, including its subsidiaries, branches, divisions, or affiliates utilizes a payroll deduction plan, check-off system, or other plan, which deducts contributions from the dividend or payroll checks of stockholders or executive or administrative personnel, the corporation shall, upon written request of the labor organization, make that method available to members of the labor organization working for the corporation, its subsidiaries, branches, divisions, or affiliates, who wish to contribute to the separate segregated fund of the labor organization representing any members working for the corporation, or any of its subsidiaries, branches, divisions, or affiliates. The corporation shall make the payroll deduction plan available to the labor organization at a cost sufficient only to reimburse the corporation for the actual expenses incurred thereby.

(2) If a corporation uses a computer for addressing envelopes or labels for a solicitation to its stockholders or executive or administrative personnel, the corporation shall, upon written request, program the computer to enable the labor organization to solicit its members. The corporation shall charge the labor organization a cost sufficient only to reimburse the corporation for the actual expenses incurred in programming the computers and the allocated cost of employee time relating to the work, and the materials used.

(3) If a corporation uses corporate facilities, such as a company dining room or cafeteria, for meetings of stockholders or executive or administrative personnel at which solicitations are made, the corporation shall upon written request of the labor organization allow that labor organization to use existing corporate facilities for meetings to solicit its members. The labor organization shall be required to reimburse the corporation for any actual expenses incurred thereby, such as any increase in the overhead of the corporation and any cost involved in setting up the facilities.

(4) If a corporation uses no method to solicit voluntary contributions or to facilitate the making of voluntary contributions from stockholders or executive or administrative personnel, it is not required by law to make any method available to the labor organization for its members. The corporation and the labor organization may agree upon making any lawful method available even though such agreement is not required by the Act.

(5) The availability of methods of twice yearly solicitations is subject to the provisions of § 114.6(e).

(l) *Methods permitted by law to labor organizations.* Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members and executive or administrative personnel.

(2 U.S.C. 441b, 437d(a)(8))

141 FR 35955, Aug. 25, 1976, as amended at 45 FR 21210, Apr. 1, 1980; 46 FR 26303, June 7, 1983; 48 FR 50508, Nov. 2, 1983

#### § 114.6 Twice yearly solicitations.

(a) A corporation and/or its separate segregated fund may make a total of two written solicitations for contributions to its separate segregated fund per calendar year of its employees other than stockholders, executive or administrative personnel, and their families. Employees as used in this section does not include former or retired employees who are not stockholders. Nothing in this paragraph shall limit the number of solicitations a corporation may make of its stockholders and executive or administrative personnel under § 114.5(g).

(b) A labor organization and/or its separate segregated fund may make a total of two written solicitations per calendar year of employees who are not members of the labor organization, executive or administrative personnel, or stockholders (and their families) of a corporation in which the labor organization represents members working for the corporation. Nothing

in this paragraph shall limit the number of solicitations a labor organization may make of its members under § 114.5(g).

(c) *Written solicitation.* A solicitation under this section may be made only by mail addressed to stockholders, executive or administrative personnel, or employees at their residences. All written solicitations must inform the recipient—

(1) Of the existence of the custodial arrangement described hereinafter;

(2) That the corporation, labor organization, or the separate segregated fund of either cannot be informed of persons who do not make contributions; and

(3) That persons who, in a calendar year make a single contribution of \$50 or less, or multiple contributions aggregating \$200 or less may maintain their anonymity by returning their contributions to the custodian.

(d) *The custodial arrangement.* In order to maintain the anonymity of persons who do not wish to contribute and of persons who wish to respond with a single contribution of \$50 or less, or multiple contributions aggregating \$200 or less in a calendar year, and to satisfy the recordkeeping provisions, the corporation, labor organization, or separate segregated fund of either shall establish a custodial arrangement for collecting the contributions under this section.

(1) The custodian for a separate segregated fund established by a corporation shall not be a stockholder, officer, executive or administrative personnel, or employee of the corporation, or an officer, or employee of its separate segregated fund. The custodian for a separate segregated fund established by a labor organization shall not be a member, officer or employee of the labor organization or its separate segregated fund.

(2) The custodian shall keep the records of contributions received in accordance with the requirements of Part 102 and shall also—

(i) Establish a separate account and deposit contributions in accordance with the provisions of Part 103;

(ii) Provide the fund with the identification of any person who makes a single contribution of more than \$50

and the identification of any person who makes multiple contributions aggregating more than \$200. The custodian must provide this information within a reasonable time prior to the reporting date of the fund under Part 04.

(iii) Periodically forward all funds in the separate account, by check drawn on that account, to the separate segregated fund; and

(iv) Treat all funds which appear to be illegal in accordance with the provisions of § 103.3(b).

(3) The custodian shall not--

(i) Make the records of persons making a single contribution of \$50 or less, or multiple contributions aggregating \$200 or less, in a calendar year, available to any person other than representatives of the Federal Election Commission, the Clerk of the House or the Secretary of the Senate, as appropriate, and law enforcement officials or judicial bodies.

(ii) Provide the corporation or labor organization or the separate segregated fund of either with any information pertaining to persons who, in a calendar year, make a single contribution of \$50 or less or multiple contributions aggregating \$200 or less except that the custodian may forward to the corporation, labor organization or separate segregated fund of either the total number of contributions received; or

(iii) Provide the corporation, labor organization, or the separate segregated fund of either with any information pertaining to persons who have not contributed.

(4) The corporation, labor organization, or the separate segregated fund of either shall provide the custodian with a list of all contributions, indicating the contributor's identification and amount contributed, which have been made directly to the separate segregated fund by any person within the group of persons solicited under this section.

(5) Notwithstanding the prohibitions of paragraph (d)(1) of this section, the custodian may be employed by the separate segregated fund as its treasurer and may handle all of its contributions, provided that the custodian reserves the custody of the con-

tributors as required by this section. The custodian shall file the required reports with the Federal Election Commission, the Clerk of the House, or the Secretary of the Senate, as appropriate. A custodian who serves as treasurer is subject to all of the duties, responsibilities, and liabilities of a treasurer under the Act, and may not participate in the decision making process whereby the separate segregated fund makes contributions and expenditures.

(c) *Availability of methods.* (1) A corporation or labor organization or the separate segregated fund of either may not use a payroll deduction plan, a check-off system, or other plan which deducts contributions from an employee's paycheck as a method of facilitating the making of contributions under this section.

(2) The twice yearly solicitation may only be used by a corporation or labor organization to solicit contributions to its separate segregated fund and may not be used for any other purpose.

(3) A corporation is required to make available to a labor organization representing any members working for the corporation or its subsidiaries, branches, divisions, or affiliates the method which the corporation uses to solicit employees under this section during any calendar year.

(4) If the corporation uses a method to solicit any employees under this section, the corporation is required to make that method available to the labor organization to solicit the employees of the corporation who are not represented by that labor organization, and the executive or administrative personnel and the stockholders of the corporation and their families.

(5) If the corporation does not wish to disclose the names and addresses of stockholders or employees, the corporation shall make the names and addresses of stockholders and employees available to an independent mailing service which shall be retained to make the mailing for both the corporation and the labor organization for any mailings under this section.

(6) If the corporation makes no solicitation of employees under this section during the calendar year, the corporation is not required to make any

method or any names and addresses available to any labor organization.

(4) The corporation shall notify the labor organization of its intention to make a solicitation under this section during a calendar year and of the method it will use, within a reasonable time prior to the solicitation, in order to allow the labor organization opportunity to make a similar solicitation.

(5) If there are several labor organizations representing members employed at a single corporation, its subsidiaries, branches, divisions, or affiliates, the labor organizations, either singularly or jointly, may not make a combined total of more than two written solicitations per calendar year. A written solicitation may contain a request for contributions to each separate fund established by the various labor organizations making the combined mailing.

2 U.S.C. 4310(b)(3), 432e(3), 4300(a)

141 FR 35955, Aug. 25, 1976, as amended at 45 FR 15125, Mar. 7, 1980

§ 114.7 Membership organizations, cooperatives, or corporations without capital stock.

(a) Membership organizations, cooperatives, or corporations without capital stock, or separate segregated funds established by such persons may solicit contributions to the fund from members and executive or administrative personnel, and their families, of the organization, cooperative, or corporation without capital stock.

(b) Nothing in this section waives the prohibition on contributions to the separate segregated fund by corporations, national banks, or labor organizations which are members of a membership organization, cooperative, or corporation without capital stock.

(c) A trade association whose membership is made up in whole or in part of corporations is subject to the provisions of § 114.8 when soliciting any stockholders or executive or administrative personnel of member corporations. A trade association which is a membership organization may solicit its noncorporate members under the provisions of this section.

(d) The question of whether a professional organization is a corporation is determined by the law of the State

in which the professional organization exists.

(e) There is no limitation upon the number of times an organization under this section may solicit its members and executive or administrative personnel, and their families.

(f) There is no limitation under this section on the method of solicitation or the method of facilitating the making of voluntary contributions which may be used.

(g) A membership organization, cooperative, or corporation without capital stock and the separate segregated funds of the organizations are subject to the provisions in § 114.5(a).

(h) A membership organization, cooperative, or corporation without capital stock may communicate with its members and executive or administrative personnel, and their families, under the provisions of § 114.3.

(i) A mutual life insurance company may solicit its policyholders if the policyholders are members within the organizational structure.

(j) A membership organization, including a trade association, cooperative, or corporation without capital stock or a separate segregated fund established by such organization may not solicit contributions from the separate segregated funds established by its members. The separate segregated fund established by a membership organization, including a trade association, cooperative, or corporation without capital stock may, however, accept unsolicited contributions from the separate segregated funds established by its members.

(2 U.S.C. 441b, 437d(a)(8))

141 FR 35955, Aug. 25, 1976, as amended at 40 FR 50500, Nov. 2, 1983

§ 114.8 Trade associations.

(a) *Definition.* A trade association is generally a membership organization of persons engaging in a similar or related line of commerce, organized to promote and improve business conditions in that line of commerce and not to engage in a regular business of a kind ordinarily carried on for profit, and no part of the net earnings of which inures to the benefit of any member.

POSITION PAPER  
HB 137

4

This bill amends both the Campaign Disclosure Law and other sections of the Election Code concerning the deadlines for filing for office.

For the first time, restrictions are placed on the period of time during which a candidate may accept contributions. Post-election contributions to legislative candidates are banned until June 1 before the election for which the candidate files. Filing by a legislative candidate is not allowed until January 2 of election year. A similar ban on receipt of contributions and filing date for municipal candidates applies until 150 days before the election.

The \$1,000 contribution limitation is amended to create two tiers. Statewide candidates may continue to receive \$1,000 from a person or group. Candidates for nonstatewide office and groups may receive only \$500 from a person or group. Contributions to or from a political party remain unlimited but that concept could be made clearer by using the word "limitations" in section 3, line 10.

The establishment of different limits for legislative and statewide office may cause a problem which does not exist under the present law. Absent a specific prohibition, a candidate might file for statewide office, collect \$1,000 contributions and then refile for an office where contributions are limited to \$500. An additional enforcement problem exists with new language which attempts to control campaign behavior. Under current law, only reporting violations are subject to fines assessed by the Commission. All other violations are misdemeanors which require a showing of willful violation. While this does not mean that no new "behavior prohibitions" should be established, it does mean that enforcement efforts will be limited until such time as the Commission is granted broader civil penalty power. Consideration should also be given to amending the language in AS 15.13.070(d) to strengthen the Commission's authority to assure that unlawful contributions of any kind must be surrendered by the receiving campaign.

The Commission supports HB 137, with the exception of the two-tier contribution limitation provision, because it represents a specific effort to control campaigns that are too expensive, last too long, and are often followed by fundraising of questionable propriety.

*Theda Pittman*

Theda Pittman, Executive Director  
Alaska Public Offices Commission

*3/5/87*

Date

*Jan Rogers*

Jan Rogers, Chairman  
Alaska Public Offices Commission

*3/5/87*

Date



Graham

Legislative Liaison

9229 Emily Way  
Juneau, Alaska 99801  
Phone: (907) 789-3316

March 5, 1987

Memo: To all Interested Legislators

Re: House Bill 137 - An act relating to elections

The League of Women Voters of Alaska supports the following points in HB 137:

- \* early cut-off date for recouping expenses of a campaign, i.e. the day before the general election  
We think this will prevent contributions in an attempt to influence obvious winners.
- \* limit the length of campaigns, i.e. no candidate may file for office before January 2 of the year of the election  
We think this will reduce the cost of campaigning, and will close a loophole allowing a candidate to recoup campaign expenses by simply opening a new campaign.
- \* limit contributions by any person or group other than a political party, i.e. to \$1000 per year for a statewide office and \$500 per year for a non-statewide office or for a group  
We think this will reduce the cost of campaigning by making a smaller pool of money available, and will limit the influence of a larger contribution.

The primary concern the League has about HB 137 is the possibility that it would elevate the influence of the major political parties. We would like this to be considered carefully as it could work to the disadvantage of candidates from smaller political parties or those running as independents.



**AKPIRG**  
**ALASKA PUBLIC INTEREST RESEARCH GROUP**  
 Post Office Box 1093 / Anchorage, Alaska 99510 / (907) 278-3661

Rep. Fran Ulmer, Chair  
 House State Affairs Committee  
 &  
 Rep. Kay Brown  
 Box V  
 Juneau, AK 99811

5 March 1987

via Telecopier

RE: HB137

Dear Reps. Ulmer & Brown,

As an organization long involved as the principal public interest advocate for improved campaign financing laws, AKPIRG is very pleased to see the submission of HB 137 which will provide clear breaks in campaign fundraising seasons and add meaningful definition and control to certain areas of contributions and contributors.

One of the most egregious flaws in Alaska's campaign financing law is the fact that fundraising for candidates goes beyond the day they are elected. Simply put, any payments made to them after they acquire the status of elected office (whether they've been sworn in yet or not) have the absolute appearance, the possible effect, and the public perception of being given to influence them in their elected role. That is not acceptable in an elective system where we seek to have our representatives completely free to make decisions based on the best information available--not on who has the most "access".

HB 137 provides a simple, effective means of stopping this practice and we would encourage you to look closely at the potential motives of anyone who might oppose this measure. Especially the candidates themselves should be pleased. As it stands now, the opportunity to continue fundraising encourages competing candidates to incur obligations which they count on meeting later. By establishing the clear deadlines provided in this bill, you will eliminate the lure to spend ever more and to risk further debt (to say nothing of the general escalation in campaign costs). How many losing candidates are out there somewhere trying to pay off huge debts stimulated further by this open-ended tease?

The bill also provides a clear break between the end of one campaign and the beginning of the next. This sort of approach

①

works well in Brittain and clearly can work well here. It is very compatible with the general goals of controlling excessive campaign costs and providing reassurance to the public that their elected officials will be free from any semblance of inappropriate influence.

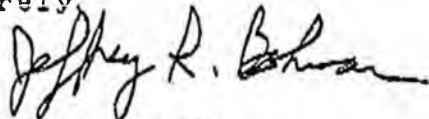
We also applaud the provisions providing added controls on expenditures by persons or groups. This section adds valuable definition to those terms and clarifies the additional limits within which such contributions can be made. It should be noted that AKPIRG would support even stronger limits that would eliminate contributions from anyone but individuals and political parties, but we are supportive of the significant progress that even this bill provides.

The one technical suggestion we would offer is in Sec. 3. On lines 14 & 15 we urge alteration of the language to clarify that the only campaign in which you're permitting unlimited personal candidate contributions is to their own campaign. We suggest language such as "a candidate from contributing more than \$500 of their own personal funds to their own campaign" or similar to make this point absolutely clear.

If Alaska is to reverse the alarming trend of the past decade that has seen our campaigns go so far out of control as to disenfranchise many potential candidates and to compromise the fundamental concept of one person, one vote (that is, equal involvement and influence in the elective process), we must drastically improve our campaigning laws. There is encouraging progress being considered in both chambers this year and the bill before you, HB 137, fully falls within that description. AKPIRG urges you to pass the bill as an effective part of the full range of solutions which Alaskans seek.

We will be pleased to provide any additional assistance on this or related matters in the future.

Sincerely,



Jeffrey R. Bohman  
Executive Director

# Kay Brown

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## Alaska State Legislature House of Representatives

TO: Rep. Fran Ulmer, Chair  
House State Affairs Committee

DATE: March 5, 1987

FROM: Rep. Kay Brown

RE: HB 137, An Act  
relating to  
Elections

HB 137, An Act relating to elections, has been referred to the House State Affairs Committee for consideration.

Thank you for scheduling a hearing on Friday, March 6 at 3:00 p.m. For your convenience, I have attached a copy of the sectional and statements of support by the Alaska Public Interest Research Group (AKPIRG), the Alaska Public Offices Commission, and the League of Women Voters.

The purpose of the bill is to reform campaign financing in legislative and municipal campaigns by:

- (1) prohibiting post-election fundraising;
- (2) reducing contributions to campaigns; and
- (3) limiting the length of campaigns.

The problem is that too much money is being spent on election campaigns. Current law encourages overspending in two ways:

First, current law encourages a candidate to incur large campaign debts during the election by allowing a candidate to repay such debts with funds raised after the election.

Second, contribution limits are too high: An individual, corporation, union or PAC may contribute \$2000 to a candidate--\$1,000 during the year before the election and another \$1,000 during the year of the election. The majority of the states which regulate campaign contributions have set lower limits for non-statewide candidates. See: Book of the States, Campaign Finance Laws, Tables 5.5, 5.6 and 5.7 (1986-87), attached.

HB 137 would prohibit a candidate from accepting a contribution on or after the day of the general election. This prohibition presumably would discourage candidates from incurring large debts they could not recoup through post-election fundraising, and should lead to lower-cost campaigns.

P. O. Box 20-2661  
Anchorage, AK 99520-2661  
(907) 272-0207

During Session:  
P. O. Box V  
Juneau, AK 99811  
(907) 465-4998

Legislative candidates could not again accept contributions until June 1 of the year of the next election. Municipal candidates could not again accept contributions until 150 days before the date of the next municipal election. (The apparent disparity allows municipal and legislative candidates roughly equivalent periods of fundraising, regardless of the date on which the municipal election is scheduled.)

HB 137 would limit individual, corporate, labor and political action committee (PAC) contributions to \$500 per candidate, per election. As under current law, contributions to and by a political party would not be limited.

HB 137 would shorten the length of campaigns by prohibiting a candidate from filing for office until January 2 of the year of the election.

HB 137 would not change the current status of the law governing statewide elections.

cc: Members, House State Affairs

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**Table 5.5**  
**CAMPAIGN FINANCE LAWS: LIMITATIONS ON CONTRIBUTIONS**  
**BY ORGANIZATIONS**  
**(As of January 1986)**

<i>State or other jurisdiction</i>	<i>Corporate</i>	<i>Labor union</i>	<i>Separate segregated fund—political action committee (PAC)</i>	<i>Regulated industry</i>	<i>Political party</i>
Alabama.....	Limited to \$500 to any one candidate, political committee, or political party per election.	Unlimited.	Unlimited.	Public utility regulated by public service commission may only contribute through a PAC.	Unlimited.
Alaska(a).....	Limited to \$1,000 per year for each elective office.	Same as corporate.	Same as corporate.	...	Unlimited.
Arizona.....	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Arkansas(a).....	Limited to \$1,500 per candidate, per election.	Same as corporate.	Same as corporate.	...	Limited to \$2,500 per candidate, per election.
California(m).....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Colorado(a).....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Connecticut(a).....	Prohibited.	Prohibited.	Labor organization PAC limited to an aggregate of \$50,000 per election, and same limits per candidate as individuals. Corporate PAC limited to an aggregate of \$100,000 per election, and twice the limits per candidate as individuals.	Prohibited.	Unlimited.
Delaware(a).....	Limited to \$1,000 per statewide candidate per election, \$500 per non-statewide candidate, per election.	Same as corporate.	Same as corporate.	...	...
Florida(a).....	Limited to \$3,000 for statewide office candidate per election; \$2,000 for candidate for retention as district court of appeal judge; \$1,000 for any other candidate or committee, per election.	Same as corporate.	Same as corporate.	...	Unlimited, except that party may not contribute to a candidate for judicial office.
Georgia.....	Unlimited.	Unlimited.	Unlimited.	Public utility corporation, regulated by public service commission may not contribute, directly or indirectly.	Unlimited.
Hawaii(a).....	Limited to \$2,000 in any election period.	Same as corporate.	Same as corporate.	...	Sliding scale percentage limit based upon candidate expenditure limits.
Idaho.....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Illinois.....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.

From Book of 50 STATES  
 Publ. Council of St. G. I.  
 1986/87

## LIMITATIONS ON CONTRIBUTIONS BY ORGANIZATIONS—Continued

<i>State or other jurisdiction</i>	<i>Corporate</i>	<i>Labor union</i>	<i>Separate segregated fund— political action committee (PAC)</i>	<i>Regulated industry</i>	<i>Political party</i>
Indiana .....	Limited to an aggregate of \$5,000 for statewide candidates; an aggregate of \$5,000 for state party central committees; an aggregate of \$2,000 for other offices; and an aggregate of \$2,000 for other party committees.	Same as corporate.	Unlimited.	.....	Unlimited.
Iowa .....	Prohibited.	Unlimited.	Unlimited.	Prohibited for insurance companies.	Unlimited.
Kansas .....	Limited to \$3,000 per statewide candidate per election, and \$750 per candidate, per election for other offices.	Same as corporate.	Same as corporate.	Same as corporate.	Unlimited.
Kentucky(a) .....	Prohibited.	Unlimited.	Unlimited.	Prohibited.	Unlimited.
Louisiana(a) .....	Unlimited.	Unlimited.	Unlimited.	.....	Unlimited.
Maine .....	Limited to \$5,000 per candidate per election.	Same as corporate.	Same as corporate.	Same as corporate.	Same as corporate.
Maryland(a) .....	Limited to an aggregate of \$2,500 per election and \$1,000 per candidate, per election.	Same as corporate.	Unlimited.	.....	Unlimited.
Massachusetts(a) .....	Prohibited.	Unlimited.	Unlimited.	Prohibited.	Unlimited.
Michigan(a) .....	Prohibited for candidate elections. Corporations may contribute up to \$40,000 to a ballot question committee.	Limited to \$1,700 for a statewide office, \$450 for state senator, \$250 for state representative candidates per election.	Same as labor union.	Prohibited.	State central committee is limited to \$34,000 for a statewide office, \$4,500 for state senator, \$2,500 for state representative candidates, per election. Local party is limited to \$17,000 for a statewide office, \$4,500 for a state senator, \$2,500 for state representative candidates, per election.
Minnesota .....	Prohibited.	Limited to \$60,000 per election year for governor/lt. governor (\$12,000 in non-election years); \$10,000 per election year for attorney general (\$2,000 in non-election years); \$5,000 per election year for other statewide offices (\$1,000 in non-election years); \$1,500 per election year for state senator (\$300 in non-election years); \$750 per election year for state representative (\$150 in non-election years).	Same as labor union.	Prohibited for insurance companies.	Limited to \$300,000 per election year for governor/lt. governor (\$60,000 in non-election years); \$50,000 per election year for attorney general (\$10,000 in non-election years); \$25,000 per election year for other statewide offices (\$5,000 in non-election years); \$7,500 per election year for state senator (\$1,500 in non-election years); \$3,750 p. election year for state representative (\$750 in non-election years).

