

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/1/92

FURTHER:

DATE TURNED  
INTO OFFICE:

5/11/92

The Finance Committee considered SENATE BILL NO. 243

"An Act relating to election campaign financing, to restrictions on election campaign material, and to the Alaska Public Offices Commission."

and recommends:

replace with CS SB 243 (FINANCE)  
or  adopt previous CS \_\_\_\_\_  
 attaches amendment(s)

same title  
 new title  
 technical  
title change  
(HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

CS (Fix)  
Coming

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes DOA 177.5 5-1-92

**DO PASS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

*Alaska*  
*John H. Nolen*  
*John H. Nolen*  
*John H. Nolen*  
*John H. Nolen*

1. *[Signature]*  
Co-Chair: Signature/Recommendation

2. *[Signature]*  
Co-Chair: Signature/Recommendation

FISCAL NOTE

5-12-92

BL No. 2

Bill Version: CSSB243(JUD)

(S) Publish Date: 5-1-92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

SFC  
REPORTED OUT OF

Revision Date: \_\_\_\_\_

Department Affected: Administration

Title: "An Act related to campaign financing and campaign material, etc."

BRU: Alaska Public Offices Commission

Sponsor: Special Committee on Ethics Reform

Component: Alaska Public Offices Commission

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	164.6	169.5	174.6	179.8 <sup>o</sup>	185.2	190.8
TRAVEL	5.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	6.2	22.5	22.5	22.5	22.5	22.5
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	1.7	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
TOTAL OPERATING	177.5	194.0	199.1	204.3	209.7	215.3

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	177.5	194.0	199.1	204.3	209.7	215.3
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	177.5	194.0	199.1	204.3	209.7	215.3

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME	(1)	(1)	(1)	(1)	(1)	(1)
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary. This bill modifies Alaska Statute 15.13, the Campaign Disclosure Law, and includes provisions which prohibit some campaign finance activity in public facilities and limit State and local government officials from using public funds or facilities to influence an election. It prohibits lobbyists from being campaign treasurers or deputy treasurers; prohibits cash contributions over \$100 and  
(continued)

Prepared by: Karen Boorman, Executive Director  
Division: Alaska Public Offices Commission

Phone: 276-4176  
Date: May 1, 1992

Approved by Commissioner: Nancy Bear Usura  
Agency: Administration

Date: 5/1/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS SB 243 (JUD)

ANALYSIS: (continued)

contributions from one candidate to another; limits fun raising by legislators and candidates for the legislature; prohibits use of campaign funds or goods for personal use; limits use of surplus funds and requires closure of campaign accounts after an election. The bill shortens the Alaska Public Offices Commission (APOC) response time on advisory opinions to 30 days and complaints to 45 days.

The commission anticipates it will incur start up costs as it prepares to assume its duties of administering and enforcing these new provisions. Staff must revise forms, manuals, and training materials, as well as prepare new regulations for commission adoption. Existing staff cannot undertake these start up activities, so new positions would be required.

The commission will receive many ongoing requests for advice about interpretation of the law. In particular, the provisions dealing with the limits of the use of public funds or facilities will generate many compliance questions. Questions such as whether a planned campaign expenditure is permissible because it may be for personal use, or whether a local government or school district is improperly using public funds or facilities to influence the outcome of a local election are likely. Staff will need extra funds to prepare for the first election in which candidates must comply with the provisions regarding disbursement of campaign surplus and prohibited uses of campaign funds, and to give training sessions to help candidates comply. Information will have to be given to State and local government officials on the prohibitions regarding use of public funds and facilities.

It is expected that several complaints will be filed each year alleging that a candidate, lobbyist, public entity, or official has violated one of these provisions. Potential complaints include allegations that a candidate used campaign funds for personal use, closed down a campaign account improperly, or conducted fund raising too soon or too late. Since the only penalties available for these violations are criminal, it is reasonable to expect that one complaint each year will proceed to public hearing. This expense cannot be absorbed from funds currently budgeted.

The commission will need to hold a hearing in FY 93 to adopt regulatory changes. The expenses of such a hearing are not funded within the FY 93 budget.

In order to meet the mandates of the new law, the commission will need to add one professional staff member (Associate Coordinator, range 18) to investigate complaints, draft regulations, and provide compliance advice and draft advisory opinions. A paraprofessional staff member (Regulations Specialist II, range 16) will be necessary to help draft regulations, develop manuals, revise forms, conduct training, and provide compliance advice. A Clerk IV (range 9) will be needed to handle the additional paperwork and extra typing that cannot be absorbed by the one secretary in the Anchorage office.

The commission's current office space in Anchorage is too small to house these new positions. Modest sized space is available in the building and could be made functional with minor remodeling. Two desks, chairs, and telephones will be required as well.