**LIMITATIONS ON CONTRIBUTIONS BY ORGANIZATIONS—Continued**

<i>State or other jurisdiction</i>	<i>Corporate</i>	<i>Labor union</i>	<i>Separate segregated fund—political action committee (PAC)</i>	<i>Regulated industry</i>	<i>Political party</i>
Mississippi .....	Limited to \$1,000 per candidate per year and \$250 for judicial office primary candidates.	Unlimited, except in contributions to judicial office primary candidates (\$250 limit).	Same as labor union.	Generally prohibited.	Same as labor union.
Missouri(a) .....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Montana .....	Prohibited.	Limited for all elections in a campaign to \$1,500 for governor/lt. governor; \$750 for other statewide candidates; \$400 for public service commissioner or state senator; \$250 for other candidates.	Limited for all elections in a campaign to \$8,000 for governor/lt. governor; \$2,000 for other statewide candidates; \$1,000 for public service commissioner; \$600 for state senator (\$1,000 total from all non-party political committees); \$300 for other candidates (\$600 total for house candidates from all non-party political committees).	Prohibited.	Contributions to judicial candidates are prohibited; otherwise, same as PAC.
Nebraska(a) .....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Nevada .....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
New Hampshire .....	Prohibited.	Prohibited.	Limited to \$5,000.	Prohibited.	Unlimited.
New Jersey(a) .....	Unlimited, except in contributions to governor in any primary or general election (\$800 limit).	Same as corporate.	Same as corporate.	Prohibited for insurance corporations or associations and certain other corporations.	Unlimited, except state committee contribution to governor in general election (\$400 limit).
New Mexico .....	Unlimited.	Unlimited.	Unlimited.	...	Prohibited in primary elections, otherwise unlimited.
New York(a) .....	Limited to an aggregate of \$5,000 per calendar year.	Unlimited.	Unlimited.	Public utilities may not contribute from public service revenues unless cost is charged to shareholders.	Unlimited.
North Carolina(a) .....	Prohibited.	Prohibited.	Limited to \$4,000 per committee or candidate, per election.	Prohibited.	Unlimited.
North Dakota .....	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Ohio(a) .....	Prohibited.	Unlimited.	Prohibited for corporate PAC; otherwise, unlimited.	Prohibited for public utilities.	Unlimited.
Oklahoma .....	Prohibited.	Limited to \$5,000 to a political party or organization or a state office, and \$1,000 for a local office candidate.	Same as labor union.	Prohibited.	Same as labor union.
Oregon .....	Unlimited.	Unlimited.	Unlimited.	Generally prohibited.	Unlimited.
Pennsylvania(a) .....	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Rhode Island .....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.

## LIMITATIONS ON CONTRIBUTIONS BY ORGANIZATIONS—Continued

<i>State or other jurisdiction</i>	<i>Corporate</i>	<i>Labor union</i>	<i>Separate segregated fund—political action committee (PAC)</i>	<i>Regulated industry</i>	<i>Political party</i>
South Carolina .....	Unlimited.	Unlimited.	Unlimited.	.....	Unlimited.
South Dakota .....	Prohibited.	Prohibited if union is a corporation; otherwise, unlimited.	Unlimited.	Prohibited.	Unlimited.
Tennessee .....	Prohibited.	Unlimited.	Unlimited.	Prohibited.	Unlimited.
Texas(a) .....	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Utah .....	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Unlimited.
Vermont(a) .....	Limited to \$1,000 per candidate or committee, per election.	Same as corporate.	Limited to \$5,000 per candidate or committee per election.	Same as corporate.	Same as corporate.
Virginia .....	Unlimited.	Unlimited.	Unlimited.	.....	Unlimited.
Washington(a) .....	Unlimited, except aggregate contributions of more than \$5,000 may not be made to a candidate or political committee within 21 days of a general election.	Same as corporate.	Same as corporate.	Same as corporate.	Same as corporate.
West Virginia(a) .....	Prohibited.	Limited to \$1,000 per candidate, per election.	Same as labor union.	Prohibited.	Same as labor union.
Wisconsin(a) .....	Prohibited.	Limited according to formula for statewide candidates; and \$1,000 for state senator; \$500 for state representative; and \$6,000 for political parties.	Same as labor union.	Public utilities may not offer special privileges to candidates.	Certain specified percentage limits per candidate.
Wyoming .....	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Prohibited in primary elections.
Dist. of Col.(a) .....	Limited to an aggregate of \$4,000 per election and \$2,000 for mayor, \$1,500 for council chairman, \$1,000 for council member at-large, \$400 for council member from a district and board of education member at-large, \$200 for board of education member from a district or a party official, \$25 for neighborhood advisory commission member.	Same as corporate.	Same as corporate.	.....	.....

Source: James A. Palmer and Edward D. Feigenbaum. *Campaign Finance Law 1986*. (Washington, D.C.: National Clearinghouse on Election Administration, Federal Election Commission, 1986).

Note: Consult state statutes for more details.

Key:

—No reference to contribution in the law.

(a) Restriction on cash contributions. In Alaska, Arkansas, Florida, Kentucky, Maryland, Missouri, New York, North Carolina, Ohio, and Texas (no limit for general purpose committee): must be \$100 or less. In California and Colorado: must be less than \$100. In Connecticut,

Delaware, Massachusetts, Nebraska, Vermont, Washington, West Virginia, and Wisconsin: must be \$50 or less. In Hawaii: cash contribution of more than \$100 requires a receipt to the donor and a record of the transaction. In Louisiana: cash contributions of more than \$300 must be by written instrument; all cash contributions by corporations, labor organizations, and associations must be by check. In New Jersey: cash contributions are prohibited unless in response to public solicitation, or a written contributor statement is filed (cumulative maximum of \$100). In Pennsylvania: must be \$100 or less per candidate. In District of Columbia: must be less than \$50.

**Table 5.6**  
**CAMPAIGN FINANCE LAWS: LIMITATIONS ON CONTRIBUTIONS**  
**BY INDIVIDUALS**  
**(As of January 1986)**

<i>State or other jurisdiction</i>	<i>Individual</i>	<i>Candidate</i>	<i>Candidate's family member</i>	<i>Government employees</i>	<i>Anonymous or in name of another</i>
Alabama.....	Unlimited.	Unlimited.	Unlimited.	No solicitation of state employees for state political activities. City employees may contribute to county/state political activities; county employees may contribute to city/state political activities.	...
Alaska(a).....	Limited to \$1,000 per year for each elective office.	Unlimited.	Same as individual.	Contribution may not be required of state employees.	Prohibited.
Arizona.....	Unlimited.	Unlimited.	Unlimited.	...	...
Arkansas(a).....	Limited to \$1,500 per candidate, per election.	Unlimited.	Same as individual.	Contribution may not be required of state employees. State division of social services/county board of public welfare employees may not solicit, nor may certain judges solicit for campaigns other than their own.	Anonymous contribution must be less than \$50 per year. Contribution in the name of another prohibited.
California(a).....	Unlimited.	Unlimited.	Unlimited.	Local agency employees may not solicit employees of their agency except incidentally through a large solicitation.	Anonymous contribution must be less than \$100 per year. Contribution in the name of another prohibited.
Colorado(a).....	Unlimited.	Unlimited.	Unlimited.	...	Contribution in the name of another prohibited.
Connecticut(a).....	Limited to an aggregate of \$15,000 per election and \$2,000 for governor; \$1,500 for other statewide office; \$1,000 for sheriff; \$500 for state senator or probate judge; \$250 for state representative, town, city or borough office; \$5,000 per year to state party.	Unlimited.	Unlimited.	May not be required. State department heads and deputy department heads may not solicit.	Anonymous contribution must be less than \$15. Contribution in the name of another prohibited.
Delaware(a).....	Limited to \$1,000 per statewide candidate, per election; \$500 per non-statewide candidate per election.	Limited to \$5,000 per election.	Same as candidate.	...	Prohibited.
Florida(a).....	Limited to \$3,000 for statewide office candidate per election; \$2,000 for candidate for retention as district court of appeal judge; \$1,000 for any other candidate or committee per election.	Unlimited.	Same as individual.	Judges not elected in public elections between competing candidates may not make contributions. Solicitation generally prohibited for state employees. Judges may not solicit contributions.	Contribution in the name of another prohibited.

## LIMITATIONS ON CONTRIBUTIONS BY INDIVIDUALS—Continued

<i>State or other jurisdiction</i>	<i>Individual</i>	<i>Candidate</i>	<i>Candidate's family member</i>	<i>Government employees</i>	<i>Anonymous or in name of another</i>
Georgia.....	Unlimited.	Unlimited.	Unlimited.	State employee may not coerce another state employee into contributing.	Anonymous contribution prohibited.
Hawaii(a).....	Limited to \$2,000 in any election period.	Limited to an aggregate of \$50,000 in any election year.	Same as candidate.	Solicitation of contributions prohibited. Contribution to other employees is prohibited.	Prohibited.
Idaho.....	Unlimited.	Unlimited.	Unlimited.	Contributions permitted. State employee may not coerce another state employee into contributing.	Anonymous contribution must be \$50 or less. Contribution in the name of another prohibited.
Illinois.....	Unlimited.	Unlimited.	Unlimited.	Generally prohibited.	Prohibited.
Indiana.....	Unlimited.	Unlimited.	Unlimited.	Contribution may not be required. Employees may not solicit or receive contributions.	Contribution in the name of another prohibited.
Iowa.....	Unlimited.	Unlimited.	Unlimited.	.....	Prohibited.
Kansas.....	Limited to \$3,000 per statewide candidate, per election; and \$750 per candidate per election for other offices.	Unlimited.	Spouse is unlimited.	Contribution may not be required.	Anonymous contribution must be \$10 or less. Contribution in the name of another prohibited.
Kentucky(a).....	Limited to \$3,000 per candidate per election.	Unlimited.	Same as individual.	Contribution may not be required. Contribution may be prohibited, depending on who is recipient.	Anonymous contribution must be \$50 or less. Contribution in the name of another prohibited.
Louisiana(a).....	Unlimited.	Unlimited.	Unlimited.	Contribution may not be solicited.	Anonymous contribution generally prohibited if more than \$25. Contribution in the name of another prohibited.
Maine.....	Limited to an aggregate of \$25,000 in a calendar year and \$1,000 per candidate, per election.	Unlimited.	Spouse is unlimited.	State employee may not coerce another state employee into contributing.	Contribution in the name of another prohibited.
Maryland(a).....	Limited to an aggregate of \$2,500 per election and \$1,000 per candidate per election.	Unlimited.	Spouse is unlimited.	Contribution may not be required.	Prohibited.
Massachusetts(a).....	Limited to \$1,000 per candidate, per year. Minors limited to \$25 per year.	Unlimited.	Same as individual.	Contribution may not be required. Solicitation generally prohibited.	Contribution in the name of another prohibited.
Michigan(a).....	Limited to \$1,700 for statewide office, \$450 for state senator, \$250 for state representative candidates per election.	Limited to \$25,000 per gubernatorial campaign.	Same as candidate.	Contribution may not be required.	Prohibited.

## LIMITATIONS ON CONTRIBUTIONS BY INDIVIDUALS—Continued

<i>State or other jurisdiction</i>	<i>Individual</i>	<i>Candidate</i>	<i>Candidate's family member</i>	<i>Government employees</i>	<i>Anonymous or in name of another</i>
Minnesota .....	Limited to \$60,000 per election year for governor/lt. governor (\$12,000 in non-election years); \$10,000 per election year for attorney general (\$2,000 in non-election years); \$5,000 per election year for other statewide offices (\$1,000 in non-election years); \$1,500 per election year for state senate (\$300 in non-election years); \$750 per election year for state representative (\$150 in non-election years).	Unlimited.	Same as individual.	Contribution may not be required. Solicitation prohibited during hours of employment.	Anonymous contribution must be less than \$20. Contribution in the name of another prohibited.
Mississippi .....	Unlimited, except in contributions to judicial office primary candidates (\$250 limit).	Same as individual.	Same as individual.	Contribution may not be required. Highway patrol or correctional system employees may not contribute. Solicitation prohibited for state correctional system employees.	...
Missouri(a) .....	Unlimited.	Unlimited.	Unlimited.	...	Anonymous contribution must be \$10 or less. Contribution in the name of another prohibited.
Montana .....	Limited for all elections in a campaign to \$1,500 for governor/lt. governor; \$750 for other statewide candidates; \$400 for public service commissioner, district court judge, or state senator; \$250 for other candidates.	Unlimited.	Same as individual.	Contributions by municipal employees in city with municipal commission form of government prohibited. Solicitation by municipal government employees prohibited.	Prohibited.
Nebraska(a) .....	Unlimited.	Unlimited.	Unlimited.	Solicitation prohibited during hours of employment.	Prohibited.
Nevada .....	Unlimited.	Unlimited.	Unlimited.	Employees may not solicit from other employees.	...
New Hampshire .....	Limited to \$5,000.	Unlimited.	Same as individual.	Contribution may not be solicited or required from classified state employees.	Prohibited.
New Jersey .....	Unlimited, except in contribution to governor in any primary or general election (\$800 limit). Contributor's spouse may contribute up to \$800 for governor in general election.	Unlimited, but if receiving public funds for governor, limited to \$25,000 per election from own funds.	Unlimited, except in contribution to governor in any primary or general election (\$800 limit).	Prohibited to demand from other public employees.	Prohibited.

## LIMITATIONS ON CONTRIBUTIONS BY INDIVIDUALS—Continued

<i>State or other jurisdiction</i>	<i>Individual</i>	<i>Candidate</i>	<i>Candidate's family member</i>	<i>Government employees</i>	<i>Anonymous or in name of another</i>
New Mexico.....	Unlimited.	Unlimited.	Unlimited.	Solicitation prohibited while on duty.	Anonymous contribution in excess of \$50 subject to special report.
New York(a) ....	Limited to an aggregate of \$150,000 in a calendar year and a maximum aggregate per office. Statewide: \$0.025 x voters (voters in party in primaries). Senate or assembly: \$0.05 x voters in district (voters in party in primaries) with \$2,500 min./\$50,000 max. for assembly member, and \$4,000 min./\$50,000 max. for senator.	Unlimited.	Spouse is unlimited. Other family member contributions are aggregated and subject to a maximum aggregate per office. Statewide: \$0.025 x voters (voters in party in primaries). Senate or assembly: \$0.25 x voters in district (voters in party in primaries) with \$20,000 min./\$100,000 max. for senator; \$12,500 min./\$100,000 max. for assembly member.	Contributions permitted, but may not be required. Judicial candidates may not solicit government employees or receive contributions from them. Police force members may not solicit for contributions from government employees. State employees may not coerce other state employees into contributing.	Prohibited.
North Carolina(a)...	Limited to \$4,000 per committee or candidate, per election.	Unlimited.	Unlimited.	State employee may not coerce another state employee into contributing.	Prohibited.
North Dakota .....	Unlimited.	Unlimited.	Unlimited.	...	Prohibited.
Ohio(a).....	Unlimited.	Unlimited.	Unlimited.	Classified service employees may not solicit or be solicited. Judge may not contribute to a political party in the year of candidacy. Court employees may not be solicited for a judicial candidate.	Anonymous contribution generally prohibited. Contribution in the name of another prohibited.
Oklahoma .....	Limited to \$5,000 to a political party or organization or a state office, and \$1,000 for a local office candidate, per person or family.	Unlimited.	Same as individual.	State employee may not solicit. Certain state employees may not receive contributions.	Prohibited.
Oregon .....	Unlimited.	Unlimited.	Unlimited.	Contribution may not be required. Solicitation prohibited during hours of employment.	Prohibited.
Pennsylvania(a).....	Unlimited.	Unlimited.	Unlimited.	State employees may not be solicited, and may not solicit from other state employees.	Prohibited.
Rhode Island .....	Unlimited.	Unlimited.	Unlimited.	State classified employees may not be solicited, and may not solicit other state employees.	Prohibited.
South Carolina .....	Unlimited.	Unlimited.	Unlimited.	...	...
South Dakota .....	Limited to \$1,000 for any statewide candidate; \$250 for any other candidate; or \$3,000 to a political party in any calendar year.	Unlimited.	Unlimited.	...	...

## LIMITATIONS ON CONTRIBUTIONS BY INDIVIDUALS—Continued

<i>State or other jurisdiction</i>	<i>Individual</i>	<i>Candidate</i>	<i>Candidate's family member</i>	<i>Government employees</i>	<i>Anonymous or in name of another</i>
Tennessee .....	Unlimited.	Unlimited.	Unlimited.	Superiors may not solicit their employees. Certain government contractors may not be solicited.	...
Texas .....	Unlimited.	Unlimited.	Unlimited.	...	Contribution in the name of another prohibited unless there is disclosure.
Utah .....	Unlimited.	Unlimited.	Unlimited.	Solicitation prohibited during hours of employment.	...
Vermont(a) .....	Limited to \$1,000 per candidate or committee, per election.	Unlimited.	Unlimited.	Solicitation by employees prohibited.	...
Virginia .....	Unlimited.	Unlimited.	Unlimited.	...	...
Washington .....	Unlimited, except aggregate contributions of more than \$5,000 may not be made to a candidate or political committee within 21 days of a general election.	Same as individual.	Unlimited.	...	Prohibited.
West Virginia(a) .....	Limited to \$1,000 per candidate, per election.	Same as individual.	Same as individual.	Contribution may not be solicited.	Anonymous contribution prohibited. Contributor disclosure required for contribution in the name of another.
Wisconsin .....	Limited to \$10,000 for statewide candidates; \$1,000 for state senator; \$500 for state representative; other offices by formula, with an aggregate limit of \$10,000.	Unlimited, unless candidate receives a grant from the election campaign fund, then limited to 200% of individual limit.	Unlimited as to funds or property owned jointly or as marital property by candidate and spouse.	Contribution and solicitation prohibited during hours of employment, or while engaged in official duties.	Anonymous contribution must be less than \$10. Contribution in the name of another prohibited.
Wyoming .....	Limited to an aggregate of \$25,000 and \$1,000 per candidate in any general election and the year preceding.	Unlimited.	Unlimited.	...	...

## LIMITATIONS ON CONTRIBUTIONS BY INDIVIDUALS—Continued

State or other jurisdiction	Individual	Candidate	Candidate's family member	Government employees	Anonymous or in name of another
Dist. of Col.(a) . . . . .	Limited to an aggregate of \$4,000 per election and \$2,000 for mayor, \$1,500 for council chairman, \$1,000 for council member at-large, \$400 for council member from a district or board of education member at-large, \$200 for board of education member from a district or a party official, \$25 for neighborhood advisory commission member.	Same as individual.	Same as individual.	Contributions permitted, but district employees may not solicit or collect political contributions.	Contribution in the name of another prohibited.

*Source:* James A. Palmer and Edward D. Feigenbaum. *Campaign Finance Law 1986*. (Washington, D.C.: National Clearinghouse on Election Administration, Federal Election Commission, 1986).

*Note:* Consult state statutes for more details.

*Key:*

—No reference to contribution in the law.

(a) Restriction on cash contributions. In Alaska, Arkansas, Florida, Kentucky, Maryland, New York, North Carolina, and Ohio: must be \$100

or less. In California and Colorado: must be less than \$100. In Connecticut, Delaware, Massachusetts, Nebraska, Vermont, West Virginia: must be \$50 or less. In Hawaii and Missouri: cash contribution of more than \$100 requires a receipt to the donor and a record of the transaction. In Louisiana: cash contributions of more than \$300 must be by written instrument. In Michigan: must be \$20 or less. In Pennsylvania: must be \$100 or less per candidate. In District of Columbia: must be less than \$50.

**Table 5.7**  
**CAMPAIGN FINANCE LAWS: LIMITATIONS ON EXPENDITURES**  
**(As of January 1986)**

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds(a)</i>
Alabama.....	Committee named and designated by candidate.	....	....	Candidate's travel, filing fees, stenographic work, clerks for mailings, communications and stationery, voter lists, office rent, broadcast, advertising, campaign literature, compensation to those distributing literature, rent for rally halls, bands.	....
Alaska(b).....	Candidate, treasurer, deputy treasurer.	Gov./lt. gov.: \$ 40 x total population (with no more than 50% spent in any one primary or general election); senate/house: \$1 x district population divided by number of seats in district.	None permitted, except for personal travel expenses and public opinion surveys/polls.	....	May be given to charity, used to repay contributors, spent on a future campaign, used to repay candidate or used as income, contributed to another committee, or transferred to office allowance fund.
Arizona.....	....	....	None permitted until registration form is properly filed.	....	....
Arkansas(b).....	....	....	....	....	....
California(b).....	Must have authorization of treasurer or treasurer's designated agents.	....	....	....	....
Colorado(b).....	....	....	....	Must be reasonably related to election, voter registration, or political education.	May be contributed to a non-profit or charitable organization or to the state or political subdivision, but not to candidate or party.
Connecticut(b).....	....	....	None permitted until treasurer and campaign depository have been properly designated.	Polls, meeting halls and rally expenses, printing and advertising, professional services fee, travel, staff salaries, rent, supplies, voter transportation, communications, expenses incurred in circulating nominating petitions, and other necessary expenses.	May be donated to another committee(c) or distributed on a pro rata basis to contributors or used for transition expenses. Ballot question committees may distribute surplus to government agencies or tax exempt organizations.
Delaware.....	Those with candidate's written approval.	Primary: statewide candidates: \$ 25 x qualified voters; senate: greater of \$ 25 x qualified voters or \$4,000; house: greater of \$ 25 x qualified voters or \$2,000. General election: all figures doubled.	None permitted until registration form is properly filed.	Staff salaries, travel expenses, filing fees, communications and printing, food, office supplies, voter lists and canvasses, poll watchers, rent, advertising, rallies, state licensed counsel.	May be contributed to tax-exempt charitable or political organization with candidate's authorization.

## LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds(a)
Florida(b) .....	***	***	***	Expenditures only to influence results of election.	May be used to reimburse a candidate for his contributions; transferred to a public office account in amount up to \$10,000 for statewide candidate, \$5,000 for multi-county candidate, and \$2,500 x number of years in term of office for which legislative candidate is elected; returned pro rata to contributors; donated to a non-profit or charitable organization; or given to state or political subdivision.
Georgia .....	***	***	***	***	***
Hawaii .....	Campaign treasurer and deputy treasurer.	Voluntary election year limits: gov.: \$1.25 x qualified voters; lt. gov.: \$.70 x qualified voters; mayor: \$1 x qualified voters; house/senate/council/prosecutor: \$.70 x qualified voters; others: \$.10 x qualified voters.	***	Donations to community, youth, social, or recreational organizations; reports, surveys, or polls.	May be used for fundraising; candidate-sponsored political-related activity; ordinary and necessary officeholder expenses; or donated to any community service, scientific, educational, youth, recreational, charitable, or literary organization.
Idaho(b) .....	***	***	***	***	***
Illinois .....	***	***	***	***	Must be returned to contributors or transferred to other political or charitable organizations.
Indiana .....	Treasurer.	***	***	***	May be transferred to one or more political party committees or to the state election board.(d)
Iowa .....	***	***	***	Only for legitimate campaign purposes in general elections, including salaries, rent, advertising, supplies, travel, campaign paraphernalia, contributions to other candidates, and the like.	(e)
Kansas .....	***	***	***	***	***
Kentucky .....	Treasurer must make or authorize all expenditures on behalf of candidate.	***	***	***	May be returned pro rata to all contributors, transferred to candidate's party committee, or retained for election to the same office.

## LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds(a)
Louisiana(b).....			None aggregating in excess of \$500 until statement of organization is properly filed.		
Maine .....	Candidate, treasurer.	Political action committee limited to \$5,000 per candidate or political committee in any election.			
Maryland(b).....	Public funds may only be spent upon authority of candidate or treasurer; other expenditures must be made by or through treasurer.	Publicly-financed candidates limited per primary or general elections: gov./lt. gov./senate: \$.10 x qualified voters; atty. gen./compr.: \$.025 x qualified voters; house: \$.05 x qualified voters; state's atty.: greater of \$2,500 or \$.025 x qualified voters; other: greater of \$1,000 or \$.01 x qualified voters.(f)	None permitted until registration form is properly filed.	Public contributions may only be used to further candidate's nomination or election, for legal purposes, and for expenses not incurred later than 30 days after election.	Surplus public contributions must be paid not later than 60 days after the election for which the funds were granted. Other funds must be returned on a pro rata basis to contributors, paid to a party central committee, or donated to a local board of education, recognized non-profit educational organization, or charitable organization.
Massachusetts(h).....				Candidates: limited to reasonable and necessary expenses directly related to candidate's campaign. Other committees: for enhancement of political future of candidate or principle.	Pro rata portion of public funds revert to state. Other funds must be donated to local aid fund.
Michigan(b).....	Expenditure may only be made with authorization of treasurer or treasurer's designee.	Publicly-financed candidates limited to \$1 million per election.(g)		Public funds may be spent only on services, facilities, materials, or other things of value to further candidate's election during election year.	Surplus public funds must be promptly repaid and may not be used in subsequent election. Other funds may be transferred to another committee, party, tax-exempt charitable institution or returned to contributors.
Minnesota(b).....	Authorized by treasurer or deputy treasurer of committee or fund.	Publicly financed candidates limited in election year to greater of following amounts Gov./lt. gov.: \$.125 per capita or \$600,000; atty. gen.: \$.025 per capita or \$100,000; secy of state, treas., and: \$.0125 per capita or \$50,000; senate: \$.20 per capita or \$15,000; house: \$.20 per capita or \$7,500. In non election year, to 20% of applicable limit.		Salaries, wages, fees, communications, mailing, transportation and travel, advertising and printing, office space and furnishings, supplies, and other expenses reasonably related to election.	

### LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds(a)</i>
Mississippi					
Missouri(b)	Expenditures must be made by or through treasurer; when treasurer's office is vacant candidate serves as treasurer.				
Montana(b)	Campaign treasurers, authorized deputy campaign treasurers of candidates and political committees.				
Nebraska(b)	Treasurers or treasurer's designees; however candidates and agents also permitted to make expenditures.		None may be made by committee until it files statement of organization and has treasurer.	Committee (other than political party committee) may use funds for goods, materials, services, or facilities to assist or oppose candidate or ballot question (h)	
Nevada					
New Hampshire	Candidate or fiscal agent, treasurer of political committee.		None may be made by non-party political committee until registration statement is filed and (if organized to support a candidate) written consent of candidate or financial agent has been secured and filed.		
New Jersey	Treasurer or deputy treasurer of candidate, political party committee, political committee, and continuing political committees	Max. amount for gov. in primary: \$.35 x number of voters in preceding presidential election; in general election: \$.70 x number of voters in preceding presidential election.			
New Mexico	Treasurer of candidate or political committee.		None permitted until treasurer appointed.		
New York(b)	Treasurer of candidate or political committee.		None may be made by a political committee until designation of treasurer and depository have been filed.	Any lawful purpose	Surplus campaign funds may be used for any lawful purpose, including transfer to political party committee, return to donor, or held for use in subsequent campaign.
North Carolina(b)	Treasurer or asst. treasurer of candidate or political committee (i)		None permitted until treasurer appointed and certified (i)		
North Dakota					

### LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds(a)
Ohio .....	Campaign treasurer, authorized deputy campaign treasurers for a campaign committee.	....	None may be made by candidate's campaign committee until candidate designates treasurer.	....	....
Oklahoma .....	Agents and sub-agents in the case of candidates and political parties.	....	....	Only to defray campaign expenditures or ordinary and necessary expenses incurred in connection with duties of public officeholder.	....
Oregon(b) .....	....	....	....	....	....
Pennsylvania .....	....	....	....	No expenditures except as provided by law.	....
Rhode Island .....	Campaign treasurers, deputy campaign treasurers.	....	....	....	....
South Carolina .....	....	....	....	....	....
South Dakota .....	....	....	....	Necessary expenditure of money for ordinary or usual expense of conducting political campaign unless expressly forbidden.	....
Tennessee .....	Political treasurer of candidate and political campaign committee.	....	None permitted until candidate and political committee certify name and address of treasurer.	Clerical/office force, dissemination of literature, public speakers, newspaper announcement of candidacy and transportation of voters unable to go to polls.	....
Texas .....	Candidate and campaign treasurer or asst. campaign treasurer, and campaign treasurer or asst. campaign treasurer of political committee.	Independent expenditures by individuals limited to \$1000(j), unless contribution is made or individual reports as a political committee.	None permitted until name of campaign treasurer has been filed.	....	....
Utah .....	Candidate and secretary and members of personal campaign committee in case of candidate.	....	None permitted until state office candidate files statement of appointment of personal campaign committee.	Any expenditures may be made, except those prohibited by law.	....
Vermont(b) .....	Designated treasurer	....	....	....	May be used by candidate to reduce personal campaign debts.
Virginia(b) .....	....	....	(k)	....	After filing of final report, surplus funds may be used for next election.

## LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expendi- tures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds(a)
Washington(b).....	Campaign treasurer or candidate or person on authority of campaign treasurer or candidate.	.....	.....	.....	.....
West Virginia .....	Candidates, financial agents, political party committee treasurers.	.....	None may be made by political party committee until treasurer appointed.	.....	.....
Wisconsin(b) .....	Treasurer of candidate, political committee, political group, or individual.	State office candidates who receive election campaign fund grant may not spend more for campaign than amount specified in authorized disbursement schedule.	None permitted until registration statement is filed.	For any lawful purpose.	.....
Wyoming .....	.....	.....	.....	.....	.....
Dist. of Columbia(b).....	Chairman, treasurer, or designated agents.	.....	.....	.....	May be contributed to a political party for political purposes; returned to donors; transferred to a scientific, technical, or literacy or educational organization; or used for constituent services with certain limitations.

Source: James A. Palmer and Edward D. Feigenbaum, *Campaign Finance Law 1986*. (Washington, D. C.: National Clearinghouse on Election Administration, Federal Election Commission, 1986).

Note: Consult state statutes for more details.

Key:

.....—No reference in the law.

(a) Post election.

(b) Restrictions on cash expenditures. In Alaska, California, Colorado, Connecticut, Louisiana, and New York: may not exceed \$100. In Arkansas, Massachusetts, Michigan, Nebraska, Oregon, Washington, and the District of Columbia: may not exceed \$50. In Florida: must be less than \$30. In Idaho and Maryland: must be less than \$25. In Minnesota: petty cash expenditures limited to \$100 per week for statewide elections and \$20 per week for legislative elections. In Missouri: single cash expenditures from petty cash fund may not exceed \$50; aggregate calendar year expenditures may not exceed the lesser of \$5,000 or 10 percent of the committee's total calendar year expenditures. In Montana: petty cash fund may be established to pay for office supplies, transportation expenses and other necessities of less than \$10. In North Carolina: cash expenditures permitted for non-media expenses of \$50 or less. In Vermont: expenditures by a candidate who has made expenditures or received contributions of \$500 or more and by a political committee must be paid by the treasurer by check from a single checking account. In Virginia: petty cash expenditures of less than \$25 are permitted; otherwise, only by check.

In Wisconsin: cash expenditures are prohibited.

(c) Except one established to further the candidate's future campaigns.

(d) Unless otherwise provided by the committee in its statement of organization.

(e) Public funds may not be used to lease or purchase any item whose benefits extend beyond the time within which the funds must be spent.

(f) In general election, parties are limited to expenditures for greater of \$250 or \$.002, per qualified voter in addition to the candidate limits.

(g) Except up to \$200,000 more can be spent to solicit contributions, and additional expenditures are authorized in response to editorials, endorsements, and the like.

(h) After an election, a committee may expend or transfer funds for: continued operation of campaign offices; social events for workers and volunteers; obtaining public input and opinion; repayment of campaign loans; newsletters and other political communications; gifts of acknowledgement; and candidate-related meals, lodging, and travel by officeholder and family.

(i) Except for independent expenditures.

(j) Plus donated services and personal traveling expenses.

(k) Candidate must appoint one campaign treasurer no later than upon acceptance of a contribution, expenditure of funds, or qualification as a candidate, whichever occurs first.

A M E N D M E N T

SA

Offered in the HOUSE

By Brown

TO: HB 137

Page 1, line 6:

Delete "elections"

Insert "the duration and financing of election campaigns"

A M E N D M E N T

Offered in the HOUSE

By Brown

TO: HB 137

Page 1, lines 15 - 29:

Delete all material and insert:

"Sec. 15.13.041. PROHIBITED CONTRIBUTIONS. (a) A person may not make a contribution to a candidate for the office of governor or lieutenant governor and a candidate for either office may not accept a contribution on and after the day of a general or special election through the day after the general election that occurs two years later.

(b) A person may not make a contribution to a nonstatewide candidate and the nonstatewide candidate may not accept a contribution on and after the day of the general election through June 1 preceding the election for which the candidate files a declaration of candidacy or nominating petition.

(c) A person may not make a contribution to a municipal candidate and the candidate may not accept a contribution on and after the day of the municipal election through the date that is 150 days before the date of a municipal election at which the candidate will seek election."

A M E N D M E N T

Offered in the HOUSE

By Brown

TO: HB 137

Page 2, line 10:

Delete "limitation"

Insert "limitations [LIMITATION]"

A M E N D M E N T

Offered in the HOUSE

By Brown

TO: HB 137

Page 2, line 12, after "15.13.110.":

Insert "A candidate in an election for statewide office who withdraws from the campaign for statewide office and refiles as a candidate for nonstatewide office at the same election shall refund to the contributor the amount of each contribution accepted in excess of \$500."

A M E N D M E N T

Offered in the HOUSE

By Brown

TO: HB 137

Page 2, after line 22:

Insert a new bill section to read

"\* Sec. 4. AS 15.13.125 is amended to read:

Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIRED REPORTS]. A person who fails to file a properly completed and certified report within the time required by AS 15.13.110(a)(1), (3), (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10 a day for each day the delinquency continues as determined by the commission subject to right of appeal to the superior court. A person who fails to file a properly completed and certified report within the time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of not more than \$50 a day for each day the delinquency continues as determined by the commission subject to right of appeal to the superior court. A candidate who accepts a contribution in violation of AS 15.13.041 is subject to a civil penalty of not more than five times the amount of the contribution accepted. An affidavit stating facts in mitigation may be submitted to the commission by a person against whom a civil penalty is assessed. However, the imposition of the penalties prescribed in this section or in AS 15.13.120 does not excuse that person from filing reports required by this chapter."

Renumber remaining bill sections accordingly.



A M E N D M E N T

Offered in the HOUSE

By Brown

TO: CSHB 137 (State Affairs)

Page 2, line 17, after "subject to the":

Insert "limitations prescribed in (i) of this section and to the"

Page 3, after line 3:

Insert a new bill section to read:

\*\* Sec. 4. AS 15.13.070 is amended by adding a new subsection to read:

(i) A candidate for statewide office may not accept more than \$40,000 cumulatively for each general election for that candidate from political parties and their subdivisions. A candidate for the state senate may not accept more than \$20,000 cumulatively for each general election for that candidate from political parties and their subdivisions. A candidate for the state house of representatives may not accept more than \$10,000 cumulatively for each general election for that candidate from political parties and their subdivisions. A candidate for municipal office may not accept more than \$10,000 cumulatively for each municipal election for that candidate from political parties and their subdivisions."

Renumber remaining bill sections accordingly.

A M E N D M E N T

Offered in the HOUSE

By Brown

TO: CSHB 137(SA)

Page 4, after line 3:

Insert a new bill section to read:

"\* Sec. 8. The prohibition in AS 15.13.041, as enacted in sec. 2 of this Act, against a candidate accepting a contribution after the date of the general election through the dates specified in AS 15.13.041 does not apply to contributions accepted by a candidate or elected public official after the effective date of this Act, but before January 1, 1988, that are used to retire campaign debt in existence on January 1, 1987."

A M E N D M E N T

Offered in the HOUSE

By Brown

TO: CSHB 137 (State Affairs)

Page 3, after line 3:

Insert a new bill section to read:

"\* Sec. 4. AS 15.13.070 is amended by adding a new subsection to read:

(i) A candidate for statewide office may not accept more than \$40,000 cumulatively for each general election for that candidate from corporations, labor unions, and groups. A candidate for the state senate may not accept more than \$20,000 cumulatively for each general election for that candidate from corporations, labor unions, and groups. A candidate for the state house of representatives may not accept more than \$10,000 cumulatively for each general election for that candidate from corporations, labor unions, and groups. A candidate for municipal office may not accept more than \$10,000 cumulatively for each municipal election for that candidate from corporations, labor unions, and groups."

Renumber remaining bill sections accordingly.

Original sponsors: Brown, Ellis,  
Davis, et al.

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE BILL NO. 137 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of  
7 election campaigns."

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

9 \* Section 1. The legislature determines that the payment of a political  
10 contribution to a successful candidate after a general election raises  
11 questions involving a conflict of interest of the elected official. This  
12 Act is enacted in an attempt to regulate that conduct and assure that  
13 proper standards of conduct are maintained in elections to public office  
14 and in the acceptance of contributions by a candidate for public office.

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

16 Sec. 15.13.041. PROHIBITED CONTRIBUTIONS. (a) A person may not  
17 make a contribution to a candidate for the office of governor or  
18 lieutenant governor and a candidate for either office may not accept a  
19 contribution on and after the day of a general or special election  
20 through the day after the general election that occurs two years  
21 later.

22 (b) Except as provided in (c) of this section, a person may not  
23 make a contribution to a nonstatewide candidate and the nonstatewide  
24 candidate may not accept a contribution on and after the day of the  
25 general election through June 1 preceding the election for which the  
26 candidate files a declaration of candidacy or nominating petition.

27 (c) A person may not make a contribution to a municipal candi-  
28 date and the candidate may not accept a contribution on and after the  
29 day of the municipal election through the date that is 150 days before

1 the date of a municipal election at which the candidate will seek  
2 election.

3 (d) A candidate or a public officer of the state or a municipal-  
4 ity of the state is subject to the limitation established in this  
5 section only for the office for which the individual most recently  
6 filed a declaration of candidacy or a nominating petition.

7 \* Sec. 3. AS 15.13.070(a) is amended to read:

8 (a) A person or group, including but not limited to political  
9 committees, businesses, corporations, and labor unions, may not con-  
10 tribute more than \$1,000 a year to a candidate for statewide elective  
11 office. A [NO] person or group, including but not limited to [ALL]  
12 political committees, businesses, corporations, and labor unions, may  
13 not contribute [TO OR EXPEND] more than \$500 [\$1,000] a year to a  
14 candidate [ON BEHALF OF OR IN OPPOSITION TO THE COMPETING CANDIDATES]  
15 for each nonstatewide elective office or to a group. Political par-  
16 ties and their subdivisions are not subject to the limitations [LIMI-  
17 TATION] prescribed in this subsection, but they are subject to the  
18 reporting requirements prescribed by AS 15.13.040(b) and 15.13.110. A  
19 candidate in an election for statewide office who withdraws from the  
20 campaign for statewide office and refiles as a candidate for nonstate-  
21 wide office at the same election shall refund to the contributor the  
22 amount of each contribution accepted in excess of \$500. Nothing in  
23 this chapter prohibits

24 (1) a candidate from contributing more than \$500 of person-  
25 al funds to the personal campaign of the candidate [\$1,000 OF HIS OWN  
26 MONEY TO HIS OWN CAMPAIGN]; or

27 (2) independent expenditures [INDIVIDUALS OR GROUPS, IN-  
28 CLUDING BUT NOT LIMITED TO ALL POLITICAL COMMITTEES, BUSINESSES,  
29 CORPORATIONS, AND LABOR UNIONS, FROM CONTRIBUTING TO OR EXPENDING ON

1 BEHALF OF A BALLOT PROPOSITION OR QUESTION MORE THAN \$1,000 A YEAR;  
2 HOWEVER, THESE CONTRIBUTIONS AND EXPENDITURES SHALL BE] reported in  
3 accordance with AS 15.13.040 and 15.13.110.

4 \* Sec. 4. AS 15.13.125 is amended to read:

5 Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF RE-  
6 QUIRED REPORTS]. A person who fails to file a properly completed and  
7 certified report within the time required by AS 15.13.110(a)(1), (3),  
8 (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10  
9 a day for each day the delinquency continues as determined by the  
10 commission subject to right of appeal to the superior court. A person  
11 who fails to file a properly completed and certified report within the  
12 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a  
13 civil penalty of not more than \$50 a day for each day the delinquency  
14 continues as determined by the commission subject to right of appeal  
15 to the superior court. A candidate who accepts a contribution in  
16 violation of AS 15.13.041 is subject to a civil penalty of not more  
17 than five times the amount of the contribution accepted. An affidavit  
18 stating facts in mitigation may be submitted to the commission by a  
19 person against whom a civil penalty is assessed. However, the imposi-  
20 tion of the penalties prescribed in this section or in AS 15.13.120  
21 does not excuse that person from filing reports required by this  
22 chapter.

23 \* Sec. 5. AS 15.25.040 is amended by adding a new subsection to read:

24 (e) Except for a statewide candidate, a declaration may not be  
25 filed before January 2 of the year in which the election will be held.

26 \* Sec. 6. AS 15.25.150 is amended by adding a new subsection to read:

27 (b) Except for a statewide candidate, a petition may not be  
28 filed before January 2 of the year in which the election will be held.

29 \* Sec. 7. AS 29.26.020 is amended by adding a new subsection to read:

1 (c) A nominating petition or declaration of candidacy may not be  
2 filed more than 150 days before the election at which the candidate  
3 seeks election.  
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10B

5-0227X ✓  
Bradley  
5/8/87

1 IN THE HOUSE

BY BROWN, ELLIS, DAVIS, FRANK,  
SWACKHAMMER AND MENARD

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 137

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of  
7 election campaigns."

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

9 \* Section 1. AS 15.13 is amended by adding a new section to read:

10 Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A  
11 candidate may accept a contribution only during an election campaign  
12 under this section.

13 (b) During the election campaign, a candidate for the office of  
14 governor or lieutenant governor may accept

15 (1) not more than \$1,000 in contributions from a person, a  
16 group other than a political party or its subdivisions, a corporation,  
17 or a labor union;

18 (2) a cumulative total of not more than \$40,000 in contri-  
19 butions from corporations, labor unions, and groups other than politi-  
20 cal parties and their subdivisions;

21 (3) a cumulative total of not more than \$40,000 in contri-  
22 butions from political parties and their subdivisions.

23 (c) During the election campaign, a candidate for the state  
24 senate may accept

25 (1) not more than \$1,000 in contributions from a person, a  
26 group other than a political party or its subdivisions, a corporation,  
27 or a labor union;

28 (2) a cumulative total of not more than \$20,000 in contri-  
29 butions from corporations, labor unions, and groups other than

1 political parties and their subdivisions;

2 (3) a cumulative total of not more than \$20,000 in contri-  
3 butions from political parties and their subdivisions.