The Juneau office will require additional staff to provide compliance advice and assist in investigations. In order to meet this need and provide assistance to the Juneau office administrator, the commission requests extending the current part-time Clerk III position to a full-time clerk position.

A detailed breakdown of the costs associated with administration and enforcement of this bill is attached.

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS SB 243 (JUD)

ANALYSIS: (continued)

CS SB 243  
APOC Estimated Costs  
FY 93

Personnel:

Associats Coordinator, Range 18A	\$ 59,705
Regulations Specialist II, Range 16A	52,422
Clerk IV, Range 9A (Anchorage)	35,261
Clerk III, Range 8B (upgrade to full-time, Juneau)	<u>17,169</u>
	\$164,557

Travel:

* Regulations hearing	\$3,000
Training	<u>2,000</u>
	\$5,000

Contractual Services:

Instruction/education materials (design, print, postage for amended forms and manuals)	\$1,500
Teleconferencing Cost	\$ 500
Office space: 350 sq.ft. @ \$1.00 sq.ft./month	<u>4,200</u>
	\$6,200

\*\* Legal Fees

Hearings	\$12,000
Witness Fees	250
Subpoenas	3,000
Transcripts	<u>1,000</u>
	\$16,250

Equipment:

* Desk and Chairs (2)	\$1,200
* Phone Installations/Equipment (2)	<u>500</u>
	\$1,700

\* Travel for regulations hearing and office equipment required for FY 93 only. (\$4,700 total)

\*\* Complaint investigation funds (legal fees) will be necessary after FY 93.

Personal Services cost projected to increase at three percent per year for merit increase.

CS FOR SENATE BILL NO. 243 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/12/97  
Referred: Rules

Sponsor(s): SENATE SPECIAL COMMITTEE ON ETHICS REFORM

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to election campaign financing, to election campaign material, to  
2 responsibility and penalties for violations of election campaign laws, to conflict of interest  
3 laws, and to documents filed with and the duties and operations of the Alaska Public  
4 Offices Commission; and providing for an effective date."

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

6 \* Section 1. AS 15.13.030 is amended by adding a new paragraph to read:

7 (11) issue an advisory opinion to a person affected by this chapter regarding the  
8 interpretation of this chapter within 30 days of the request for the opinion or within an additional  
9 period of time that the person requesting the opinion may agree to; the advisory opinion issued  
10 is binding on the commission in a subsequent proceeding concerning the facts and circumstances  
11 set out in the request for an advisory opinion, unless material facts were omitted or misstated in  
12 the request.

13 \* Sec. 2. AS 15.13.040(a) is amended to read:

14 (a) Each candidate shall make a full report, upon a form prescribed by the commission,

1 listing the date and amount of all expenditures made by the candidate, the total amount of all  
2 contributions, including all funds contributed by the candidate, and for all contributions in excess  
3 of \$100 in the aggregate a year, the name, address, principal occupation, and employer of the  
4 contributor and the date and amount contributed by each contributor. The report shall be filed  
5 in accordance with AS 15.13.110 and shall be certified correct by the candidate or campaign  
6 treasurer. A candidate who does not receive more than \$1,000 in contributions and does not  
7 spend more than \$1,000 on behalf of a campaign is not subject to the reporting  
8 requirements of this subsection, but the candidate shall indicate, on a form prescribed by  
9 the commission, an intent not to raise or spend more than \$1,000.

10 \* Sec. 3. AS 15.13.040 is amended by adding a new subsection to read:

11 (g) Accrued expenditures that in the aggregate total \$1,000 or less a year per payee or  
12 account need not be included in the report of expenditures required under (a) and (b)(3) of this  
13 section. However, if an unreported accrued expenditure is not paid within 90 days after it is  
14 incurred, it becomes a contribution and shall be reported as required by this section and  
15 AS 15.13.110. For purposes of this subsection, "accrued expenditures" means expenses incurred  
16 but not yet paid.

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

18 Sec. 15.13.041. PROHIBITED SOLICITATION OF CONTRIBUTIONS. (a) A public  
19 officer or employee of the state or of a municipality may not, while on the premises of a state  
20 or municipal building, solicit or request a contribution to a candidate, group, or political party.

21 (b) A person may not solicit or request a public officer to contribute to a candidate,  
22 group, or political party while the public officer or employee is on the premises of a state or  
23 municipal building.

24 (c) A candidate, a candidate's campaign treasurer or deputy campaign treasurer, a group,  
25 or an officer of a group may not accept a contribution that the candidate, campaign treasurer,  
26 deputy campaign treasurer, group, or officer of a group knows was obtained in violation of this  
27 section.

28 Sec. 15.13.043. USE OF PUBLIC OFFICE OR AGENCY FACILITIES IN A  
29 CAMPAIGN. (a) A person may not use or authorize the use of public funds or property, or the  
30 time of a public officer or employee, to influence the outcome of an election.