4 (d) During the election campaign, a candidate for the state  
5 house of representatives may accept

6 (1) not more than \$1,000 in contributions from a person, a  
7 group other than a political party or its subdivisions, a corporation,  
8 or a labor union;

9 (2) a cumulative total of not more than \$10,000 in contri-  
10 butions from corporations, labor unions, and groups other than politi-  
11 cal parties and their subdivisions;

12 (3) a cumulative total of not more than \$10,000 in contri-  
13 butions from political parties and their subdivisions.

14 (e) During the election campaign, a candidate for municipal  
15 office and a candidate for any other office not described in (b) - (d)  
16 of this section may accept

17 (1) not more than \$1,000 in contributions from a person, a  
18 group other than a political party or its subdivisions, a corporation,  
19 or a labor union;

20 (2) a cumulative total of not more than \$10,000 in contri-  
21 butions from corporations, labor unions, and groups other than politi-  
22 cal parties and their subdivisions;

23 (3) a cumulative total of not more than \$10,000 in contri-  
24 butions from political parties and their subdivisions.

25 (f) A candidate is subject to the limitations established in  
26 this section only for the office for which the candidate most recently  
27 filed a declaration of candidacy or nominating petition. A candidate  
28 who withdraws as a candidate for an office and refiles for an office  
29 with a lower limitation on the acceptance of campaign contributions

1 shall return the amount of each contribution that exceeds the limita-  
2 tions established for the current candidacy. Notwithstanding the  
3 provisions of this subsection, a candidate is not required to return a  
4 contribution spent in a good faith effort to seek election to the  
5 office with the higher limitation.

6 (g) In this section, "election campaign" means the period from  
7 January 2 of the year in which the candidate file a declaration of  
8 candidacy or a nominating petition through the day before the date of  
9 the general election or the municipal election.

10 \* Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

11 (i) A candidate for public office may not take contributions as  
12 personal income during an election campaign, as defined in AS 15.13.-  
13 065, or during tenure as an elected public official.

14 \* Sec. 3. AS 15.13.125 is amended to read:

15 Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIR-  
16 ED REPORTS]. A person who fails to file a properly completed and  
17 certified report within the time required by AS 15.13.110(a)(1), (3),  
18 (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10  
19 a day for each day the delinquency continues as determined by the  
20 commission subject to right of appeal to the superior court. A person  
21 who fails to file a properly completed and certified report within the  
22 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a  
23 civil penalty of not more than \$50 a day for each day the delinquency  
24 continues as determined by the commission subject to right of appeal  
25 to the superior court. A candidate who accepts a contribution in  
26 violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty  
27 of not more than five times the amount of the contribution accepted.  
28 An affidavit stating facts in mitigation may be submitted to the  
29 commission by a person against whom a civil penalty is assessed.

1           However, the imposition of the penalties prescribed in this section or  
2           in AS 15.13.120 does not excuse that person from filing reports re-  
3           quired by this chapter.

4           \* Sec. 4. AS 15.25.040 is amended by adding a new subsection to read:

5                   (e) A statewide candidate may not file a declaration before  
6           January 2 of the year preceding the year in which the election will be  
7           held. Except for a statewide candidate, a declaration may not be  
8           filed before January 2 of the year in which the election will be held.

9           \* Sec. 5. AS 15.25.150 is amended by adding a new subsection to read:

10                   (b) A statewide candidate may not file a petition before  
11           January 2 of the year preceding the year in which the election will be  
12           held. Except for a statewide candidate, a petition may not be filed  
13           before January 2 of the year in which the election will be held.

14           \* Sec. 6. AS 29.26.020 is amended by adding a new subsection to read:

15                   (c) A nominating petition or declaration of candidacy may not be  
16           filed before January 2 of the year in which the election is to be  
17           held.

18           \* Sec. 7. The prohibition in AS 15.13.065, as added by sec. 1 of this  
19           Act, against a candidate accepting a contribution after the date of the  
20           general election through the dates specified in AS 15.13.065 does not apply  
21           to contributions accepted by a candidate or elected public official after  
22           the effective date of this Act that are used to retire campaign debt in  
23           existence on January 1, 1987.

24           \* Sec. 8. AS 15.13.070(a) is repealed.



Official Business

# Alaska State Legislature

## House

P.O. BOX V  
State Capitol  
Juneau, Alaska 99811

TO: Committee Members,  
House State Affairs

FROM: Representative Fran Ulmer, Chair  
House State Affairs

DATE: April 21, 1987

RE: Campaign Finance

The following compares and contrasts the proposed CS's for HB 137 and HB 234. Also attached you will find a summary of proposed amendments to HB 137 by Rep. Brown.

I would like to thank Peggy Mentele (Rep. Brown) and Bob Herron (Rep. Hoffman) for working closely with my staff in the preparation of this information.

COMPARISON OF CS's FOR HB 137 AND HB 234

I. ISSUE: TITLE

HOFFMAN & BROWN:

"An Act relating to the duration and financing of election campaigns."

II. ISSUE: CONTRIBUTION LIMITS PER CAMPAIGN

	<u>HOUSE</u>	<u>SENATE</u>	<u>GOVERNOR</u> <u>LT. GOVERNOR</u>	<u>MUN/MISC</u>
<u>BY:</u>				
<u>INDIVIDUAL</u>				
HOFFMAN	\$1,000	\$1,000	N/A	N/A
BROWN	\$1,000	\$1,000	\$1,000	\$1,000
<u>GROUPS</u>				
HOFFMAN	\$1,000	\$1,000	N/A	N/A
(CUM)	\$10,000	\$20,000		
BROWN	\$1,000	\$1,000	\$1,000	\$1,000
(CUM)	\$10,000	\$20,000	[\$40,000]	[\$10,000]
<u>PARTIES</u>				
HOFFMAN (CUM)	\$10,000	\$20,000	N/A	N/A
BROWN (CUM)	\$10,000	\$20,000	[\$40,000]	[\$10,000]

III. ISSUE: USE OF CONTRIBUTIONS

HOFFMAN AND BROWN:

Prohibits a candidate or elected official from using excess contributions as personal income during candidacy or while in office.

IV. ISSUE: EXISTING DEBT

BROWN:

Candidates who incurred debt before Jan. 1, 1987 have until Jan. 1, 1988 to pay off debt.

[ ] = Proposed Amendments; MUN = Municipality; MISC = School Board

PROPOSED AMENDMENTS HB 137  
BY: Rep. Kay Brown

I. PERIOD DURING WHICH CONTRIBUTIONS CAN BE ACCEPTED

SENATE AND HOUSE

- JAN 2 THROUGH DAY BEFORE ELECTION -

GOVERNOR AND LT. GOVERNOR

- JAN 2 THROUGH DAY BEFORE ELECTION -  
(begins Jan 2 of the year preceding election)

MUN/MISC

- JAN 2 THROUGH DAY BEFORE ELECTION -

II. CIVIL PENALTIES

Candidates may be fined up to five times the amount of illegal contributions.

III. CANDIDATES WHO SWITCH FROM STATEWIDE TO NON-STATEWIDE OFFICE

Candidates who withdraw from one race and files for another must refund to the contributor the amount of each contribution accepted in excess of guidelines for second candidacy.

IV. OTHER AMENDMENTS

- \* Bills place restraints on what a candidate can accept in contributions. Question remains whether to address the issue of placing limits on making excessive contributions.
- \* "Bagman" provision not addressed.
- \* Should we limit contributions to municipal candidates based on population? For example, campaign restrictions apply only to populations in excess of 5,000?
- \* Does the Committee want to address the problem of last minute smear campaigns? For example, prohibiting the distribution of campaign literature or statements/allegations which attack or discredit the integrity, motivation or record of an opponent?

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, after line 5:

Insert a new subsection to read:

"(f) A candidate is subject to the limitations established in this section only for the office for which the candidate most recently filed a declaration of candidacy or nominating petition. A candidate who withdraws as a candidate for an office and refiles for an office with a lower limitation on the acceptance of campaign contributions shall return the amount of each contribution that exceeds the limitations established for the current candidacy. Notwithstanding the provisions of this subsection, a candidate is not required to return a contribution spent in a good faith effort to seek election to the office with the higher limitation."

Reletter the remaining subsection accordingly.

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, after line 13:

Insert a new bill section to read:

"\* Sec. 3. AS 15.13.125 is amended to read:

Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIRED REPORTS]. A person who fails to file a properly completed and certified report within the time required by AS 15.13.110(a)(1), (3), (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10 a day for each day the delinquency continues as determined by the commission subject to right of appeal to the superior court. A person who fails to file a properly completed and certified report within the time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of not more than \$50 a day for each day the delinquency continues as determined by the commission subject to right of appeal to the superior court. A candidate who accepts a contribution in violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty of not more than five times the amount of the contribution accepted. An affidavit stating facts in mitigation may be submitted to the commission by a person against whom a civil penalty is assessed. However, the imposition of the penalties prescribed in this section or in AS 15.13.120 does not excuse that person from filing reports required by this chapter."

5-0227Lc  
Bradley

Renumber remaining bill sections accordingly.

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, lines 3 - 5:

Delete all material and insert:

"(e) A candidate for municipal office and a candidate for any other office not described in (b) - (d) of this section may not accept:

(1) more than \$1,000 in contributions from an individual, a group, a corporation, or a labor union;

(2) a cumulative total of more than \$10,000 in contributions from corporations, labor unions, and groups;

(3) a cumulative total of more than \$10,000 in contributions from political parties and their subdivisions."

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, after line 19:

Insert a new bill section to read:

"\* Sec. 5. AS 29.26.020 is amended by adding a new subsection to read:

(c) A nominating petition or declaration of candidacy may not be filed before January 2 of the year in which the election is to be held."

Renumber remaining bill sections accordingly.

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 1, lines 13 - 15:

Delete all material and insert:

"(b) A candidate for the office of governor or lieutenant governor may not accept

(1) more than \$1,000 in contributions from an individual, a group, a corporation, or a labor union;

(2) a cumulative total of more than \$40,000 in contributions from corporations, labor unions, and groups;

(3) a cumulative total of more than \$40,000 in contributions from political parties and their subdivisions."

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, line 15, after "(e)":

Insert "A statewide candidate may not file a declaration before January 2 of the year preceding the year in which the election will be held."

Page 2, line 18, after "(b)":

Insert "A statewide candidate may not file a petition before January 2 of the year preceding the year in which the election will be held."

Original sponsors: Brown, Ellis,  
Davis, et al.

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 137 ( )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of  
7 election campaigns."

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

9 \* Section 1. AS 15.13 is amended by adding a new section to read:

10 Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A  
11 candidate may only accept a contribution during an election campaign  
12 under this section.

13 (b) A candidate for governor or for lieutenant governor may not  
14 accept more than \$1,000 from an individual, a group, a corporation, or  
15 a labor union during the election campaign.

16 (c) During the election campaign, a candidate for the state  
17 senate may not accept

18 (1) more than \$1,000 in contributions from an individual, a  
19 group, a corporation, or a labor union;

20 (2) a cumulative total of more than \$20,000 in contribu-  
21 tions from corporations, labor unions, and groups;

22 (3) a cumulative total of more than \$20,000 in contribu-  
23 tions from political parties and their subdivisions.

24 (d) During the election campaign, a candidate for the state  
25 house of representatives may not accept

26 (1) more than \$1,000 in contributions from an individual, a  
27 group, a corporation, or a labor union;

28 (2) a cumulative total of more than \$10,000 in contribu-  
29 tions from corporations, labor unions, and groups;

1 (3) a cumulative total of more than \$10,000 in contribu-  
2 tions from political parties and their subdivisions.

3 (e) A candidate for municipal office may not accept more than  
4 \$1,000 from an individual, a group, a corporation, or a labor union  
5 during the election campaign.

6 (f) In this section, "election campaign" means the period from  
7 January 2 of the year in which the candidate files a declaration of  
8 candidacy or a nominating petition through the day before the date of  
9 the general election or the municipal election.

10 \* Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

11 (i) A candidate for public office may not take contributions as  
12 personal income during an election campaign, as defined in AS 15.13.-  
13 065, or during tenure as an elected public official.

14 \* Sec. 3. AS 15.25.040 is amended by adding a new subsection to read:

15 (e) Except for a statewide candidate, a declaration may not be  
16 filed before January 2 of the year in which the election will be held.

17 \* Sec. 4. AS 15.25.150 is amended by adding a new subsection to read:

18 (b) Except for a statewide candidate, a petition may not be  
19 filed before January 2 of the year in which the election will be held.

20 \* Sec. 5. The prohibition in AS 15.13.065, as added by sec. 1 of this  
21 Act, against a candidate accepting a contribution after the date of the  
22 general election through the dates specified in AS 15.13.065 does not apply  
23 to contributions accepted by a candidate or elected public official after  
24 the effective date of this Act, but before January 1, 1988, that are used  
25 to retire campaign debt in existence on January 1, 1987.

26 \* Sec. 6. AS 15.13.070(a) is repealed.  
27  
28  
29

# Legislators tackle campaign reform

By JOHN LINDBACK  
Daily News reporter

JUNEAU — Legislators launched this week yet another attempt to rewrite the state's campaign contribution laws — the same laws that have embroiled some of them in nasty charges of dirty politics.

Last year, an extensive campaign reform bill died in the House in the final days of the session. House members complained that the Senate had left them too little time to deal with a complicated subject and a badly written bill.

This year more than one bill that would change the campaign laws, and the goals of each bill vary with the goals of each author.

Some want to reduce the advantage of the wealthy, who can circumvent the state's \$1,000 annual contribution limit by giving money through their business, family members and political action committees. Some legislators want to reduce the fund-raising activities of powerful lobbyists.

Some legislators want to stop the proliferation and influence of political action committees, groups that form for the sole purpose of raising money and doling out

See Page B-3, REFORM

Anchorage Daily News

Saturday, March 7, 1987

campaign contributions to politicians.

Some legislators want to boost the clout of political parties in elections.

Some legislators want to boost the budget and improve the procedures of the Alaska Public Offices Commission, the agency that has taken some of them to task for their campaign activities.

Some at least appear to want to rein in the activities of the staff of the APOC, which they think has been too fast and loose with investigations that have embarrassed legislators.

Some legislators simply want to do a combination of things that cut the cost of campaigning, the force that drives candidates to seek more and more contributions from influence peddlers.

And at least one legislator wants to influence the media's coverage of Alaska's campaigns.

So far, most of the legislature's attention has been focused on an extensive and complicated rewrite of campaign laws proposed by Senate State Affairs Committee Chairman Mitch Abood, R-Anchorage. Abood is more than passingly familiar with campaign laws and the APOC.

His campaign is still under scrutiny for a last-minute political flier attacking his opponent that came out the Saturday before the 1984 election. Also, in 1984 the APOC ruled that VECO International, an oilfield services company, donated about \$6,500 to Abood through an illegal payroll deduction plan.

Abood's bill would:

- Cut back on the ways individuals circumvent the annual \$1,000 contribution limit. Only individuals and political parties could contribute to campaigns while corporations, political action committees, unions and other organizations would all be barred from donating.

- Reduce the number of contributions that are made public. Abood's bill requires all contributions of \$250 or more to be made public while present law requires public reporting of all donations of \$100 or more.

- Restrict how candidates spend surplus campaign funds after the election is over. Under present law they can spend them any way they want to. Abood's bill says they can only return the money to contributors, pay off campaign workers, donate it to any campaign account for an election within the next four years, pay office expenses or donate it to charity or to the state.

- Restrict post-election fund raising. Legislative candidates would have to close their accounts by Dec. 31 following an election.

- Remove all criminal penalties for campaign law violations. The bill increases fines that can be levied on violators of the law.

- Make it more difficult to prosecute violators of the law. The standard of proof necessary to gain a conviction would be raised from the present "preponderance of the evidence" standard to the "clear and convincing evidence" standard.

- Allow the APOC to investigate and fine the news media. The bill subjects candidates and the media that knowingly disseminate "false statements of material fact" about a candidate to fines of \$1,000 to \$10,000.

Abood's bill received its first hearing this week in State Affairs, the committee he chairs. Two other members of the committee — Senate President Jan Faiks, R-Anchorage, and Sen. Joe Josephson, D-Anchorage — also have been investigated by the APOC. Faiks has been publicly critical of the commission for its investigation of the VECO fund-raising plan. She also, according to the agency, received about \$6,500 in illegal 1984 VECO contributions.

The hearing, held Wednesday, turned into an interrogation by Faiks of APOC Chairwoman Jean Rogers, other commissioners and Executive Director Theda Pittman. Faiks made it clear that she thinks the commission does not exert enough control over the staff that investigates candidates.

One commissioner who is a personal friend of Faiks, Annie Laurie Howard of Anchorage, testified that she believes the commission gives too much of its responsibility to its staff.

Josephson said after the hearing that he is bothered by the tendency of some legislators to try to change the law based on how their own cases have been handled by the commission.

"We have to be careful not to take our personal histories into this debate and not make ground rules based on those personal histories," he said.

Josephson said it's likely a campaign reform bill will pass this year.

An assistant attorney general who analyzed Abood's bill praised some sections of it and criticized others. The sections that outline new violations are almost incomprehensible, said Richard Monkman in a written analysis for the governor's office. But new disclosure requirements for candidates who receive loans and the restrictions on spending of surplus campaign funds are improvements over present law, Monkman said.

The provision dealing with the media "poses some interesting constitutional, as well as policy, questions," Monkman said. A sectional analysis of the bill by Abood's office says the media provision of the bill is based on an Oregon law.

But Oregon officials this week said their law applies only to candidates who publish, or cause to be published, information about a candidate that they know to be false. Their law makes no mention of the media. Also,

they said, the law is enforced only by the courts and no state agency is empowered to investigate or rule on complaints.

Gov. Steve Cowper, who said in his state-of-the-state speech that campaign reform is one of his top priorities, is expected to introduce his own bill in the next few days.

The governor's bill also will restrict contributions to individuals, banning corporate, union and political action committee donations to candidates, according to Cowper press secretary David Ramseur. It will also outlaw campaign fund raising by registered lobbyists, Ramseur said.

In recent years, high-powered lobbyists such as Lew Dischner of Juneau and VECO International's Ed Dankworth have raised thousands of dollars for candidates.

In the House, Rep. Kay Brown and five co-sponsors are pushing a bill that applies only to legislative and municipal campaigns. In an effort to control the costs of campaigning, Brown's bill limits fund raising to a period of 150 days prior to an election.

If Brown's bill passed, legislators couldn't raise funds until June 1 of an election year, effectively cutting off fund-raising efforts during legislative sessions.

Brown's bill also would limit contributors to \$500 in donations to a candidate for a campaign. Now, if a candidate announces two to three years in advance of the election, a contributor can give as much as \$1,000 for each year.

Brown's bill has picked up support from the League of Women Voters and the Alaska Public Interest Research Group. An APOC analysis gave Brown's bill mostly positive comments, but said that creating a different set of standards for legislative and municipal candidates would make enforcement of the law more time-consuming and difficult.

# Kay Brown

12

## Alaska State Legislature House of Representatives

### MEMORANDUM

TO: Rep. Fran Ulmer, Chair  
House State Affairs Committee

DATE: April 8, 1987

FROM: Rep. Kay Brown

RE: HB 137, An Act  
relating to  
Elections

Thank you for scheduling a second hearing on HB 137, An Act relating to Elections, on Friday, March 10 at 3:00 p.m.

Attached for your consideration is a proposed CS for HB 137, which incorporates the five amendments I presented at the first hearing and an amendment to amendment #2 proposed by the drafter. For your convenience, I have attached a summary of the changes incorporated in this proposed Committee Substitute.

At the first hearing I stated my willingness to work with the Committee to develop limitations on contributions by political parties. Since that time, Rep. Hoffman introduced HB 234 which limits contributions by political parties to Senate candidates to \$20,000 a year (\$40,000 per election). Party contributions to House candidates would be limited to \$10,000 a year (\$20,000 per election). HB 234 does not limit contributions by parties to statewide or municipal candidates.

I like the concept of HB 234, but I feel the proposed limitation on contributions is too high. I support a party contribution limit of \$20,000 per election for Senate candidates and \$10,000 per election for House and municipal candidates. I additionally feel a limit of \$40,000 per election should apply to statewide candidates. I have ordered an amendment incorporating these limits which I will forward to you as soon as it is available.

I additionally like the concept of limiting the cumulative total of contributions from corporations, unions and PACS. However, I again feel that the proposed limits in HB 234 are too high (\$20,000 a year/\$40,000 per election for Senate and \$10,000 a year/\$20,000 per election for House). I support the same limitations for these contributions as I support for

P. O. Box 20-2661  
Anchorage, AK 99520-2661  
(907) 272-0207

During Session:  
P. O. Box V  
Juneau, AK 99811  
(907) 465-4998

contributions from political parties. These limitations will also be included in the proposed amendment.

At the first hearing I also stated my interest in finding a workable solution to the conflict between existing election debts and HB 137's prohibition on post-election fundraising. The problem is that many candidates incurred substantial campaign debts which they plan to repay through post-election fundraising. It seems unfair to penalize those who relied on the current status of the law. Attached find a proposed amendment that would allow candidates to engage in post-election fundraising until January 1, 1988, but only to the extent necessary to repay campaign debt which was incurred prior to January 1, 1987. I will forward this amendment as soon as we receive it. I have also attached a recent House Research Agency report on existing debt.

#### Attachments

cc: Rep. Ellis  
Rep. Davis  
Rep. Frank  
Rep. Swackhammer  
Rep. Menard  
Rep. Hoffman  
Rep. Boucher  
Rep. Davidson  
Rep. Donley  
Rep. Martin

S U M M A R Y   O F   A M E N D M E N T S  
(Summarizes changes proposed in CS HB 137)

1. Page 1, Line 6

Changes title of bill from "a bill relating to elections" to "a bill relating to the duration and financing of election campaigns"; more accurate characterization.

2. Page 1, Lines 15-29 and Page 2, Lines 1-6 (a new sec. 2)

This amendment does 3 things:

a. It applies to statewide candidates (Gov. & Lt. Gov.) and prohibits them from accepting post-election contributions beginning the day before the election and for 2 years thereafter.

b. Amendment closes a potential loophole. As currently stated, HB 137 may be interpreted to limit incumbents, but NOT challengers, to 150 days of fundraising. The amendment makes it clear that all legislative candidates are limited equally.

c. The drafter's amendment adds subsec. (d) that makes it clear that a losing or resigning candidate may run and accept contributions for another office during the period of prohibition.

3. Page 2, Line 16

Technical change; changes limitation to limitations; APOC request to make clear that political parties are exempt from the limitations in the section.

4. Page 2, Line 19,

Closes a loophole: under HB 137 a candidate could file for a statewide office (Lt. Gov.), begin campaign during year before election, accept higher level contributions and then switch to legislative or municipal campaign. Amendment would require candidate to return all contributions in excess of \$500 limit.

5. Page 3, Lines 15 to 18

Allows APOC to fine a candidate who accepts a post-election contribution or an early contribution; fine may be up to 5 times the amount of the improper contribution.

A M E N D M E N T

Offered in the HOUSE

By Brown

TO: CSHB 137(SA)

Page 4, after line 3:

Insert a new bill section to read:

"\* Sec. 8. The prohibition in AS 15.13.041, as enacted in sec. 2 of this Act, against a candidate accepting a contribution after the date of the general election through the dates specified in AS 15.13.041 does not apply to contributions accepted by a candidate or elected public official after the effective date of this Act, but before January 1, 1988, that are used to retire campaign debt in existence on January 1, 1987."



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

P.O. Box Y, State Capitol  
Juneau, Alaska 99811-3100  
Mail Stop 3100  
(907) 465-3991

April 3, 1987

MEMORANDUM

TO: Representative Kay Brown

ATTN: Peg Mentele

FROM: Karen Oakley *KO*  
Legislative Analyst

RE: Post-Election Finances of 1986 Alaska Gubernatorial and Legislative  
Candidates  
Research Request 87.200 (Supplemental Information)

Attached are the tables you requested summarizing data on candidate contributions and unpaid expenses of the 1986 candidates.

I hope you find this information useful. If you need any additional information, please let me know.

Attachments

TABLE A.1

## SUMMARY OF POST-ELECTION FINANCES OF 1986 ALASKA GUBERNATORIAL AND LEGISLATIVE CANDIDATES

Office	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Total	Amount Repaid by Year End	Amount Not Repaid by Year End		
Governor/Lt. Governor	\$506,602	\$43,500	\$463,102	\$83,405	\$546,507
Senate					
Losers	155,638	112	155,526	30,546	186,072
Winners	219,259	4,743	214,516	57,294	271,810
House of Representatives					
Losers	72,093	5,158	66,935	5,627	72,562
Winners	206,619	29,408	177,211	21,807	199,018
TOTAL	\$1,160,211	\$82,921	\$1,077,290	\$198,679	\$1,275,969

Data were taken from a table prepared by the Alaska Public Offices Commission (APOC) in March 1987 to summarize information from unaudited reports submitted to APOC by the candidates.

Prepared by the House Research Agency, April 1987 (APOCC2; 870330-05).

TABLE A.2

## POST-ELECTION FINANCES OF 1986 CANDIDATES FOR ALASKA GOVERNOR AND LT. GOVERNOR

	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Amount Repaid by Year End	Amount Not Repaid by Year End	Total		
Cowper/McAlpine	\$62,021	\$43,500	\$18,521	\$46,510	\$65,031
Marquez, Hector	19	0	19	0	19
O'Brannon/Barnes	711	0	711	0	711
Sturgulewski/Miller	402,350	0	402,350	0	402,350
Miller, Terry	26,605	0	26,605	36,081	62,686
Vogler/Rowe	13,934	0	13,934	0	13,934
Kydd, Bob	500	0	500	420	920
White, Ryal	462	0	462	0	462
Hoch, Ed	0	0	0	394	394
<b>TOTAL</b>	<b>\$506,602</b>	<b>\$43,500</b>	<b>\$463,102</b>	<b>\$83,405</b>	<b>\$546,507</b>

Data were taken from a table prepared by the Alaska Public Offices Commission (APOC) March 1987 to summarize information from unaudited reports submitted to APOC by the candidates.

Prepared by the House Research Agency, April 1987 (APOCG2, 870330-05).

TABLE A.3  
POST-ELECTION FINANCES OF 1986 CANDIDATES FOR THE ALASKA SENATE

	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Total	Amount Repaid by Year End	Amount Not Repaid by Year End		
LOSING CANDIDATES					
Fischer, Vic	\$12,610	\$0	\$12,610	\$18,654	\$31,264
Hall, Marvin	1,791	0	1,791	0	1,791
Homan, George	0	0	0	0	0
Lacher, Barbara	76,906	0	76,906	3,183	80,089
Levine, Jacob	246	0	246	0	246
Metcalfe, Ray	2,310	112	2,198	0	2,198
Miner, Ronald	1,155	0	1,155	0	1,155
Rasmussen, Leo	603	0	603	354	957
Roberts, Malcom	7,500	0	7,500	0	7,500
Stoops, Lee	20,313	0	20,313	0	20,313
Vaska, Anthony	7,904	0	7,904	8,355	16,259
Ziegler, Robert	24,300	0	24,300	0	24,300
TOTAL-LOSING CANDIDATES	\$155,638	\$112	\$155,526	\$30,546	\$186,072
WINNING CANDIDATES					
Binkley, John	\$28,121	\$0	\$28,121	\$1,861	\$29,982
Duncan, Jim	0	0	0	0	0
Fahrenkamp, Bettye	0	0	0	0	0
Faiks, Jan	36,918	2,539	34,379	12,330	46,709
Ferguson, Frank	0	0	0	0	0
Jones, Lloyd	5000	0	5000	0	5000
Kelly, Tim	0	0	0	0	0
Rodey, Patrick	77,026	0	77,026	4,630	81,656
Szymanski, Mike	17,300	0	17,300	19,869	37,169
Uehling, Rick	54,894	2,204	52,690	18,604	71,294
TOTAL-WINNING CANDIDATES	\$219,259	\$4,743	\$214,516	\$57,294	\$271,810
TOTAL-ALL CANDIDATES	\$374,897	\$4,855	\$370,042	\$87,840	\$457,882

Data were taken from a table prepared by the Alaska Public Offices Commission (APOC) in March 1987 to summarize unaudited reports submitted to APOC by the candidates.

Prepared by the House Research Agency, April 1987 (APOCS2; 870330-05).

TABLE A.4

## POST-ELECTION FINANCES OF 1986 CANDIDATES FOR THE ALASKA HOUSE OF REPRESENTATIVES

	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Total	Amount Repaid by Year End	Amount Not Repaid by Year End		
LOSING CANDIDATES					
Ault, Robert	\$2,870	\$0	\$2,870	\$0	\$2,870
Barker, Wally	7,388	0	7,368	0	7,388
Botelho, Bruce	5,541	0	5,541	0	5,541
Brockway, Dana	10,720	0	10,720	0	10,720
Charles, Bob Jr.	3,100	0	3,100	0	3,100
Copus, Gary	2,831	0	2,831	0	2,831
Dimmick, Marilyn	475	0	475	0	475
Dotomain, Caleb	1,835	0	1,835	0	1,835
Estell, Donna	0	0	0	1,566	1,566
Hoke, Owen	400	0	400	0	400
Hurley, Katie	936	0	936	3,371	4,307
Ingle, Lance	348	0	348	595	943
Jenkins, Roger	2,000	0	2,000	0	2,000
Kagak, Jacob	0	0	0	0	0
Knapman, Susan	1,863	542	1,321	0	1,321
Leary, Robert	423	0	423	0	423
Liska, John	1,000	583	417	0	417
Marrou, Andre	0	0	0	0	0
McArthur, John	0	0	0	0	0
Moffatt, Bill	7,451	0	7,451	0	7,451
Repasky, Daniel	2,059	0	2,059	0	2,059
Ringstad, John	0	0	0	0	0
Swanson, Leslie	5,000	0	5,000	0	5,000
Thompson, David	350	350	0	0	0
Wagoner, Thomas	0	0	0	0	0
Ward, Robert Jr.	916	0	916	95	1,011
Welsh, Darrel	3,150	0	3,150	0	3,150
Wilcox, Donald	11,437	3,683	7,754	0	7,754
TOTAL-LOSING CANDIDATES	\$72,093	\$5,158	\$66,935	\$5,627	\$72,562

TABLE A.4

## POST-ELECTION FINANCES OF 1986 CANDIDATES FOR THE ALASKA HOUSE OF REPRESENTATIVES

	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Total	Amount Repaid by Year End	Amount Not Repaid by Year End		
<b>WINNING CANDIDATES</b>					
Adams, Al	\$20,070	\$361	\$19,709	\$0	\$19,709
Barnes, Ramona	9,131	0	9,131	0	9,131
Boucher, H. A. (Red)	0	0	0	0	0
Boyer, Mark	10,000	0	10,000	285	10,285
Brown, Kay	2,640	0	2,640	0	2,640
Cato, Bette	0	0	0	0	0
Collins, Virginia	0	0	0	0	0
Cotten, Sam	0	0	0	0	0
Davidson, Clifford	951	951	0	0	0
Davis, Mike	3,000	0	3,000	1,891	4,891
Donley, Dave	37,750	5,000	32,750	0	32,750
Ellis, Johnny Jr.	9,050	0	9,050	9,393	18,443
Frank, Steve	0	0	0	0	0
Furnace, Walt	0	0	0	0	0
Goll, Peter	520	0	520	0	520
Gruenberg, Max Jr.	2,313	0	2,313	0	2,313
Grussendorf, Ben	0	0	0	0	0
Hanley, Alyce	1,050	0	1,050	0	1,050
Herrmann, Adelheid	1,295	0	1,295	0	1,295
Hoffman, Lyman	2,872	0	2,872	0	2,872
Hudson, Bill	17,912	0	17,912	0	17,912
Koponen, Niilo	3,308	0	3,308	5,091	8,399
Larson, Ronald	0	0	0	0	0
Martin, Terry	5,062	1,695	3,367	0	3,367
Menard, Curtis	30,246	4,561	25,685	0	25,685
Miller, Mike	0	0	0	0	0
Navarre, Mike	347	0	347	0	347
Pearce, Drue	100	0	100	5,147	5,247
Pettyjohn, Fritz	0	0	0	0	0
Phillips, Randy	0	0	0	0	0
Pourchot, Pat	0	0	0	0	0
Reiger, Steven	0	0	0	0	0
Schultz, Richard	0	0	0	0	0
Springer, Heinrich	900	0	900	0	900
Sund, John	0	0	0	0	0
Swackhammer, C. E.	3,000	0	3,000	0	3,000
Taylor, Robin	5,946	5,946	0	0	0
Ulmer, Frances	9,584	9,584	0	0	0
Wallis, Kay	791	0	791	0	791
Zawacki, James	28,781	1,310	27,471	0	27,471
<b>TOTAL-WINNING CANDIDATES</b>	<b>\$206,619</b>	<b>\$29,408</b>	<b>\$177,211</b>	<b>\$21,807</b>	<b>\$199,018</b>
<b>TOTAL-ALL CANDIDATES</b>	<b>\$278,712</b>	<b>\$34,566</b>	<b>\$244,146</b>	<b>\$27,434</b>	<b>\$271,580</b>

Data were taken from a table prepared by the Alaska Public Offices Commission (APOC) in March 1987 to summarize information from unaudited reports submitted to APOC by the candidates.

Prepared by the House Research Agency, April 1987 (APOCH2; 870330-05).



Official Business

# Alaska State Legislature

## House

13

P.O. BOX V  
State Capitol  
Juneau, Alaska 99811

TO: Committee Members,  
House State Affairs

FROM: Representative Fran Ulmer, Chair  
House State Affairs

DATE: April 21, 1987

RE: Campaign Finance

The following compares and contrasts the proposed CS's for HB 137 and HB 234. Also attached you will find a summary of proposed amendments to HB 137 by Rep. Brown.

I would like to thank Peggy Mentele (Rep. Brown) and Bob Herron (Rep. Hoffman) for working closely with my staff in the preparation of this information.

COMPARISON OF CS's FOR HB 137 AND HB 234

I. ISSUE: TITLE

HOFFMAN & BROWN:

"An Act relating to the duration and financing of election campaigns."

II. ISSUE: CONTRIBUTION LIMITS PER CAMPAIGN

	<u>HOUSE</u>	<u>SENATE</u>	<u>GOVERNOR LT. GOVERNOR</u>	<u>MUN/MISC</u>
<u>BY:</u>				
<u>INDIVIDUAL</u>				
HOFFMAN	\$1,000	\$1,000	N/A	N/A
BROWN	\$1,000	\$1,000	\$1,000	\$1,000
<u>GROUPS</u>				
HOFFMAN	\$1,000	\$1,000	N/A	N/A
(CUM)	\$10,000	\$20,000		
BROWN	\$1,000	\$1,000	\$1,000	\$1,000
(CUM)	\$10,000	\$20,000	[\$40,000]	[\$10,000]
<u>PARTIES</u>				
HOFFMAN (CUM)	\$10,000	\$20,000	N/A	N/A
BROWN (CUM)	\$10,000	\$20,000	[\$40,000]	[\$10,000]

III. ISSUE: USE OF CONTRIBUTIONS

HOFFMAN AND BROWN:

Prohibits a candidate or elected official from using excess contributions as personal income during candidacy or while in office.

IV. ISSUE: EXISTING DEBT

BROWN:

Candidates who incurred debt before Jan. 1, 1987 have until Jan. 1, 1988 to pay off debt.

.....  
 [ ] = Proposed Amendments; MUN = Municipality; MISC = School Board

PROPOSED AMENDMENTS HB 137  
BY: Rep. Kay Brown

I. PERIOD DURING WHICH CONTRIBUTIONS CAN BE ACCEPTED

SENATE AND HOUSE

- JAN 2 THROUGH DAY BEFORE ELECTION -

GOVERNOR AND LT. GOVERNOR

- JAN 2 THROUGH DAY BEFORE ELECTION -  
(begins Jan 2 of the year preceding election)

MUN/MISC

- JAN 2 THROUGH DAY BEFORE ELECTION -

II. CIVIL PENALTIES

Candidates may be fined up to five times the amount of illegal contributions.

III. CANDIDATES WHO SWITCH FROM STATEWIDE TO NON-STATEWIDE OFFICE

Candidates who withdraw from one race and files for another must refund to the contributor the amount of each contribution accepted in excess of guidelines for second candidacy.

IV. OTHER AMENDMENTS:

- \* Bills place restraints on what a candidate can accept in contributions. Question remains whether to address the issue of placing limits on making excessive contributions.
- \* "Bagman" provision not addressed.
- \* Should we limit contributions to municipal candidates based on population? For example, campaign restrictions apply only to populations in excess of 5,000?
- \* Does the Committee want to address the problem of last minute smear campaigns? For example, prohibiting the distribution of campaign literature or statements/allegations which attack or discredit the integrity, motivation or record of an opponent?

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, after line 5:

Insert a new subsection to read:

"(f) A candidate is subject to the limitations established in this section only for the office for which the candidate most recently filed a declaration of candidacy or nominating petition. A candidate who withdraws as a candidate for an office and refiles for an office with a lower limitation on the acceptance of campaign contributions shall return the amount of each contribution that exceeds the limitations established for the current candidacy. Notwithstanding the provisions of this subsection, a candidate is not required to return a contribution spent in a good faith effort to seek election to the office with the higher limitation."

Reletter the remaining subsection accordingly.

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, after line 13:

Insert a new bill section to read:

"\* Sec. 3. AS 15.13.125 is amended to read:

Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIRED REPORTS]. A person who fails to file a properly completed and certified report within the time required by AS 15.13.110(a)(1), (3), (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10 a day for each day the delinquency continues as determined by the commission subject to right of appeal to the superior court. A person who fails to file a properly completed and certified report within the time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of not more than \$50 a day for each day the delinquency continues as determined by the commission subject to right of appeal to the superior court. A candidate who accepts a contribution in violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty of not more than five times the amount of the contribution accepted. An affidavit stating facts in mitigation may be submitted to the commission by a person against whom a civil penalty is assessed. However, the imposition of the penalties prescribed in this section or in AS 15.13.120 does not excuse that person from filing reports required by this chapter."

5-0227Lc  
Bradley

Renumber remaining bill sections accordingly.

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, lines 3 - 5:

Delete all material and insert:

"(e) A candidate for municipal office and a candidate for any other office not described in (b) - (d) of this section may not accept

(1) more than \$1,000 in contributions from an individual, a group, a corporation, or a labor union;

(2) a cumulative total of more than \$10,000 in contributions from corporations, labor unions, and groups;

(3) a cumulative total of more than \$10,000 in contributions from political parties and their subdivisions."

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, after line 19:

Insert a new bill section to read:

"\* Sec. 5. AS 29.26.020 is amended by adding a new subsection to read:

(c) A nominating petition or declaration of candidacy may not be filed before January 2 of the year in which the election is to be held."

Renumber remaining bill sections accordingly.

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 1, lines 13 - 15:

Delete all material and insert:

"(b) A candidate for the office of governor or lieutenant governor may not accept

(1) more than \$1,000 in contributions from an individual, a group, a corporation, or a labor union;

(2) a cumulative total of more than \$40,000 in contributions from corporations, labor unions, and groups;

(3) a cumulative total of more than \$40,000 in contributions from political parties and their subdivisions."

A M E N D M E N T

Offered in the HOUSE

By the State Affairs Committee

TO: CSHB 137(State Affairs)

Page 2, line 15, after "(e)":

Insert "A statewide candidate may not file a declaration before January 2 of the year preceding the year in which the election will be held."

Page 2, line 18, after "(b)":

Insert "A statewide candidate may not file a petition before January 2 of the year preceding the year in which the election will be held."

Original sponsors: Brown, Ellis,  
Davis, et al.

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 137 ( )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of  
7 election campaigns."

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

9 \* Section 1. AS 15.13 is amended by adding a new section to read:

10 Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A  
11 candidate may only accept a contribution during an election campaign  
12 under this section.

13 (b) A candidate for governor or for lieutenant governor may not  
14 accept more than \$1,000 from an individual, a group, a corporation, or  
15 a labor union during the election campaign.

16 (c) During the election campaign, a candidate for the state  
17 senate may not accept

18 (1) more than \$1,000 in contributions from an individual, a  
19 group, a corporation, or a labor union;

20 (2) a cumulative total of more than \$20,000 in contribu-  
21 tions from corporations, labor unions, and groups;

22 (3) a cumulative total of more than \$20,000 in contribu-  
23 tions from political parties and their subdivisions.

24 (d) During the election campaign, a candidate for the state  
25 house of representatives may not accept

26 (1) more than \$1,000 in contributions from an individual, a  
27 group, a corporation, or a labor union;

28 (2) a cumulative total of more than \$10,000 in contribu-  
29 tions from corporations, labor unions, and groups;

1 (3) a cumulative total of more than \$10,000 in contribu-  
2 tions from political parties and their subdivisions.

3 (e) A candidate for municipal office may not accept more than  
4 \$1,000 from an individual, a group, a corporation, or a labor union  
5 during the election campaign.

6 (f) In this section, "election campaign" means the period from  
7 January 2 of the year in which the candidate files a declaration of  
8 candidacy or a nominating petition through the day before the date of  
9 the general election or the municipal election.

10 \* Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

11 (i) A candidate for public office may not take contributions as  
12 personal income during an election campaign, as defined in AS 15.13.-  
13 065, or during tenure as an elected public official.

14 \* Sec. 3. AS 15.25.040 is amended by adding a new subsection to read:

15 (e) Except for a statewide candidate, a declaration may not be  
16 filed before January 2 of the year in which the election will be held.

17 \* Sec. 4. AS 15.25.150 is amended by adding a new subsection to read:

18 (b) Except for a statewide candidate, a petition may not be  
19 filed before January 2 of the year in which the election will be held.

20 \* Sec. 5. The prohibition in AS 15.13.065, as added by sec. 1 of this  
21 Act, against a candidate accepting a contribution after the date of the  
22 general election through the dates specified in AS 15.13.065 does not apply  
23 to contributions accepted by a candidate or elected public official after  
24 the effective date of this Act, but before January 1, 1988, that are used  
25 to retire campaign debt in existence on January 1, 1987.

26 \* Sec. 6. AS 15.13.070(a) is repealed.  
27  
28  
29



14

4620 Southpark Bluff Dr.  
Anchorage, Alaska 99516  
March 6, 1987

RECEIVED

Representative Fran Ulmer  
Alaska State Legislature  
Box V (MS 3100)  
Juneau, Alaska 99811

*Fran*  
Dear Representative ~~Ulmer~~:

Thank you for taking time to meet with members of the League of Women Voters while we were in Juneau for our state board meeting. As you know, we have decided to support HB 137 insofar as it goes. We are still concerned about reducing the cost of conducting state-wide campaigns, which HB 137 specifically excludes. We also have a new concern that reducing individual contributions over the duration of the campaign will have the side effect of heightening the impact of the political parties.

Our concern about heightening the impact of the parties is, in part, that it would be detrimental to the campaigns of minority party and independent candidates. There might also be an argument that the parties would tend to support incumbents rather than giving non-incumbents fair consideration.

I think an additional concern might be the potential impact on women and minority candidates. I don't have any statistics at hand, but it does seem that the parties are not overwhelmingly anxious to support women and minorities.

If you have suggestions for dealing with the concerns we have, we'd be delighted to hear them. Perhaps there are solutions that we can work toward in the future, if not immediately.

Once again, thank you for taking the time to meet with us.