31 (b) A person may not distribute or post, or cause to be distributed or posted, a

1 communication designed to influence the outcome of an election in a public building.

2 (c) Nothing in this section prohibits

3 (1) the division of elections from preparing and distributing the voter election  
4 pamphlet under AS 15.58;

5 (2) nonpartisan voter registration activities;

6 (3) action taken at a public meeting by members of the legislature, of a committee  
7 of the legislature, or of a state or municipal board or commission, expressing a collective decision  
8 or voting on a motion, proposal, bill, resolution, ordinance, or order;

9 (4) action by an elected public official of the state or of a municipality in support  
10 of or in opposition to a ballot proposition or question at an open press conference or in response  
11 to a specific inquiry;

12 (5) the Alaska Judicial Council from evaluating judges.

13 \* Sec. 5. AS 15.13.050 is amended by adding a new subsection to read:

14 (b) Two or more groups, other than political parties and subdivisions of political parties,  
15 in which two or more persons hold office in each group are considered to be a single group for  
16 purposes of the contribution limitations of this chapter.

17 \* Sec. 6. AS 15.13.060 is amended by adding a new subsection to read:

18 (g) A person may not serve as a campaign treasurer or deputy campaign treasurer during  
19 a calendar year in which the person was required to register as a lobbyist under AS 24.45, unless  
20 the person acted only as a representational lobbyist as defined in the regulations of the  
21 commission.

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

23 (a) A person or group, including but not limited to all political committees, businesses,  
24 corporations, and labor unions, may not contribute to or expend more than \$1,000 in a calendar  
25 year, whether in money, goods, or services, or a combination of money, goods, and services,  
26 on behalf of or in opposition to the competing candidates for each elective office. Political  
27 parties and their subdivisions are not subject to the limitation prescribed in this subsection, but  
28 they are subject to the reporting requirements prescribed by AS 15.13.040(b) and 15.13.110. This  
29 chapter does not prohibit

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

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

5 \* Sec. 8. AS 15.13.070(c) is amended to read:

6 (c) An expenditure over \$100 may not be made in cash [OR BY CASH PAYMENT  
7 UNLESS A WRITTEN RECEIPT IS OBTAINED AND FILED WITH THE COMMISSION].

8 \* Sec. 9. AS 15.13.070(d) is amended to read:

9 (d) A contribution may not be made, and an expenditure may not be made or incurred,  
10 directly or indirectly, anonymously, in a fictitious name, or by one person or group in the name  
11 of another, to influence the election of a candidate in an election. A contribution made by a  
12 person wishing to remain anonymous, and received by a candidate, campaign treasurer or deputy  
13 campaign treasurer, may not be used or expended, but shall be returned within 10 days of  
14 receipt to the donor, if the donor's identity is known, and if no donor is found, the contribution  
15 escheats to the state if not donated by the candidate to the charity of the candidate's choice. A  
16 contribution from a minor under the age of 18, other than a minor who has been  
17 emancipated or who is married, is considered to have been made by a parent or guardian  
18 of the individual under the age of 18, and shall be counted toward the contribution limit  
19 of the parent or guardian established by this section.

20 \* Sec. 10. AS 15.13.070 is amended by adding new subsections to read:

21 (i) A candidate or a group controlled by a candidate may not make a contribution to  
22 another candidate, except that a candidate may make a contribution to another candidate from  
23 the candidate's own personal funds.

24 (j) An individual or a group may not make a loan to a candidate or to a group, or  
25 guarantee a loan made by another to a candidate or to a group. This subsection does not prohibit

26 (1) a contribution in the form of a loan by a candidate or by the spouse, parent,  
27 or child of a candidate to the candidate's campaign;

28 (2) an extension of credit by a person made in the person's regular course of  
29 business to a candidate or a group; or

30 (3) a loan by a regulated financial institution to a candidate or group on the same  
31 terms as would apply to a loan by the financial institution to a similarly situated member of the

1 public.

2 (k) A person may not act as an intermediary to transmit contributions to a candidate or  
3 group from a person or group. In this section, "intermediary" does not include a candidate, a  
4 treasurer, deputy treasurer, or other campaign officer, a financial institution, or a person  
5 voluntarily hosting a fund-raising event at the person's home.

6 \* Sec. 11. AS 15.13 is amended by adding new sections to read:

7 Sec. 15.13.072. PERSONAL USE PROHIBITED. A candidate for public office may not  
8 use campaign funds for personal purposes, convert campaign funds into personal income, or  
9 convert goods purchased with campaign funds for personal use.

10 Sec. 15.13.074. DISBURSEMENT OF CAMPAIGN ACCOUNTS. (a) If a candidate  
11 for public office or a group has unexpended and unobligated funds after the date of the election,  
12 the candidate or group shall, no later than January 15 of the year following the election,

13 (1) elect to carry forward the funds for a future election campaign;

14 (2) donate the funds to an organization that qualifies as a charitable organization  
15 under 26 U.S.C. 501(c), to a political party as defined in AS 15.60.010, or to the state or a  
16 municipality;

17 (3) return the funds on a pro rata basis to the contributors to the candidate or  
18 group;

19 (4) transfer the funds to a legislative office account for expenditures qualifying  
20 as business expenses under 26 U.S.C. 162; or

21 (5) use unexpended and unobligated funds remaining after the election to repay  
22 the candidate's contributions to the candidate's campaign.

23 (b) Equipment owned by a candidate or group shall, no later than January 15 of the year  
24 following the election, be carried forward or donated as provided in (a)(1) and (2) of this section.  
25 If the equipment was purchased solely with funds provided by a candidate personally, the  
26 candidate may convert the equipment to the candidate's personal use.

27 (c) A candidate or group that elects to carry forward campaign funds for a future election  
28 under (a)(1) of this section shall file an annual report with the commission under  
29 AS 15.13.110(a)(4) in the year following the election, even if the candidate or group makes no  
30 expenditures or receives no contributions during that year.

31 (d) This section does not apply to a group that is organized to influence elections on an

1 ongoing basis.

2 Sec. 15.13.076. RESPONSIBILITY FOR VIOLATIONS. A candidate is responsible for  
3 violations of this chapter by officers of the candidate's campaign committee, and the chair of a  
4 group is responsible for violations of this chapter by other officers of a group. Penalties assessed  
5 against a candidate's campaign committee or against a group may be assessed directly against  
6 the candidate or the chair of the group.

7 Sec. 15.13.077. USE OF PUBLIC FUNDS PROHIBITED. A municipality, the state,  
8 agencies of the state, public corporations of the state, the University of Alaska, and other political  
9 subdivisions of the state, including school districts and regional educational attendance areas, may  
10 not use public funds to support or oppose a ballot proposition or the election of a candidate. This  
11 section does not prohibit the expenditure of public funds to provide to the public factual  
12 information regarding a ballot proposition.

13 \* Sec. 12. AS 15.13.120(d) is amended to read:

14 (d) A person who believes a violation of this chapter has occurred may file a complaint  
15 with the commission. The complaint must include a statement, made under oath, that the  
16 factual statements in the complaint are true, to the best of the complainant's knowledge.

17 If the commission determines there is substantial reason to believe that a violation has occurred,  
18 it shall expeditiously make an investigation, which may also include an investigation of reports  
19 and statements filed by the complainant if the complainant is a candidate, of the matter  
20 complained of. When, in the judgment of the commission, after affording due notice and an  
21 opportunity for a hearing, a person has engaged or is about to engage in any acts or practices  
22 which constitute or will constitute a violation of a provision of this chapter, or a regulation or  
23 order issued under it, it shall promptly report the information to the attorney general for  
24 appropriate action. The commission shall report its determination and recommendation to the  
25 person who filed the complaint with the commission within 60 days of receiving the complaint  
26 unless circumstances require additional time to make an adequate investigation. The finding of  
27 the commission may be appealed to the superior court.

28 \* Sec. 13. AS 15.13.120 is amended by adding new subsections to read:

29 (i) Proceedings of the commission relating to complaints before it under this section are  
30 confidential until the commission determines that there is probable cause to believe that a  
31 violation of this chapter has occurred. The confidentiality provisions of this subsection may be

1 waived by the subject of the complaint.

2 (j) Except as provided in (i) of this section, meetings of the commission relating to a  
3 complaint are governed by AS 44.62.310 - 44.62.312 (Open Meetings Act), and records in the  
4 possession of the commission relating to the complaint are subject to AS 09.25.110 - 09.25.125.

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

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

17 \* Sec. 15. AS 15.13.125 is amended by adding new subsections to read:

18 (b) A person who violates a provision of this chapter other than a provision for which  
19 a penalty is prescribed by (a) of this section is subject to a civil penalty of not more than \$20,000  
20 for each offense or twice the amount gained by the misconduct that resulted in a violation,  
21 whichever is greater, as determined by the commission. The commission may also assess a  
22 person subject to a penalty under this subsection with the costs of investigating and adjudicating  
23 the violation on which the penalty is based. The costs of investigation and adjudication shall be  
24 determined by the commission.

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

27 (d) A determination of the commission under this section is subject to right of appeal to  
28 the superior court.

29 (e) The imposition of the penalties prescribed in this section or in AS 15.13.120 does not  
30 excuse the person from filing reports required by this chapter.

31 \* Sec. 16. AS 15.13.130 is amended by adding new paragraphs to read:

1 (8) "commission" means the Alaska Public Offices Commission created in  
2 AS 15.13.020;

3 (9) "school district" means a municipal school district or a regional educational  
4 attendance area established under AS 14.08;

5 (10) "state agency" means a department, agency, instrumentality, or corporate  
6 authority of the state, whether in the executive, legislative, or judicial branch, and includes the  
7 University of Alaska.