Sincerely,  
*Gay*  
Gay I. Leslie  
President

HOUSE STATE AFFAIRS COMMITTEE  
WORK SESSION SUMMARY: CAMPAIGN FINANCE REFORM  
Anchorage -- October 7, 1987

CONTENTS

- I. Summary of Testimony: SSHB 137
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SSHB 137 and CSHB 234 (Work Draft)
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- V. House Bills/APOC Position Papers
  - SSHB 137
  - CSHB 234 (Work Draft)
- VI. APOC: Appointment of Commissioners
- VII. Attachments
  - Names and Addresses of Participants
  - Memorandum from Representative Brown
  - House Research Memorandum
  - News Clips
  - Resolution (Alaska Designs)
  - Campaign Regulations
  - APOC Memorandum (October 7, 1987)

## I. SUMMARY OF TESTIMONY: SSHB 137

Representative Brown stated the intent of SSHB 137 was to build public confidence in the political process by increasing the role of the individual contributor relative to PACs, corporations, labor unions, and political parties. Under SSHB 137, cumulative limits are placed on contributions from groups, unions, and PACS. On the other hand, individual contributors are limited only in the sense they can give \$1,000 per campaign, but candidates can receive an unlimited cumulative amount of individual contributions up to \$1,000.

Building public confidence in the political process requires that campaign costs be reduced. High campaign costs: 1) discourage the average person from running for office; 2) require candidates to raise large amounts of money from individuals and groups that have business pending before the Legislature, thus creating the appearance of a conflict of interest; and 3) encourage candidates to incur debt resulting in post-campaign fund raising to recover that debt (see House Research Report 87.200 in Section VII).

SSHB 137 is comprehensive in scope and addresses both the issue of public confidence and campaign costs by:

- limiting the length of campaigns;
- establishing limits on what candidates can accept from corporations, unions, PACs and political parties;
- prohibiting the use of contributions as personal income during the campaign and while in office, and
- establishing civil penalties for accepting illegal contributions.

### SSHB 137 Sectional Summary

Section 1 places limits on what local and statewide candidates can accept in campaign contributions from individuals, corporations, unions, and PACS. Section 1(g) defines the length of election campaigns for local and state legislative offices (Senate, House and Municipal candidates). Sections 4, 5 and 6 define the length of campaigns for Governor and Lt. Governor candidates. Thus, Sections 1, 4, 5 and 6 limit the length of campaigns which necessarily prohibits post-campaign fund raising.

Section 1(a) - contributions can only be accepted during the length of campaigns.

Section 1(b)(c)(d)(e) - place limits on what candidates for local and statewide races can receive.

Section 1(f) - a candidate who withdraws from one race and files for another must refund to the contributor the amount of each contribution accepted in excess of guidelines for the second candidacy. A candidate is not required to return a contribution spent in a good faith effort to seek election to office with the higher limitation.

Section 1(g) - sets the length of a campaign for Senate, House and Municipal elections from January 2 through the day before the election.

Section 2(i) - prohibits a candidate or elected official from using contributions as personal income during candidacy or while in office.

Section 3 - adds language which would fine candidates up to five times the amount of contributions accepted illegally; the statute currently is limited to failure to file.

Sections 4, 5 and 6 - addresses provisions for filing a declaration or petition of candidacy.

Section 7 - stipulates that the prohibition in Section 1 against accepting a contribution after the day of the general election does not apply if the debt was in existence on or before January 1, 1987.

#### Recommendations

##### Alaska Public Offices Commission (APOC)

- APOC expressed its support for SSHB 137 "as a reasonable means of encouraging individuals to contribute to campaigns and limiting the cost and duration of seeking public office".
- APOC suggested that section 1(b)(1) be reworded so there would be no misunderstanding about contributions from political parties.

The staff of APOC "reviewed the proposal and found it feasible to administrate, including penalties for violations".

- recommended stronger language in Section 2(i) and suggested it read:

"A candidate for public office may not take contributions as personal income."

Questions

- 1) SSHB 137 places restraints on what candidates can accept in contributions. Representative Brown questions whether it is proper to place limits on making excessive contributions -- are there constitutional issues here? Can penalties or sanctions be placed on persons making excessive contributions?

Response--Legislative Legal Counsel:

It seems clear that the legislature may prohibit excessive contributions. The legislature may determine the threshold at which the contribution becomes excessive. Buckley v. Valeo, 424 U.S. 1 (1976). In that case, the Congress had placed the threshold limitation at \$1,000 on contributions from individuals and groups to the candidates and their authorized campaign committees. The court explicitly acknowledged that there was no constitutional significance to the dollar figure involved; it would have been equally constitutional at \$2,000 (Buckley, at 4136); it approved the statement in the opinion on the U.S. Court of Appeals that "[i]f it is satisfied that some limit on contributions is necessary, a court has no scalpel to probe, whether, say, a \$2,000 ceiling might not serve as well as \$1,000".

And while the Court concluded that the Congress could equally have established the threshold at a higher figure, I believe that the Congress could equally have established the threshold at a somewhat lower figure. While I consider it clear that an extremely low threshold (e.g., \$25) might be found to be unconstitutional, in my view the decisions thus far in this area indicate that the courts will defer to the establishment of a reasonable threshold by the legislature.

- 2) Sections 4, 5 and 6 were included in SSHB 137 at the request of the drafter. It is not clear what the difference is between a nominating petition and a declaration of candidacy, and whether including the nominating petition is necessary.

Response--Legislative Legal Counsel:

A declaration of candidacy is the document filed by the member of a political party [cf. AS 15.60.010(20)] in order to become a candidate for nomination at the primary election of that political party. See also AS 15.25.010 - 15.25.130.

A nominating petition is the document filed by an individual who is a member of a political group [and therefore not a member of a political party; cf. AS 15.60.010(19)] in order to have the name of the candidate appear on the general election ballot. See AS 15.25.140 - 15.25.200.

The reason why both appear within the law is that each is the document that triggers the beginning of the campaign for the individual involved. Since the bill is concerned with limits on the initiation of those campaigns, each needs to be addressed.

- 3) Section 3 imposes a maximum civil penalty of five times the amount of the illegal contribution. According to Representative Martin, the federal government and other states serve a civil penalty of three times the amount of illegal contributions. The question was raised whether such a penalty could be challenged in court.

Response--Legislative Legal Counsel:

It is noted that a penalty within the bill is set at five times the dollar amount of the violation. The point is made that analogous federal legislation sets the penalty at three times the amount of the violation.

I (Bradley) do not believe that the difference is of a constitutional dimension. The legislature of a state has wide discretion in establishing penalties for the violation of its laws. Establishment of the penalty at two times, three times, or five times the amount of the violation is within that discretion.

- 4) Under Section 7 of SSHB 137, accepting a contribution after the day of the general election does not apply if the debt was in existence on or before January 1, 1987. The language in Section 7, however, appears to refer only to the "timing" issue as opposed to cumulative limits which are addressed in Section 1. Representative Brown raised the question of whether the language in Section 7 should read something to the effect that "any limitations added in Section 1 are not applicable to existing debt". (Note: there is no effective date in the bill.)

## II. SUMMARY OF TESTIMONY: HB 234

The intent of CSHB 234 (work draft dated 4/23/87) is not to address a broad range of campaign issues within the state, but to improve the political process by placing "caps" on certain sources of contributions and by reducing campaign costs. Representative Hoffman emphasized that there was very little difference between CSHB 137 and what he intended to include in CSHB 234 -- a new committee substitute has not been drafted. It was argued that a specific bill which was limited in scope would have a better change of passage in the legislature than one which addressed a number of different issues. Representative Hoffman noted that neither HB 234 nor SSHB 137 addresses the costs or campaigning in different districts although he indicated this shortcoming was beyond the intent of either bill.

Representative Hoffman clarified that the contribution limits he proposes refer to each campaign (as is the case with SSHB 137) rather than a calendar year. He also stated that, unlike SSHB 137, the length of the election campaign would run from September 1 through the day before the election. It was his feeling the additional four months were necessary for those candidates campaigning in rural areas.

### Recommendations

#### Alaska Public Offices Commission (APOC)

- "Given the increased administrative costs and significant enforcement and problems, the commission does not support the proposal as it is currently drafted."
- recommended stronger language in Section 2(i) suggesting it read:  
  
"A candidate for public office may not take contributions as personal income."

### Questions

#### 1) APOC

Dual Reporting System - HB 234 addresses only House and Senate candidates which sets up dual reporting system resulting in increased administrative costs.

Inconsistency In Statutes - there is an inconsistency between filing for candidacy and the length of a campaign; HB 234 defines length but not candidacy; this creates a statutory inconsistency which raises questions such as whether one could declare candidacy and raise money regardless of the campaign length.

Page 6  
Campaign Finance

- 2) APOC: lack of penalties for violations of statutes means enforcement would occur only through an administrative hearing on willful or knowing violations.

III. SUMMARY OF DIFFERENCES AND SIMILARITIES  
BETWEEN SSHB 137 AND CSHB 234 (WORK DRAFT)

Issues

1) Campaign Duration

SSHB 137

January 1 through the day before election for Senate, House  
and Municipal candidates

January 2 of the year preceding the election through the day  
before the election for Governor and Lt. Governor

CSHB 234 (work draft)

September 1 through the day before election for Senate and  
House candidates

Note: Tentative consensus reached to begin campaign on  
September 1 provided fund raising by incumbents is  
prohibited during legislative sessions.

2) Campaign Contribution Limits

See Table 1

3) Use of Contributions as Supplemental Income

SSHB 137 and CSHB 234 (work draft) both prohibit a candidate  
or elected official from using contributions as personal  
income during candidacy or while in office.

4) Civil Penalties

Only SSHB 137 imposes civil penalties

5) Retiring Existing Debt

Only SSHB 137 allows for the opportunity to retire existing  
campaign debt

6) Withdrawing From One Race and Entering Another

Only SSHB 137 addresses switching races

7) Filing Time

CSHB 234 (work draft)--There is an inconsistency in filing  
for candidacy and campaign duration.

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Campaign Finance

SSHB 137--Filing for candidacy and campaign duration are consistent.

Table 1

Comparison of SSHB 137 and CSHB 234 (work draft)

CONTRIBUTION LIMITS PER CAMPAIGN

From:	<u>House</u>	<u>Senate</u>	<u>Governor Lt. Governor</u>	<u>Mun/Misc</u>
<u>Individuals</u>				
CSHB 234	\$1,000	\$1,000	\$1,000	\$1,000
SSHB 137	1,000	1,000	1,000	1,000
<u>Groups, Corporations, Unions, PACs</u>				
CSHB 234	1,000	1,000	N/A	N/A
(cum)	10,000	20,000	N/A	N/A
SSHB 137	1,000	1,000	1,000	1,000 <sup>1</sup>
(cum)	10,000	20,000	40,000	10,000
<u>Political Parties</u>				
CSHB 234 (cum)	10,000	20,000	N/A	N/A
SSHB 137(cum)	10,000	20,000	40,000	10,000

CONTRIBUTION LIMITS PER YEAR<sup>2</sup>

<u>Individuals</u>				
CSHB 234(cum)			2,000	2,000
<u>Groups, Corporations, Unions, PACs</u>				
CSHB 234(cum)			2,000	2,000

<sup>1</sup> See Section VII, memorandum from Representative Brown regarding contribution limits for municipal elections.

<sup>2</sup> Under CSHB 234 (work draft), House and Senate candidates receive campaign contributions "per campaign" (as is the case for SSHB 137). Candidates for Governor, Lt. Governor and Municipal Office, however, receive contributions "per year". An individual could give a cumulative total of \$2,000 (e.g., \$1,000 in 1987 and \$1,000 in 1988).

#### IV. GENERAL COMMENTS AND QUESTIONS

##### Campaign Contributions

- Under SSHB 137, individuals can give \$1,000 to a candidate, a PAC, a group and a union that support the same candidate. Representative Martin questions whether, in fact, the proposed legislation was putting limits on contributions. Representative Brown stated that while this may be possible, placing cumulative limits on groups, PACs, unions and political parties should control for this possibility.
- Representative Ulmer asked whether the proposed contribution limits were the right numbers? Should we consider a formula for defining amounts or go with straight numbers when asking, for example, should Senate candidates receive twice as much as House candidates? Are these limits reasonable or appropriate?
- By restricting or limiting campaign contributions, are we limiting individuals' or groups' rights to petition government and act as a body? In other words, are we violating an individual's or group's constitutional rights?
- Is making a contribution to a candidate of your choosing a freedom of speech? (Note: The Supreme Court has ruled that a contribution is conduct and therefore not pure speech. As such, contributions are subject to regulations.)
- Several states currently prohibit groups and unions from making any contributions. For example, Iowa prohibits corporations, banks, savings and loans and insurance companies from making contributions to political candidates.

### Political Parties and Subdivisions

- What constitutes a political party and its subdivision(s)? APOC recommended that subdivisions of political parties be defined in both CSHB 234 (work draft) and SSHB 137.

### Anonymous Letters and Flyers

- If APOC does not know who sent or paid for a letter or flyer, it is difficult to intercede and impose criminal sanctions.

### In-Kind Services

- How does APOC handle in-kind service as contributions? APOC stated that in-kind services are adequately dealt with in statute, although there is a problem of determining the value of such services. APOC noted that volunteer services are not currently included.

### Personal Use of Contributions

- Can candidates contribute to other candidates? (Note: Under current law, candidates can contribute to other candidates. The question becomes whether the legislature would want to continue this practice.)
- Candidates can disburse funds in a number of ways such as contributing to charity. There are no restrictions except on how expenditures are reported.

### Fund Raiser

- Would the fund raising restrictions in SSHB 137 and CSHB 234 (work draft) apply to special sessions?
- What is the distinction between a fund raiser and a contribution?

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Campaign Finance

V. HOUSE BILLS/APOC POSITION PAPERS

1 IN THE HOUSE

BY BROWN, ELLIS, DAVIS, FRANK,  
SWACKHAMMER AND MENARD

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 137

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of  
7 election campaigns."

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

9 \* Section 1. AS 15.13 is amended by adding a new section to read:

10 Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A  
11 candidate may accept a contribution only during an election campaign  
12 under this section.

13 (b) During the election campaign, a candidate for the office of  
14 governor or lieutenant governor may accept

15 (1) not more than \$1,000 in contributions from a person, a  
16 group other than a political party or its subdivisions, a corporation,  
17 or a labor union;

18 (2) a cumulative total of not more than \$40,000 in contri-  
19 butions from corporations, labor unions, and groups other than politi-  
20 cal parties and their subdivisions;

21 (3) a cumulative total of not more than \$40,000 in contri-  
22 butions from political parties and their subdivisions.

23 (c) During the election campaign, a candidate for the state  
24 senate may accept

25 (1) not more than \$1,000 in contributions from a person, a  
26 group other than a political party or its subdivisions, a corporation,  
27 or a labor union;

28 (2) a cumulative total of not more than \$20,000 in contri-  
29 butions from corporations, labor unions, and groups other than

1 political parties and their subdivisions;

2 (3) a cumulative total of not more than \$20,000 in contri-  
3 butions from political parties and their subdivisions.

4 (d) During the election campaign, a candidate for the state  
5 house of representatives may accept

6 (1) not more than \$1,000 in contributions from a person, a  
7 group other than a political party or its subdivisions, a corporation,  
8 or a labor union;

9 (2) a cumulative total of not more than \$10,000 in contri-  
10 butions from corporations, labor unions, and groups other than politi-  
11 cal parties and their subdivisions;

12 (3) a cumulative total of not more than \$10,000 in contri-  
13 butions from political parties and their subdivisions.

14 (e) During the election campaign, a candidate for municipal  
15 office and a candidate for any other office not described in (b) - (d)  
16 of this section may accept

17 (1) not more than \$1,000 in contributions from a person, a  
18 group other than a political party or its subdivisions, a corporation,  
19 or a labor union;

20 (2) a cumulative total of not more than \$10,000 in contri-  
21 butions from corporations, labor unions, and groups other than politi-  
22 cal parties and their subdivisions;

23 (3) a cumulative total of not more than \$10,000 in contri-  
24 butions from political parties and their subdivisions.

25 (f) A candidate is subject to the limitations established in  
26 this section only for the office for which the candidate most recently  
27 filed a declaration of candidacy or nominating petition. A candidate  
28 who withdraws as a candidate for an office and refiles for an office  
29 with a lower limitation on the acceptance of campaign contributions

1 shall return the amount of each contribution that exceeds the limita-  
2 tions established for the current candidacy. Notwithstanding the  
3 provisions of this subsection, a candidate is not required to return a  
4 contribution spent in a good faith effort to seek election to the  
5 office with the higher limitation.

6 (g) In this section, "election campaign" means the period from  
7 January 2 of the year in which the candidate files a declaration of  
8 candidacy or a nominating petition through the day before the date of  
9 the general election or the municipal election.

10 \* Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

11 (i) A candidate for public office may not take contributions as  
12 personal income during an election campaign, as defined in AS 15.13.-  
13 065, or during tenure as an elected public official.

14 \* Sec. 3. AS 15.13.125 is amended to read:

15 Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIR-  
16 ED REPORTS]. A person who fails to file a properly completed and  
17 certified report within the time required by AS 15.13.110(a)(1), (3),  
18 (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10  
19 a day for each day the delinquency continues as determined by the  
20 commission subject to right of appeal to the superior court. A person  
21 who fails to file a properly completed and certified report within the  
22 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a  
23 civil penalty of not more than \$50 a day for each day the delinquency  
24 continues as determined by the commission subject to right of appeal  
25 to the superior court. A candidate who accepts a contribution in  
26 violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty  
27 of not more than five times the amount of the contribution accepted.  
28 An affidavit stating facts in mitigation may be submitted to the  
29 comm: ssion by a person against whom a civil penalty is assessed.

1        However, the imposition of the penalties prescribed in this section or  
2        in AS 15.13.120 does not excuse that person from filing reports re-  
3        quired by this chapter.

4        \* Sec. 4. AS 15.25.040 is amended by adding a new subsection to read:

5                (e) A statewide candidate may not file a declaration before  
6        January 2 of the year preceding the year in which the election will be  
7        held. Except for a statewide candidate, a declaration may not be  
8        filed before January 2 of the year in which the election will be held.

9        \* Sec. 5. AS 15.25.150 is amended by adding a new subsection to read:

10                (b) A statewide candidate may not file a petition before  
11        January 2 of the year preceding the year in which the election will be  
12        held. Except for a statewide candidate, a petition may not be filed  
13        before January 2 of the year in which the election will be held.

14        \* Sec. 6. AS 29.26.020 is amended by adding a new subsection to read:

15                (c) A nominating petition or declaration of candidacy may not be  
16        filed before January 2 of the year in which the election is to be  
17        held.

18        \* Sec. 7. The prohibition in AS 15.13.065, as added by sec. 1 of this  
19        Act, against a candidate accepting a contribution after the date of the  
20        general election through the dates specified in AS 15.13.065 does not apply  
21        to contributions accepted by a candidate or elected public official after  
22        the effective date of this Act that are used to retire campaign debt in  
23        existence on January 1, 1987.

24        \* Sec. 8. AS 15.13.070(a) is repealed.

# MEMORANDUM

# State of Alaska

Position Paper: "An Act Relating to the Duration and Financing of  
Election Campaigns" HB 137

## Summary of Bill:

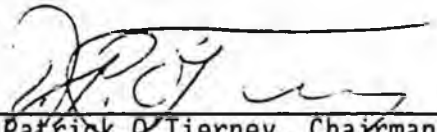
This bill amends the Campaign Disclosure Law to set contribution limits, by office and source of contributions. It restricts campaign activity to January 2, in the year preceding the election, until the day before the general or municipal election and penalizes violations. It also restricts a candidate from taking contributions as income during the campaign or while in office. It amends appropriate election codes to be consistent with the above provisions.

## Comments:

The Alaska Public Offices Commission appreciates the opportunity to comment on HB 137. The Commission discussed this proposal at the September 14-15 meeting. As a matter of policy, the Commission supports an emphasis placed on contributions from individuals; limiting the cost and duration of campaigns; and, restricting the acceptance of campaign funds as personal income. In this regard, the Commission supports stronger language in Section 2, to read: "(i) a candidate for public office may not take contributions as personal income." Members of the Commission had mixed reactions to limits placed on group contributions, including questions on the Constitutionality of such restrictions. The Commission defers commenting on whether the amounts given as cumulative limits are reasonable or appropriate.

The staff of the Commission reviewed the proposal and found it feasible to administrate, including penalties for violations.

The Commission supports HB 137, with areas of concern noted above, as a reasonable means of encouraging individuals to contribute to campaigns and limiting the cost and duration of seeking public office. The Commission is requesting any proposals to amend the Campaign Disclosure Law to include revisions to the Commission appointment process to be consistent with the Alaska Constitution's requirements for quasi-judicial boards. Specific language to this effect is attached to this position paper.

  
\_\_\_\_\_  
Daniel Patrick O'Tierney, Chairman  
Alaska Public Offices Commission

6 Oct 1987  
Date

5-0936X  
Bradley  
4/23/87

Original sponsor: Hoffman

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 234 ( )  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of  
7 election campaigns."

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

9 \* Section 1. AS 15.13 is amended by adding a new section to read:

10 Sec. 15.13.065. CONTRIBUTION TO CANDIDATES FOR THE LEGISLATURE.

11 (a) A candidate for the legislature may accept a contribution only as  
12 provided under AS 15.13.070 or this section.

13 (b) During the election campaign, a candidate for the state  
14 senate may accept

15 (1) not more than \$1,000 in contributions from an  
16 individual, a group, a corporation, or a labor union;

17 (2) a cumulative total of not more than \$20,000 in  
18 contributions from corporations, labor unions, and groups;

19 (3) a cumulative total of not more than \$20,000 in  
20 contributions from political parties and their subdivisions.

21 (c) During the election, campaign, a candidate for the state  
22 house of representatives may accept

23 (1) not more than \$1,000 in contributions from an  
24 individual, a group, a corporation, or a labor union;

25 (2) a cumulative total of not more than \$10,000 in contri-  
26 butions from corporations, labor unions, and groups;

27 (3) a cumulative total of not more than \$10,000 in contri-  
28 butions from political parties and their subdivisions.

29 (d) In this section, "election campaign" means the period from

1 September 1 of the year before the year in which the general election  
2 will be held through the day before the date of the general election.

3 \* Sec. 2. AS 15.13.070(a) is amended to read:

4 (a) An individual, [NO] person, or group, including but not  
5 limited to all political committees, businesses, corporations, and  
6 labor unions, may not contribute [TO OR EXPEND] more than \$1,000 a  
7 year to a candidate for governor, lieutenant governor, or municipal  
8 office [ON BEHALF OF OR IN OPPOSITION TO THE COMPETING CANDIDATES FOR  
9 EACH ELECTIVE OFFICE]. Political parties and their subdivisions are  
10 not subject to the limitation prescribed in this subsection, but they  
11 are subject to the reporting requirements prescribed by AS 15.13.-  
12 040(b) and 15.13.110. Nothing in this chapter prohibits

13 (1) a candidate from contributing more than \$1,000 to the  
14 [OF HIS OWN MONEY TO HIS OWN] campaign of the candidate; or

15 (2) individuals, persons, or groups, including but not  
16 limited to all political committees, businesses, corporations, [AND]  
17 labor unions, and political parties from contributing to or expending  
18 on behalf of a ballot proposition or question more than \$1,000 a year;  
19 the [HOWEVER, THESE] contributions and expenditures shall be reported  
20 under [IN ACCORDANCE WITH] AS 15.13.040 and 15.13.110.

21 \* Sec. 3. AS 15.13.070 is amended by adding a new subsection to read:

22 (i) A candidate for public office may not take contributions as  
23 personal income during an election campaign or during tenure as an  
24 elected public official.  
25  
26  
27  
28  
29

# MEMORANDUM

# State of Alaska

Position Paper: "An Act Relating to the Duration and Financing of Election Campaigns" HB 234

## Summary:

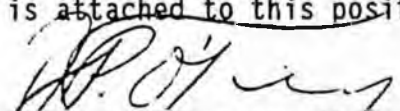
This bill sets cumulative limits, by race and contributor, to legislative races; restricts the duration of campaigns; and, restricts taking contributions as personal income.

## Comments:

The Alaska Public Offices Commission appreciates the opportunity to comment on this proposal. The Commission discussed this bill at the September 14 -15 meeting. As a matter of policy, the Commission supports workable proposals to encourage individual contributions, restrict the duration and cost of campaigning, and restrict accessing contributions as personal income. In this regard, the Commission would support revising Section 3 to read: "(i) A candidate for public office may not take contributions as personal income." The Commission had mixed reactions to limits placed on contributions by groups and defers comments on whether the amounts given as cumulative totals are appropriate.

The staff had a number of concerns in administering the proposal. The cost of administration would significantly increase due to maintaining dual advising/reporting systems; the lack of penalties for violations would mean enforcement would occur only through an administrative hearing on willful or knowing violations; and, the definition of the campaign season - absent restrictions on filing declarations of candidacy - would be subterfuged.

Given the increased administrative costs and significant enforcement problems, the Commission does not support the proposal as it is currently drafted. As a matter of course, the Commission is requesting any amendments to the Campaign Disclosure Law also revise the appointment process for Commission members. Specific language to this effect is attached to this position paper.

  
Daniel Patrick O'Tierney, Chairman  
Alaska Public Offices Commission

  
Date

VI. APOC: APPOINTMENT OF COMMISSIONERS

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## ALASKA PUBLIC OFFICES COMMISSION

REPLY TO:

- 2221 E. Northern Lights, Room 128  
Anchorage, Ak 99508  
(907) 276-4176
- Juneau Branch Office  
Box CO  
Juneau, AK 99811-0222  
(907) 465-4864

October 14, 1987

The Honorable Fran Ulmer  
1700 Angus Way  
Juneau, AK 99801

RE: Constitutionality of Alaska Public Offices Commission Appointments

Dear Representative Ulmer:

Thank you for the opportunity to comment on proposed Campaign Disclosure Legislation at the House State Affairs workshop in Anchorage. You had requested clarification of the question of APOC appointments and Constitutional requirements.

Currently, four members representing two political parties, select the fifth ("independent") member. AS 15.13.020. There is no existing statutory requirement that the fifth member also be appointed by the Governor nor that members are subject to legislative confirmation. In practice, the Governor's party appointees have had legislative confirmation; but not the fifth member. The Alaska Constitution requires that "...When a board...is a...quasijudicial agency, its members shall be appointed by the governor, subject to confirmation by a majority of the legislature in joint session..." Article III, Sec. 26.

The Commission has draft language on AS 15.13.020 in which all members would be appointed by the Governor and subject to confirmation. The fifth member would be selected from names submitted by the Commission. Enclosed are copies of the draft language and the Attorney General's response to the appointment question, drafted as part of a hearing document.

At the September Commission meeting, the members requested that resolving the appointment process be included as a recommendation on proposed Campaign Disclosure legislation.

Please contact me if you have any further questions.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION

*Jane Barcott*  
Jane Barcott  
Acting Executive Director

cc: APOC Members

(b) The commission consists of five members appointed by the governor and confirmed by the legislature. The governor shall appoint two ~~members~~ of the commission from each of the two political parties whose ~~candidates~~ for governor received the highest and second highest number of votes at the most recent preceding general election at which a governor was elected. An appointee from a political party may be chosen from a list of nominations submitted by the central committee of the political party.

\* Sec. 3. AS 15.13.020(c) is repealed and reenacted to read:

(c) When the seat of the member of the commission not chosen from a political party is vacant, the governor shall appoint a fifth member without regard to party affiliation who may be chosen from a list of nominations submitted by the other four members of the commission.

\* Sec. 4. AS 15.13.020(d) is repealed and reenacted to read:

(d) Members of the commission serve for five years from February 1 of the year of appointment. A member of the commission serves until the member's successor is appointed and qualified. The terms of two commission members who are of the same political party may not expire in consecutive years. No more than three members of the commission may be of the same political party.

\* Sec. 5. AS 15.13.020(h) is amended to read:

(h) A vacancy on the commission shall be filled by the governor [APPROPRIATE APPOINTING AUTHORITY] within 60 [30] days of the occurrence of the vacancy. The appointee shall serve for the remaining term of the appointee's predecessor.

\* Sec. 6. AS 15.13.040(a) is amended to read:

(a) Except as provided in (g) of this section, each [Each] candidate shall make a full report, upon a form prescribed by the

Response--Legislative Legal Counsel:

There have been suggestions for some time that the authority of the commission to appoint its fifth member [the member not representing a political party: see AS 15.13.020(c)] -- was unconstitutional as an intrusion on the appointment power of the governor. See art. III, secs. 1, 25, and 26, Alaska Constitution. The argument has some validity.

I (Bradley) suggest, however, that if limitations on the governor's appointment power are the source of the constitutional defect, then the amendment suggested by the commission, limiting the discretion of the governor to appointments made only from a "list of nominations" supplied by the commission, may be equally unconstitutional.

VII. ATTACHMENTS

- \*\* Names and Addresses of Participants
- \*\* Memorandum from Representative Brown
- \*\* House Research Memorandum
- \*\* News Clips
- \*\* Resolution (Alaska Designs)
- \*\* APOC Position Papers
- \*\* APOC Memorandum (October 7, 1987)/Campaign Regulations

\* DELIVER TO: LIOCHTG  
 \* ORIGINAL  
 \* SENT: 10/07/87 TIME: 15:28  
 \* FROM: LIOCHTM  
 \* SUBJECT: FINAL STATS 10/07/87  
 \* PRINT DATE: 10/07/87 TIME: 15:28

*Dennis*

\*\*\* FINAL TELECONFERENCE STATISTICS \*\*\*

DATE: \_\_OCTOBER 7TH, 1987\_\_\_\_\_  
 SITE: \_\_ANCHORAGE, ALASKA\_\_\_\_\_  
 SPONSOR: \_\_HOUSE STATE AFFAIRS\_\_\_\_\_  
 SUBJECT: \_\_CAMPAIGN FINANCE\_\_\_\_\_  
 LOCAL MODERATOR: \_\_HARRY TRACY MANDREGAN\_\_\_\_\_  
 ,

\*\*\*\*\*

TESTIFIED:

NAME\REPRESENTING	ADDRESS	PHONE #
1. REPRESENTATIVE FRAN ULMER	JUNEAU, ALASKA	465-4947
2. REPRESENTATIVE LYMAN HOFFMAN-BETHEL	ANCH., ALASKA	543-3543
3. REPRESENTATIVE KAY BROWN	ANCHORAGE, ALASKA	561-7627
4. REPRESENTATIVE TERRY MARTIN	ANCH., ALASKA	561-2035
5. REPRESENTATIVE CLIFF DAVIDSON	KOD., ALASKA	486-8116
6. REPRESENTATIVE DAVE DONLEY	ANCH., ALASKA	561-7629
7. REPRESENTATIVE PAT POURCHOT	ANCH., ALASKA	561-7623
8. ANNIE LAURIE HOWARD (APOC)	ANCHORAGE, ALASKA	
9. MICHEAL HUELSMAN (APOC)	2221 E. NO. LTS. RM. 128	276-4176
10. JANE BARCOTT (APOC)	2221 E. NO. LTS. RM. 128	276-4176

\*\*\*\*\*

OBSERVED:

NAME\REPRESENTING	ADDRESS	PHONE #
1. REPRESENTATIVE C.E. SWACKHAMMER	SOL., ALASKA	262-7841
2. REPRESENTATIVE JOHNNY ELLIS	ANCH., ALASKA	561-7628
3. DENNIS BURNS (REF. ULMER'S OFC.)	JNU., ALASKA	465-4947
4. JUDY CRONDAHL (REF. FRAN ULMER)	JNU., ALASKA	465-4947
5. CAROL HOROS (SEN. ABOOD'S OFC.)	ANC., ALASKA	561-7614
6. ERIC MYERS (REF. BROWN'S OFC.)	ANC., ALASKA	561-7627
7. ALEXIS GABAY (SEN. FAIKS OFC.)	ANC., ALASKA	561-7610
8. YVONNE ALFORD (SEN. COGHILL)	ANC., ALASKA	561-7620
9. BOB HERRON (REF. HOFFMAN)	BETHEL, ALASKA	543-3543
10. LARRY BRONSON (REF. LARSON)	PALMER, ALASKA	376-8628
11. D.P. O'TIERNEY (APOC, CHAIR)	ANC., ALASKA	276-4176
12. ANNETTE HAMILTON (KIMO-TV)	ANC., ALASKA	561-1313
13. KATY MCHUGH (REF. DONLEY)	ANC., ALASKA	561-7629
14. JANET KOWALCH	ANC., ALASKA	279-9581
15. KIMO TV CAMERAMAN	(WHO DIDN'T, SIGN IN)	561-1313
16. ONE OTHER WHO DIDN'T SIGN IN		

\*\*\*\*\*

TESTIFIED: \_\_10\_\_\_\_\_  
 OBSERVED: \_\_16\_\_\_\_\_  
 TOTAL: \_\_26\_\_\_\_\_  
 START TIME: 10:00 AM  
 END TIME: \_\_1:13 PM

\* DELIVER TO: LTCCCLTG

\* ORIGINAL

\* SENT: 10/07/87 TIME: 15:01

\* FROM: LTCCFBK

\* SUBJECT: 1978 HSTA CAMPAIGN FINANCE

\* PRINT DATE: 10/07/87 TIME: 15:02

\*\*\*\*\*FINAL STATS\*\*\*\*\*

DATE: OCTOBER 7, 1987\_\_\_\_\_  
SITE: FAIRBANKS\_\_\_\_\_  
SPONSOR: HOUSE STATE AFFAIRS\_\_\_\_\_  
SUBJECT: LEG. WORK SESSION: CAMPAIGN FINANCE\_\_\_\_\_  
MODERATOR: MELBA\_\_\_\_\_

\*\*\*\*\*

TESTIFY:  
NAME\REPRESENTING ADDRESS PHONE #

\*\*\*\*\*

OBSERVE:  
NAME\REPRESENTING ADDRESS PHONE #  
1.) RICK SOLIE, (REP. FRANK) 452-3421  
2.) KURT PARKAN, (REP. BOYER) 452-6275

\*\*\*\*\*

HERE TO TESTIFY: \_\_0\_\_ TIME START: \_\_10:15 A.M.  
HERE TO OBSERVE: \_\_2\_\_ TIME END: \_\_11:55 A.M.  
TOTAL \_\_\_\_\_2\_\_\_\_\_

# Kay Brown

## Alaska State Legislature House of Representatives

TO: Representative Fran Ulmer, Chair  
House State Affairs Committee

FROM: Representative Kay Brown *Kay*

DATE: October 11, 1987

SUBJ: Campaign Finance Reform

Upon additional reflection following the most recent State Affairs work session on campaign finance reform in the wake of the Anchorage mayoral race, I realized that there were two issues not clearly addressed by the proposed legislation which deserve further consideration.

1) Runoff Elections: The implications associated with contribution limits need to be assessed in the context of a runoff election. It may be appropriate to make specific provisions regarding a candidate's ability to accept contributions in this circumstance.

2) Contribution Limits and Municipal Elections: Although SS HB 137, as presently drafted, treats all municipal races equally and establishes the same limits as would apply to a race for a seat in the House, I feel that that there may be justification for allowing higher limits for some mayoral races, particularly Anchorage. (Although this year's mayoral race in Anchorage has not been nearly as expensive as the prior race, it still has resulted in campaign costs far higher than a typical House race. I am not familiar with the level of expenditure associated with Juneau or Fairbanks races.) It might be appropriate to treat mayoral elections in communities above a certain size in the same manner as statewide (governor or lieutenant governor) races. At this point, I think that some historical expenditure data for mayoral races would be most helpful and have requested this information from the House Research Agency.

I do not have any strong feelings or specific recommendations about how these particular issues should be addressed, but wanted to bring these concerns to your attention. I will continue to work on these and would appreciate hearing any thoughts or suggestions you may have.



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

P.O. Box Y, State Capitol  
Juneau, Alaska 99811-3100  
Mail Stop 3100  
(907) 465-3991

April 3, 1987

MEMORANDUM

TO: Representative Kay Brown

ATTN: Peg Mentele

FROM: Karen Oakley *KO*  
Legislative Analyst

RE: Post-Election Finances of 1986 Alaska Gubernatorial and Legislative  
Candidates  
Research Request 87.200 (Supplemental Information)

Attached are the tables you requested summarizing data on candidate contributions and unpaid expenses of the 1986 candidates.

I hope you find this information useful. If you need any additional information, please let me know.

Attachments

TABLE A.3  
POST-ELECTION FINANCES OF 1986 CANDIDATES FOR THE ALASKA SENATE

	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Total	Amount Repaid by Year End	Amount Not Repaid by Year End		
<b>LOSING CANDIDATES</b>					
Fischer, Vic	\$12,610	\$0	\$12,610	\$18,654	\$31,264
Hall, Marvin	1,791	0	1,791	0	1,791
Homan, George	0	0	0	0	0
Lacher, Barbara	76,906	0	76,906	3,183	80,089
Levine, Jacob	246	0	246	0	246
Metcalf, Ray	2,310	112	2,198	0	2,198
Miner, Ronald	1,155	0	1,155	0	1,155
Rasmussen, Leo	603	0	603	354	57
Roberts, Malcom	7,500	0	7,500	0	7,500
Stoops, Lee	20,313	0	20,313	0	20,313
Vaska, Anthony	7,904	0	7,904	8,355	16,259
Ziegler, Robert	24,300	0	24,300	0	24,300
<b>TOTAL-LOSING CANDIDATES</b>	<b>\$155,638</b>	<b>\$112</b>	<b>\$155,526</b>	<b>\$30,546</b>	<b>\$186,072</b>
<b>WINNING CANDIDATES</b>					
Binkley, John	\$28,121	\$0	\$28,121	\$1,861	\$29,982
Duncan, Jim	0	0	0	0	0
Fahrenkamp, Bettye	0	0	0	0	0
Faiks, Jan	36,918	2,539	34,379	12,330	46,709
Ferguson, Frank	0	0	0	0	0
Jones, Lloyd	5000	0	5000	0	5000
Kelly, Tim	0	0	0	0	0
Rodey, Patrick	77,026	0	77,026	4,630	81,656
Szymanski, Mike	17,300	0	17,300	19,869	37,169
Uehling, Rick	54,894	2,204	52,690	18,604	71,294
<b>TOTAL-WINNING CANDIDATES</b>	<b>\$219,259</b>	<b>\$4,743</b>	<b>\$214,516</b>	<b>\$57,294</b>	<b>\$271,810</b>
<b>TOTAL-ALL CANDIDATES</b>	<b>\$374,897</b>	<b>\$4,855</b>	<b>\$370,042</b>	<b>\$87,840</b>	<b>\$457,882</b>

Data were taken from a table prepared by the Alaska Public Offices Commission (APOC) in March 1987 to summarize unaudited reports submitted to APOC by the candidates.

Prepared by the House Research Agency, April 1987 (APOCS2; 870330-05).

TABLE A.2

## POST-ELECTION FINANCES OF 1986 CANDIDATES FOR ALASKA GOVERNOR AND LT. GOVERNOR

	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Total	Amount Repaid by Year End	Amount Not Repaid by Year End		
Cowper/McAlpine	\$62,021	\$43,500	\$18,521	\$46,510	\$65,031
Marquez, Hector	19	0	19	0	19
O'Brannon/Barnes	711	0	711	0	711
Sturgulewski/Miller	402,350	0	402,350	0	402,350
Miller, Terry	26,605	0	26,605	36,081	62,686
Vogler/Rowe	13,934	0	13,934	0	13,934
Kydd, Bob	500	0	500	420	920
White, Ryal	462	0	462	0	462
Hoch, Ed	0	0	0	394	394
<b>TOTAL</b>	<b>\$506,602</b>	<b>\$43,500</b>	<b>\$463,102</b>	<b>\$83,405</b>	<b>\$546,507</b>

Data were taken from a table prepared by the Alaska Public Offices Commission (APOC) March 1987 to summarize information from unaudited reports submitted to APOC by the candidates.

Prepared by the House Research Agency, April 1987 (APOCG2, 870330-05).

TABLE A.4  
POST-ELECTION FINANCES OF 1986 CANDIDATES FOR THE ALASKA HOUSE OF REPRESENTATIVES

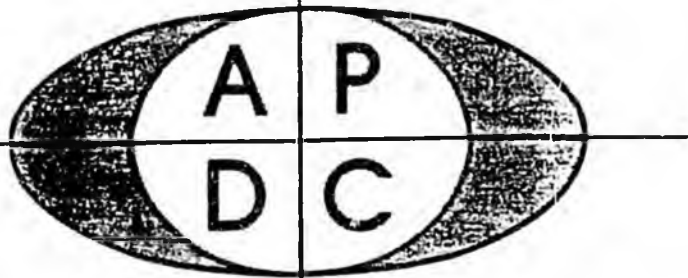
	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Amount Total	Amount Repaid by Year End	Amount Not repaid by Year End		
<b>WINNING CANDIDATES</b>					
Adams, Al	\$20,070	\$361	\$19,709	50	\$19,709
Barnes, Ramona	9,131	0	9,131	0	9,131
Boucher, H. A. (Red)	0	0	0	0	0
Boyer, Mark	10,000	0	10,000	285	10,285
Brown, Kay	2,640	0	2,640	0	2,640
Cato, Bette	0	0	0	0	0
Collins, Virginia	0	0	0	0	0
Cotten, Sam	0	0	0	0	0
Davidson, Clifford	951	951	0	0	0
Davis, Mike	3,000	0	3,000	1,891	4,891
Donley, Dave	37,750	5,000	32,750	0	32,750
Ellis, Johnny Jr.	9,050	0	9,050	9,393	18,443
Frank, Steve	0	0	0	0	0
Furnace, Walt	0	0	0	0	0
Goll, Peter	520	0	520	0	520
Gruenberg, Max Jr.	2,313	0	2,313	0	2,313
Grusserdorf, Ben	0	0	0	0	0
Hanley, Alyce	1,050	0	1,050	0	1,050
Herrmann, Adelheid	1,295	0	1,295	0	1,295
Hoffman, Lyman	2,872	0	2,872	0	2,872
Hudson, Bill	17,912	0	17,912	0	17,912
Koponen, Niilo	3,308	0	3,308	5,091	8,399
Larson, Ronald	0	0	0	0	0
Martin, Terry	5,062	1,695	3,367	0	3,367
Menard, Curtis	30,246	4,561	25,685	0	25,685
Miller, Mike	0	0	0	0	0
Navarre, Mike	347	0	347	0	347
Pearce, Drue	100	0	100	5,147	5,247
Pettyjohn, Fritz	0	0	0	0	0
Phillips, Randy	0	0	0	0	0
Purchot, Pat	0	0	0	0	0
Reiger, Steven	0	0	0	0	0
Schultz, Richard	0	0	0	0	0
Springer, Heinrich	900	0	900	0	900
Sund, John	0	0	0	0	0
Swackhammer, C. E.	3,000	0	3,000	0	3,000
Taylor, Robin	5,946	5,946	0	0	0
Ulmer, Frances	9,584	9,584	0	0	0
Wallis, Kay	791	0	791	0	791
Zawacki, James	28,781	1,310	27,471	0	27,471
<b>TOTAL-WINNING CANDIDATES</b>	<b>\$206,619</b>	<b>\$29,408</b>	<b>\$177,211</b>	<b>\$21,807</b>	<b>\$199,018</b>
<b>TOTAL-ALL CANDIDATES</b>	<b>\$278,712</b>	<b>\$34,566</b>	<b>\$244,146</b>	<b>\$27,434</b>	<b>\$271,580</b>

Data were taken from a table prepared by the Alaska Public Offices Commission (APOC) in March 1987 to summarize information from unaudited reports submitted to APOC by the candidates.

Prepared by the House Research Agency, April 1987 (APOCH2; 870330-05).