8 \* Sec. 17. AS 15.58.030 is amended by adding a new subsection to read:

9 (h) A candidate, or a person on behalf of a candidate, submitting material under this  
10 section shall swear that factual statements contained in the material are true to the best of the  
11 candidate's or person's knowledge. A candidate or person who knowingly swears falsely is  
12 guilty of perjury under AS 11.56.200.

13 \* Sec. 18. AS 24.45.031(b) is amended to read:

14 (b) The commission may

15 (1) hold hearings and conduct investigations into compliance with the provisions  
16 of this chapter;

17 (2) in conjunction with (1) of this subsection, issue subpoenas, compel the  
18 attendance and testimony of witnesses, administer oaths and affirmations, and require the  
19 production of books, papers, records, documents or other items material to the commission's  
20 duties or powers under this chapter;

21 (3) prepare, publish, and make available to the public, semi-annual [PERIODIC,  
22 BUT AT LEAST QUARTERLY AND ANNUALLY,] summaries of the statements and reports  
23 received; these summaries shall list separately individual lobbyists and employers of lobbyists.

24 \* Sec. 19. AS 24.45.041(e) is amended to read:

25 (e) Within 45 days after the convening of each regular session of the legislature, the  
26 commission shall publish a directory of registered lobbyists, containing the information prescribed  
27 in (b) of this section for each lobbyist [AND THE PHOTOGRAPH, IF ANY, FURNISHED BY  
28 A LOBBYIST UNDER (C) OF THIS SECTION]. From time to time thereafter the commission  
29 shall publish those supplements to the directory that in the commission's judgment may be  
30 necessary. The directory shall be made available to public officials and to the public at the  
31 following locations: a public place adjacent to the legislative chambers in the state capitol

1 building, [THE OFFICE OF THE LIEUTENANT GOVERNOR, THE LEGISLATIVE  
2 REFERENCE LIBRARY OF] the Legislative Affairs Agency, and the commission's central  
3 office.

4 \* Sec. 20. AS 24.45.061(a) is repealed and reenacted to read:

5 (a) A person who employs, retains, or contracts for the services of a lobbyist shall sign  
6 the lobbyist's registration statement verifying that employment, retention, or contract for lobbying  
7 services.

8 \* Sec. 21. AS 24.45.061(b) is amended to read:

9 (b) A person who employs, retains, or [WHO] contracts for the services of one or more  
10 lobbyists, whether independently or jointly with other persons, and who directly or indirectly  
11 makes payments to influence legislative or administrative action shall file an annual [A  
12 QUARTERLY] report containing

13 (1) the full name, complete business address, and telephone number of the person  
14 making the report;

15 (2) information sufficient to identify the nature and interests of the person making  
16 the report;

17 (3) the total amount of payments made to influence legislative or administrative  
18 action during the period, and the name and address of each person to whom these payments have  
19 been made during the period by the maker of the report, together with the date and amount;

20 (4) the date and nature of any gift exceeding \$100 in value made to any public  
21 official and the full name and official position of the recipient of each gift;

22 (5) a general description of the legislative or administrative action that [WHICH]  
23 the person making the report has attempted to influence;

24 (6) the name of each lobbyist employed or retained by the person making the  
25 report, together with the total amount paid to each lobbyist and the portion of that amount, if any,  
26 that [WHICH] was paid for specific purposes, including salary, fees, and reimbursement for  
27 expenses; and

28 (7) a notice of termination if the person filing a report has ceased employing or  
29 retaining a lobbyist registered under this chapter and if this report constitutes the final report of  
30 the lobbyist's activities on behalf of the maker of the report.

31 \* Sec. 22. AS 24.45.081 is amended to read:

1           Sec. 24.45.081. REPORTING PERIODS. Lobbyist reports [REPORTS] required under  
2 this chapter shall be filed during the calendar month following each calendar month during any  
3 part of which the legislature was in session and during the month following each calendar quarter  
4 when the legislature was not in session. However, if a lobbyist registered under this chapter has  
5 declared that the lobbyist seeks only to influence administrative action and not legislative action,  
6 the lobbyist need only file a report required under this chapter for each calendar quarter. The  
7 period covered shall be the calendar month or the calendar quarter, as applicable, and shall in any  
8 event cover the period from the date of the last report filed under this chapter to the date of the  
9 end of the calendar month or quarter, as applicable, for which the report is being filed. The  
10 period covered shall not include any months covered in previous reports filed by the same person.  
11 When total amounts are required to be reported, totals shall be stated both for the period covered  
12 by the statement and for the entire calendar year to date. Annual employer reports required  
13 under this chapter shall be filed either 30 days after all lobbying activities are terminated  
14 or during the month following the fourth calendar quarter, whichever occurs first.

15 \* Sec. 23. AS 39.50.030(a) is amended to read:

16           (a) Each statement shall be an accurate representation of the financial affairs of the public  
17 official or candidate and shall contain the same information for each member of the person's  
18 family, as specified in (b) of this section, to the extent that it is ascertainable by the public  
19 official or candidate. [AN ASSET OR LIABILITY UNDER \$500, HOUSEHOLD GOODS,  
20 AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

21 \* Sec. 24. AS 39.50.030(b) is amended to read:

22           (b) Each statement filed by a public official or candidate under this chapter shall include  
23 the following:

24           (1) the source of all income over \$1,000 [\$100] during the preceding calendar  
25 year, including taxable and nontaxable capital gains, received by the person, the person's spouse  
26 or dependent child, or a nondependent child of the person who is living with that person, except  
27 that a source of income that is a gift from other than a family member must be included  
28 if the value of the gift exceeds \$100;

29           (2) the identity, by name and address, of each business in which the person, the  
30 person's spouse or dependent child, or a nondependent child of the person who is living with that  
31 person was a stockholder, owner, officer, director, partner, proprietor, or employee during the

1 preceding calendar year;

2 (3) the identity and nature of each interest owned in any business during the  
3 preceding calendar year by the person, the person's spouse or dependent child, or a nondependent  
4 child of the person who is living with that person;

5 (4) the identity and nature of each interest in real property, including an option  
6 to buy, owned at any time during the preceding calendar year by the person, the person's spouse  
7 or dependent child, or a nondependent child of the person who is living with that person;

8 (5) the identity of each trust or other fiduciary relation in which the person, the  
9 person's spouse or dependent child, or a nondependent child of the person who is living with that  
10 person held a beneficial interest exceeding \$1,000 during the preceding calendar year, a  
11 description and identification of the property contained in each trust or relation, and the nature  
12 and extent of the beneficial interest in it;

13 (6) any loan or loan guarantee made to the person, the person's spouse or  
14 dependent child, or a nondependent child of the person who is living with that person, and the  
15 identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the  
16 person, the person's spouse or dependent child, or a nondependent child of the person who lives  
17 with that person owed more than \$1,000 [\$500 OR MORE];

18 (7) a list of all contracts and offers to contract with the state or an instrumentality  
19 of the state during the preceding calendar year held, bid, or offered by the person, the person's  
20 spouse or dependent child, a nondependent child of the person who is living with that person,  
21 a partnership or professional corporation of which the person is a member [THE PERSON'S  
22 MOTHER OR FATHER], or a corporation in which the person or the person's spouse or  
23 children, or a combination of them, hold a controlling interest; and

24 (8) a list of all mineral, timber, oil, or any other natural resource lease held, or  
25 lease offer made, during the preceding calendar year by the person, the person's spouse or  
26 dependent child, a nondependent child of the person who is living with that person, [THE  
27 PERSON'S MOTHER OR FATHER] a partnership or professional corporation of which the  
28 person is a member, or a corporation in which the person or the person's spouse or children, or  
29 a combination of them, holds a controlling interest.

30 \* Sec. 25. AS 39.50.050(d) is amended to read:

31 (d) To facilitate the filing of reports under AS 24.45 (Regulation of Lobbying) and the

1 information required to be provided under AS 24.45.051(4) [AND (5),] the commission shall  
2 publish copies of the reports required under this chapter not later than the convening of each  
3 regular session of the legislature. Copies of this publication shall be provided on request;  
4 however, the commission may make a charge for the publication that may not exceed the actual  
5 cost of printing, postage, and handling.

6 \* Sec. 26. AS 39.50 is amended by adding a new section to read:

7 Sec. 39.50.147. EXEMPTION FOR MUNICIPALITIES. The provisions of this chapter  
8 do not apply to a municipal officer of a municipality with a population of 1,000 or less according  
9 to the latest United States census figures or estimates of population certified correct for  
10 administrative purposes by the Department of Community and Regional Affairs.

11 \* Sec. 27. AS 15.13.110(a)(3); AS 24.45.041(c), 24.45.051(5), 24.45.116; AS 24.60.030(f),  
12 24.60.030(g); and AS 39.50.025 are repealed.

13 \* Sec. 28. This Act takes effect January 16, 1993.

"A" Draft

SB 299 - APGC  
HB ~~195~~ 195 - Finkelstein Ethics bill

7-LS1064S  
Casey  
5/10/92

Adopted  
5-11-92  
ordered  
10:20pm

CS FOR SENATE BILL NO. 243 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE SPECIAL COMMITTEE ON ETHICS REFORM

A BILL

Title Change

FOR AN ACT ENTITLED

1 "An Act relating to election campaign financing, to election campaign material, to  
2 responsibility and penalties for violations of election campaign laws, to conflict of interest  
3 laws, and to documents filed with and the duties and operations of the Alaska Public  
4 Offices Commission; and providing for an effective date."