TABLE A.4  
POST-ELECTION FINANCES OF 1986 CANDIDATES FOR THE ALASKA HOUSE OF REPRESENTATIVES

	Personal Funds Contributed			Amount owed on Dec. 31 1986	TOTAL DEBT AT YEAR END (unpaid expenses and personal contributions not repaid)
	Total	Amount Repaid by Year End	Amount Not Repaid by Year End		
LOSING CANDIDATES					
Ault, Robert	\$2,870	\$0	\$2,870	\$0	\$2,870
Barker, Wally	7,388	0	7,388	0	7,388
Botelho, Bruce	5,541	0	5,541	0	5,541
Brockway, Dana	10,720	0	10,720	0	10,720
Charles, Bob Jr.	3,100	0	3,100	0	3,100
Copus, Gary	2,831	0	2,831	0	2,831
Dimmick, Marilyn	475	0	475	0	475
Dotomain, Caleb	1,835	0	1,835	0	1,835
Estell, Donna	0	0	0	1,566	1,566
Hoke, Gwen	400	0	400	0	400
Hurley, Katie	936	0	936	3,371	4,307
Ingle, Lance	348	0	348	595	943
Jenkins, Roger	2,000	0	2,000	0	2,000
Kagak, Jacob	0	0	0	0	0
Knapman, Susan	1,863	542	1,321	0	1,321
Leary, Robert	423	0	423	0	423
Liska, John	1,000	583	417	0	417
Marrow, Andre	0	0	0	0	0
McArthur, John	0	0	0	0	0
Moffatt, Bill	7,451	0	7,451	0	7,451
Repasky, Daniel	2,059	0	2,059	0	2,059
Ringstad, John	0	0	0	0	0
Swanson, Leslie	5,000	0	5,000	0	5,000
Thompson, David	350	350	0	0	0
Wagoner, Thomas	0	0	0	0	0
Ward, Robert Jr.	916	0	916	95	1,011
Welsh, Darrel	3,150	0	3,150	0	3,150
Wilcox, Donald	11,437	3,683	7,754	0	7,754
TOTAL-LOSING CANDIDATES	\$72,093	\$5,158	\$66,935	\$5,627	\$72,562



# ALASKA DESIGNS

*The Newsletter of the Alaska Professional Design Council*

## Political Contributions

*Opinion by Valentine S. Rader*

Recent issues of Alaska Designs have discussed the political role of design and construction professionals. Those articles urged activism and a transcendence of narrow technical solutions. Below is reproduced a resolution which has been approved by all of the Practice Divisions of NSPE. The problem which this resolution attempts to address is the ever increasing pressure for companies to contribute to campaigns in order to secure public work. The proposed solutions pose in themselves substantial problems which must bear some analysis before support can be unqualified.

### Resolution

*WHEREAS, Election campaign spending is escalating at an extraordinary rate at local, state and national levels of government; and WHEREAS, consulting engineers routinely*

*contract or provide professional engineering services at local, state and national levels of government; and WHEREAS, it is incumbent upon candidates for elective office to seek contributions to fund their campaigns; and WHEREAS, election campaign contributions are solicited from individuals whose business affiliations and new business ventures include governmental agencies whose contract authorizing agent is the campaigning incumbent, or is the challenging candidate for office; and WHEREAS, as reported in the free press, the award of contracts to consulting engineers has taken on the characteristics of a high pay-off lottery in which the award of contracts is related to election campaign contributions, and WHEREAS, consulting engineers may therefore be deemed to be in violation of the NSPE Code of Ethics; and WHEREAS, the escalation of campaign spending is recognized as a national problem, is being addressed by the profession of politics, but continues to escalate; and WHEREAS, the interests of politicians to be elected and consulting engineers to remain in business converge at contributions and*

*contracts; and WHEREAS, consulting engineers are therefore under enormous and increasing pressure to contribute in order to be eligible for the award of contracts; and WHEREAS, in the absence of appropriate corrective action it may be expected that the contributions-for-contracts relationship will escalate with campaign spending; and WHEREAS, the profession of engineering is therefore under the assault of a political system which is seriously damaging to its image, which may interfere with the ability of consulting engineers to perform their service with professional independence, and which may negatively impact the ability of consulting engineers and engineers in government to protect the public health, safety and welfare;*

**THEREFORE, BE IT RESOLVED THAT the National Society of Professional Engineers adopts and will act on the recommendations of the Professional Engineers in Private Practice as follows:**

1) NSPE, with the requested assistance and support of the National Council of Engineering Examiners and other engineering and architectural societies, undertake a concerted effort to effect the incorporation



APDC  
PO Box 10-3115  
Anch., AK 99510-3115

Address Hon. Kay Brown  
Correction Box V  
Requested Juneau, AK 99811

BULK RATE  
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Anchorage, AK

of rules by all state boards of registration to place limits on political contributions.

2) Where state campaign contributions reporting limits are not established by law, each respective state society shall initiate immediate action through its state legislature, with the assistance of NSPE, and with coordination through the society's intersociety relations committee, to enact campaign practices act which include political contribution reporting limits.

3) NSPE formally request that the National Council of Engineering Examiners incorporate political contribution limits into the model law and further request that NCEE advocate the adoption of political contribution limits by all state boards of registration which will be applicable to all registrants of the respective boards.

4) NSPE adopt a position of support for legislation to limit election campaign spending at national, state, and local levels, and form or join in the support of existing coalitions established for the purpose of controlling election campaign spending.

The problem is certainly serious, but Resolution is also seriously flawed (besides being in need of the services of a good editor). However, before going further, it is appropriate to apologize to the politicians that do accept contributions and yet strive, as humanly possible, to pursue the public good. They are out there, they are not perfect, they are not every politician, and they are worthy of our financial support. The following remarks are confined to the language that would place restrictions on engineers which do not apply to the population at large or which imply that making contributions is itself unethical.

A politician who would take money for favors to design professionals, would take money from anyone for favors. The issue therefore transcends the issue of whether this or that contract results in some harm to the public by exposing them to inferior design. The issue is corruption.

We should be concerned about our image in the "free press." But, we should not be stampeded into abandoning our duties as citizens on the basis of sensational accusations of corruption. We must continue to participate and lead, as our capabilities permit. Where corruption exists, and where the design professions are in a unique position to recognize the extent and the nature of the corruption, the duty is clear.

Ethics can not demand that the professional should tie one hand behind his back, and hide in a corner out of the light of the "free press." Just the opposite is true. Ethics demands that to the extent that the professionals have knowledge, and to the extent that they treasure honest government, and to the extent that they have the financial capability, their campaign contributions should be made to honest candidates in amounts that approach the limit allowed by law.

To retreat from the battle against corruption, will not lead to a corruption free government. Money will find those politicians that trade favors for money. Their campaigns will be well financed. The range of contributors to such campaigns is too large to be much impacted by the withdrawal of the few of our profession who give solely to acquire contracts. However, our contributions can make a big difference to honest politicians, who rely upon concerned citizens to finance their campaigns.

.....

# Campaign reform hits the agenda

It's been a while, but campaign financing reform is back where it belongs — on the agenda in the Alaska legislature. The House State Affairs Committee held hearings this week on measures that would stop the ever-escalating campaign spending arms race. If the reforms pass, candidates could spend less time selling themselves to special interests and more time talking to voters about issues.

The proposals would limit the total amount of money candidates can take from non-individual sources. Candidates for state House and municipal offices could only take \$10,000 per election from political parties, and another \$10,000 from businesses, unions, or issue groups. The limits would be raised to \$20,000 for state Senate candidates and \$40,000 for governor and lieutenant governor.

The reforms would also tighten one of the most egregious loopholes in state election laws. Candidates are now free to take leftover campaign funds for personal use. Under the pending reforms, candidates wouldn't be able to spend campaign surpluses until they have lost or leave office. That's progress, but it doesn't go far enough. Any reform worth its name should ban any candidate from pocketing any campaign money.

As with all efforts to rein in campaign spending, these reforms face some pitfalls. Under the Constitution, candidates are free to spend unlimited amounts of personal funds on their campaigns. Independent groups could also be a problem. They're free to spend unlimited amounts to elect a candidate, or attack an opponent, as long as they're not affiliated with anyone's campaign.

Those concerns suggest the legislature still has a lot of work to do before it can set practical spending limits. But it's good to see some legislators care enough to try.

Aldert Daily News 10/19/92

# Money didn't win election for municipal candidates

By BETSY LONGENBAUGH

THE JUNEAU EMPIRE

Money didn't bring home the election for municipal candidates this year, according to recent campaign filings with the Alaska Public Offices Commission.

Although Juneau City-Borough Assembly candidate Rosalee Walker was outspent substantially by Louise Howerter, Walker easily won re-election. And in the race for the Juneau City-Borough Board of Education, the candidates who decided to spend less than \$1,000 won the two open seats.

The second filing on campaign spending was made by local candidates last Friday. A third filing, due Jan. 15, may be required for candidates who were left with a campaign debt or surplus.

The top spender continued to be Howerter, who outspent Walker by \$3,788.77.

Brenda Knapp, an unsuccessful candidate for the Juneau City-Borough Board of Education, was that race's big spender with a total \$1,548.76 spent.

Following is a breakdown for each of the candidates'

campaign finances, listed by district and in order of votes received:

## At-large

**Rosalee Walker** spent \$4,754 and has an apparent campaign deficit of \$367. She received by far the largest number of individual contributions — 114 people contributed a total of \$4,304 and state employees **Remond** and **Joanne Henderson** gave her \$250.

**Louise Howerter** spent \$8,540.77, of which \$5,103.46 was her own money. In the last filing, she reported receiving one donation of \$250 from broadcast technician **Richard Patton III**. The rest of the funds came from 24 contributions of less than \$100, totaling \$1,392.25. Under state campaign disclosure laws, the names of supporters giving \$100 or less need not be reported.

**Rodney Schnelder** spent \$125, all of which was his own money.

## District 1

**McKie Campbell**, the successful candidate for this seat, spent \$4,475.76, leaving a campaign surplus of \$309.29. Of that amount, \$261.05 was his own money, with

the rest coming from contributors. He received 65 contributions of \$100 or less, totaling \$3,874. Campbell limited contributions to no more than \$250 and it was reported in his last filing that he received that amount from Sen. **Ar-liss Sturgulewski**, R-Anchorage, and the Juneau and Vicinity Building and Construction Trades Council. He also received \$150 from **Linda Koken**, a homemaker.

**Peggie Garrison** filed a form saying she wouldn't spend more than \$1,000 and was exempt from filing the APOC forms.

## District 2

**George Davidson**, an incumbent and the only candidate for this seat, filed a form saying he wouldn't spend more than \$1,000.

## School Board

**Bob Locke** filed a form saying he wouldn't spend more than \$1,000.

**Becky Bear** also filed a form saying she wouldn't spend more than \$1,000.

**Brenda Knapp** spent a total of \$1,548.76, leaving an apparent campaign surplus of \$137.90. Of that amount,

\$113.66 came from her own pocket and 45 contributors of \$100 or less gave \$1,571.

**Joanne Riley**, the only incumbent in the race, spent \$705.45, of which \$111 was her own money, leaving a surplus of \$54.55. She received \$749 from contributors, including \$150 from the Sealaska Corp. political action committee.

**Frederick Hoskinson** was the second-highest spender, with expenditures totaling \$1,445.85, and an apparent surplus of \$9.15. He contributed \$50 of his own money and received \$1,255 from 35 supporters. He also received a \$150 contribution from **Ray Meeker**, a computer consultant at the University of Alaska Southeast.

**Ray Jose** spent \$1,319, ending the campaign with a surplus of \$344. He contributed \$932 of his own money to the campaign, and received \$731 from 95 supporters, including some who bought \$5 tickets for a fund-raising dinner.

**Ann Skow** spent \$782.71, leaving a deficit of \$17.35. She put \$31.88 of her own money into the campaign and received \$733.50 from 26 supporters.

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## ALASKA PUBLIC OFFICES COMMISSION

October 7, 1987

Fran Ulmer  
424 N Franklin St.  
Juneau, AK 99801

REPLY TO:

- 2221 E. Northern Lights, Room 128  
Anchorage, AK 99508  
(907) 276-4176
- Juneau Branch Office  
Box CO  
Juneau, AK 99811-0222  
(907) 465-4864

Dear Candidate:

This letter reviews several regulations which relate to the closeout of a campaign, including activities such as post-election fundraising. As a 1986 candidate, you may benefit from reviewing these regulations. They may impact your 1988 fundraising plans, or your plans for scheduling payments on your accrued expenditures from 1986. If you still have questions after reading the material below, please feel welcome to call our staff for assistance (276-4176).

A deadline of immediate importance to candidates with 1986 debt is December 31, 1987. As outlined in 2 AAC 50.401 POST-ELECTION FUNDRAISING, 1986 candidates are precluded from further fundraising beyond this date unless they : a) declare for future office, or b) seek approval of the Commission through an advisory opinion request. 1986 candidates may accept and expend funds to "test the waters" for a 1988 candidacy but they may not expend money to raise funds prior to filing for a future candidacy.

Another variable deadline relates to unpaid accrued expenditures. Accrued expenditures automatically become loans to the campaign (and possibly excessive contributions) if they are not paid within a period of time considered to be "normal business practice". 2 AAC 50.313(h) DEFINITION OF A CONTRIBUTION further states that the extension of credit to a campaign beyond a normal time period is not a contribution if the creditor follows normal practice in attempting to collect the debt. In many cases, debts are payable in 30 days and sent for collection in 90 to 180 days. 1986 candidates who still have unpaid accrued expenditures should review their accounts and note that they may have to show these items as non-monetary contributions (subject to the \$1000 contribution limit) on their 1987 Year-end report.

1986 candidates who have successfully liquidated their debt during 1987 should note 2 AAC 50.400 DISBURSEMENT OF A CAMPAIGN SURPLUS. This regulation lists the ways in which a surplus may be disbursed, and requires that a campaign disclosure statement be filed within 10 days of the disbursement. Candidates who plan to use a surplus to fund their office allowance account should first transfer the funds, and should not write checks for their office allowance expenses from their campaign account.

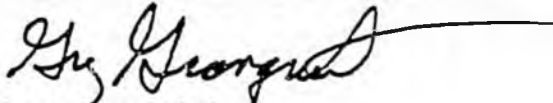
Page two  
October 7, 1987

If you have a question about the above regulations which staff is unable to answer, you may address an advisory opinion request to the Commission. As outlined in 2 AAC 50.905 ADVISORY OPINIONS, advisory opinion requests should state specific questions as they apply to actual planned activity. They should not be hypothetical.

Finally, please be reminded that a 1987 Year-end report is due on January 15, 1988. This report should cover all activity for your 1986 campaign from January 1 to December 31, 1987. If, as discussed above, you closeout your campaign prior to December 31st, you should file a final report at that time (which will eliminate the requirement to file a Year-end report).

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



Greg Granquist  
Research Analyst

cc: APOC Members

enclosure



5-0227N  
Bradley  
1/12/88

Original sponsors: Brown, Ellis,  
Davis, et al.

1  
2 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

3 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 137 (State Affairs)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FIFTEENTH LEGISLATURE - SECOND SESSION

6 A BILL

7 For an Act entitled: "An Act relating to the duration and financing of  
8 election campaigns."

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

10 \* Section 1. AS 15.13 is amended by adding a new section to read:

11 Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A  
12 candidate may accept a contribution only during an election campaign  
13 under this section.

14 (b) During the election campaign, a candidate for the office of  
15 governor or lieutenant governor may not accept

16 (1) more than \$1,000 in contributions from a person, a  
17 corporation, a labor union, or a group other than a political party  
18 and its subdivisions;

19 (2) a cumulative total of more than \$40,000 in contribu-  
20 tions from corporations, labor unions, and groups other than political  
21 parties and their subdivisions;

22 (3) a cumulative total of more than \$40,000 in contribu-  
23 tions from political parties and their subdivisions.

24 (c) During the election campaign, a candidate for the state  
25 senate may not accept

26 (1) more than \$1,000 in contributions from a person, a  
27 corporation, a labor union, or a group other than a political party  
28 and its subdivisions;

29 (2) a cumulative total of more than \$20,000 in contribu-  
tions from corporations, labor unions, and groups other than political

1 parties and their subdivisions;

2 (3) a cumulative total of more than \$20,000 in contribu-  
3 tions from political parties and their subdivisions.

4 (d) During the election campaign, a candidate for the state  
5 house of representatives may not accept

6 (1) more than \$1,000 in contributions from a person, a  
7 corporation, a labor union, or a group other than a political party  
8 and its subdivisions;

9 (2) a cumulative total of more than \$10,000 in contribu-  
10 tions from corporations, labor unions, and groups other than political  
11 parties and their subdivisions;

12 (3) a cumulative total of more than \$10,000 in contribu-  
13 tions from political parties and their subdivisions.

14 (e) Except for a candidate for mayor, during the election cam-  
15 paign a candidate for municipal office and a candidate for office not  
16 described in (b) - (d) of this section may not accept

17 (1) more than \$1,000 in contributions from a person, a  
18 corporation, a labor union, or a group other than a political party  
19 and its subdivisions;

20 (2) a cumulative total of more than \$10,000 in contribu-  
21 tions from corporations, labor unions, and groups other than political  
22 parties and their subdivisions;

23 (3) a cumulative total of more than \$10,000 in contribu-  
24 tions from political parties and their subdivisions.

25 (f) Except as provided under (g) of this section, during the  
26 election campaign a candidate for mayor may not accept

27 (1) more than \$1,000 in contributions from a person, a  
28 corporation, a labor union, or a group other than a political party  
29 and its subdivisions;

1 (2) a cumulative total of more than \$10,000 in contribu-  
2 tions from corporations, labor unions, and groups other than political  
3 parties and their subdivisions;

4 (3) a cumulative total of more than \$10,000 in contribu-  
5 tions from political parties and their subdivisions.

6 (g) Notwithstanding (f) of this section, a candidate for mayor  
7 in a municipality that contains more than one house election district  
8 within its boundaries may accept contributions with a cumulative total  
9 under (f)(2) and (3) of this section multiplied by the number of house  
10 election districts that are located within the municipality.

11 (h) A candidate is subject to the limitations established in  
12 this section only for the office for which the candidate most recently  
13 filed a declaration of candidacy or nominating petition. A candidate  
14 who withdraws as a candidate for an office and refiles for an office  
15 with a lower limitation on the acceptance of campaign contributions  
16 shall return the amount of each contribution that exceeds the limita-  
17 tions established for the current candidacy. Notwithstanding the  
18 provisions of this subsection, a candidate is not required to return a  
19 contribution spent in a good faith effort to seek election to the  
20 office with the higher limitation.

21 (i) Except for a municipal election, in this section, "election  
22 campaign" means the period from September 1 of the year before the  
23 year in which the candidate is required by law to file a declaration  
24 of candidacy or a nominating petition through the day before the date  
25 of the general election. For a municipal election "election campaign"

26 (1) means the period one year before the date of the  
27 municipal election;

28 (2) includes the period after a municipal election through  
29 the date of a run-off election if one is held.

1 \* Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

2 (i) An individual who accepts campaign contributions as a candi-  
3 date for public office may not convert surplus campaign funds to  
4 personal income at any time. A candidate shall dispose of campaign  
5 funds that were not spent during the election campaign by

6 (1) transferring the funds to an account for a future state  
7 election campaign;

8 (2) transferring the funds to an account for the office, in  
9 the case of a successful candidate only, and using the funds only for  
10 communication with constituents and other voters in the state by  
11 telephone, newsletter, or personal contact;

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

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

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

18 \* Sec. 3. AS 15.13.125 is amended to read:

19 Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIR-  
20 ED REPORTS]. A person who fails to file a properly completed and  
21 certified report within the time required by AS 15.13.110(a)(1), (3),  
22 (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10  
23 a day for each day the delinquency continues as determined by the  
24 commission subject to right of appeal to the superior court. A person  
25 who fails to file a properly completed and certified report within the  
26 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a  
27 civil penalty of not more than \$50 a day for each day the delinquency  
28 continues as determined by the commission subject to right of appeal  
29 to the superior court. A candidate who accepts a contribution in

1 violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty  
2 of not more than five times the amount of the contribution accepted.

3 An affidavit stating facts in mitigation may be submitted to the  
4 commission by a person against whom a civil penalty is assessed.  
5 However, the imposition of the penalties prescribed in this section or  
6 in AS 15.13.120 does not excuse that person from filing reports re-  
7 quired by this chapter.

8 \* Sec. 4. AS 15.25.040 is amended by adding a new subsection to read:

9 (e) A statewide candidate may not file a declaration before  
10 January 2 of the year preceding the year in which the election will be  
11 held. Except for a statewide candidate, a declaration may not be  
12 filed before January 2 of the year in which the election will be held.

13 \* Sec. 5. AS 15.25.150 is amended by adding a new subsection to read:

14 (b) A statewide candidate may not file a petition before  
15 January 2 of the year preceding the year in which the election will be  
16 held. Except for a statewide candidate, a petition may not be filed  
17 before January 2 of the year in which the election will be held.

18 \* Sec. 6. AS 29.26.020 is amended by adding a new subsection to read:

19 (c) A nominating petition or declaration of candidacy may not be  
20 filed more than one year before the date of the election.

21 \* Sec. 7. The prohibition in AS 15.13.065, as added by sec. 1 of this  
22 Act, against a candidate accepting a contribution after the date of the  
23 general election through the dates specified in AS 15.13.065 does not apply  
24 to contributions accepted by a candidate or elected public official after  
25 the effective date of this Act that are used to retire campaign debt in  
26 existence on January 1, 1988.

27 \* Sec. 8. AS 15.13.070(a) is repealed.  
28  
29

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

A

Bill Version: HB 137  
Publish Date: \_\_\_\_\_

REQUEST \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An Act relating to Elections.

Agency Affected: Administration  
BRU: Alaska Public Offices Commission

Sponsor: Brown, Ellis, Davis, et al.  
Requestor: House State Affairs

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	25.0	25.0	25.0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	0	25.0	25.0	25.0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	25.0	25.0	25.0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	0	25.0	25.0	25.0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

73000, Contractual Services: Information preparation and dissemination on new contribution limits for candidates and groups as well as new time limits for making and accepting contributions.

Prepared By: Theda Pittman, Executive Director

Phone: 276-4176

Division: Alaska Public Offices Commission

Date: March 2, 1987

Approved by Commissioner: Jean Rogers, Chairman

Date: Mar. 5, 1987

Agency: Alaska Public Offices Commission

Distribution (by preparer):

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- Senate Secretary

APOC Meeting February 25 - 26, 1987