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

no change  
From SB 243(j)

6 \* Section 1. AS 15.13.030 is amended by adding a new paragraph to read:

7 (11) issue an advisory opinion to a person affected by this chapter regarding the  
8 interpretation of this chapter within 30 days of the request for the opinion or within an additional  
9 period of time that the person requesting the opinion may agree to; the advisory opinion issued  
10 is binding on the commission in a subsequent proceeding concerning the facts and circumstances  
11 set out in the request for an advisory opinion, unless material facts were omitted or misstated in  
12 the request.

13 \* Sec. 2. AS 15.13.040(a) is amended to read:

14 (a) Each candidate shall make a full report, upon a form prescribed by the commission,

1  
No change  
2  
SB 299  
(J) 3

listing the date and amount of all expenditures made by the candidate, the total amount of all contributions, including all funds contributed by the candidate, and for all contributions in excess of \$100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor and the date and amount contributed by each contributor. The report shall be filed in accordance with AS 15.13.110 and shall be certified correct by the candidate or campaign treasurer. A candidate who does not receive more than \$1,000 in contributions and does not spend more than \$1,000 on behalf of a campaign is not subject to the reporting requirements of this subsection, but the candidate shall indicate, on a form prescribed by the commission, an intent not to raise or spend more than \$1,000.

10 \* Sec. 3. AS 15.13.040 is amended by adding a new subsection to read:

11  
No change  
12  
SB 299  
(J) 13

(g) Accrued expenditures that in the aggregate total \$1,000 or less a year per payee or account need not be included in the report of expenditures required under (a) and (b)(3) of this section. However, if an unreported accrued expenditure is not paid within 90 days after it is incurred, it becomes a contribution and shall be reported as required by this section and AS 15.13.110. For purposes of this subsection, "accrued expenditures" means expenses incurred but not yet paid.

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

18  
deletes  
19  
2 imine  
20  
penalties

18 Sec. 15.13.041. PROHIBITED SOLICITATION OF CONTRIBUTIONS. (a) A public officer or employee of the state or of a municipality may not, while on the premises of a state or municipal building, solicit or request a contribution to a candidate, group, or political party.

21 (b) A person may not solicit or request a public officer to contribute to a candidate, group, or political party while the public officer or employee is on the premises of a state or municipal building.

24 (c) A candidate, a candidate's campaign treasurer or deputy campaign treasurer, a group, or an officer of a group may not accept a contribution that the candidate, campaign treasurer, deputy campaign treasurer, group, or officer of a group knows was obtained in violation of this section.

28 Sec. 15.13.043. USE OF PUBLIC OFFICE OR AGENCY FACILITIES IN A CAMPAIGN. (a) A person may not use or authorize the use of public funds or property, or the time of a public officer or employee, to influence the outcome of an election.

31 (b) A person may not distribute or post, or cause to be distributed or posted, a

1 communication designed to influence the outcome of an election in a public building.

2 (c) Nothing in this section prohibits

3 (1) the division of elections from preparing and distributing the voter election  
4 pamphlet under AS 15.58;

5 (2) nonpartisan voter registration activities;

6 (3) action taken at a public meeting by members of the legislature, of a committee  
7 of the legislature, or of a state or municipal board or commission, expressing a collective decision  
8 or voting on a motion, proposal, bill, resolution, ordinance, or order;

9 (4) action by an elected public official of the state or of a municipality in support  
10 of or in opposition to a ballot proposition or question at an open press conference or in response  
11 to a specific inquiry;

12 (5) the Alaska Judicial Council from evaluating judges.

13 \* Sec. 5. AS 15.13.050 is amended by adding a new subsection to read:

*No Change*  
*SB 243*  
*(J)*

(b) Two or more groups, other than political parties and subdivisions of political parties,  
15 in which two or more persons hold office in each group are considered to be a single group for  
16 purposes of the contribution limitations of this chapter.

17 \* Sec. 6. AS 15.13.060 is amended by adding a new subsection to read:

*No Change*  
*SB 243*  
*(J)*

(g) A person may not serve as a campaign treasurer or deputy campaign treasurer during  
18 a calendar year in which the person was required to register as a lobbyist under AS 24.45, unless  
19 the person acted only as a representational lobbyist as defined in the regulations of the  
20 commission.  
21

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

*No Change*  
*SB 243*  
*(J)*

(a) A person or group, including but not limited to all political committees, businesses,  
23 corporations, and labor unions, may not contribute to or expend more than \$1,000 in a calendar  
24 year, whether in money, goods, or services, or a combination of money, goods, and services,  
25 on behalf of or in opposition to the competing candidates for each elective office. Political  
26 parties and their subdivisions are not subject to the limitation prescribed in this subsection, but  
27 they are subject to the reporting requirements prescribed by AS 15.13.040(b) and 15.13.110. This  
28 chapter does not prohibit  
29

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

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

5 \* Sec. 8. AS 15.13.070(c) is amended to read:

*No change  
SB 243 (j)*

6 (c) An expenditure over \$100 may not be made in cash [OR BY CASH PAYMENT  
 7 UNLESS A WRITTEN RECEIPT IS OBTAINED AND FILED WITH THE COMMISSION].

8 \* Sec. 9. AS 15.13.070(d) is amended to read:

*No  
Substantive  
change  
SB 243  
(j)*

9 (d) A contribution may not be made, and an expenditure may not be made or incurred,  
 10 directly or indirectly, anonymously, in a fictitious name, or by one person or group in the name  
 11 of another, to influence the election of a candidate in an election. A contribution made by a  
 12 person wishing to remain anonymous, and received by a candidate, campaign treasurer or deputy  
 13 campaign treasurer, may not be used or expended, but shall be returned within 10 days of  
 14 receipt to the donor, if the donor's identity is known, and if no donor is found, the contribution  
 15 escheats to the state if not donated by the candidate to the charity of the candidate's choice. A  
 16 contribution from a minor under the age of 18, other than a minor who has been  
 17 emancipated or who is married, is considered to have been made by a parent or guardian  
 18 of the individual under the age of 18, and shall be counted toward the contribution limit  
 19 of the parent or guardian established by this section.

20 \* Sec. 10. AS 15.13.070 is amended by adding new subsections to read:

*deletes ben  
in sub 22  
raising for  
all candidates  
during session*

21 (i) A candidate or a group controlled by a candidate may not make a contribution to  
 22 another candidate, except that a candidate may make a contribution to another candidate from  
 23 the candidate's own personal funds.

24 (j) An individual or a group may not make a loan to a candidate or to a group, or  
 25 guarantee a loan made by another to a candidate or to a group. This subsection does not prohibit

26 (1) a contribution in the form of a loan by a candidate or by the spouse, parent,  
 27 or child of a candidate to the candidate's campaign;

28 (2) an extension of credit by a person made in the person's regular course of  
 29 business to a candidate or a group; or

30 (3) a loan by a regulated financial institution to a candidate or group on the same  
 31 terms as would apply to a loan by the financial institution to a similarly situated member of the

*\* Incumbents & non incumbents  
CSSB 243(FIN)*

1 public.

2 (k) A person may not act as an intermediary to transmit contributions to a candidate or  
3 group from a person or group. In this section, "intermediary" does not include a candidate, a  
4 treasurer, deputy treasurer, or other campaign officer, a financial institution, or a person  
5 voluntarily hosting a fund-raising event at the person's home.

technical  
change  
SB 243(1)

6 \* Sec. 11. AS 15.13 is amended by adding new sections to read:

7 Sec. 15.13.072. PERSONAL USE PROHIBITED. A candidate for public office may not  
8 use campaign funds for personal purposes, convert campaign funds into personal income, or  
9 convert goods purchased with campaign funds for personal use.

10 Sec. 15.13.074. DISBURSEMENT OF CAMPAIGN ACCOUNTS. (a) If a candidate  
11 for public office or a group has unexpended and unobligated funds after the date of the election,  
12 the candidate or group shall, no later than January 15 of the year following the election,

13 (1) elect to carry forward the funds for a future election campaign;

14 (2) donate the funds to an organization that qualifies as a charitable organization  
15 under 26 U.S.C. 501(c), to a political party as defined in AS 15.60.010, or to the state or a  
16 municipality;

17 (3) return the funds on a pro rata basis to the contributors to the candidate or  
18 group;

19 (4) transfer the funds to a legislative office account for expenditures qualifying  
20 as business expenses under 26 U.S.C. 162; or

21 (5) use unexpended and unobligated funds remaining after the election to repay  
22 the candidate's contributions to the candidate's campaign.

23 (b) Equipment owned by a candidate or group shall, no later than January 15 of the year  
24 following the election, be carried forward or donated as provided in (a)(1) and (2) of this section.  
25 If the equipment was purchased solely with funds provided by a candidate personally, the  
26 candidate may convert the equipment to the candidate's personal use.

27 (c) A candidate or group that elects to carry forward campaign funds for a future election  
28 under (a)(1) of this section shall file an annual report with the commission under  
29 AS 15.13.110(a)(4) in the year following the election, even if the candidate or group makes no  
30 expenditures or receives no contributions during that year.

31 (d) This section does not apply to a group that is organized to influence elections on an

1 ongoing basis.

2 Sec. 15.13.076. RESPONSIBILITY FOR VIOLATIONS. A candidate is responsible for  
3 violations of this chapter by officers of the candidate's campaign committee, and the chair of a  
4 group is responsible for violations of this chapter by other officers of a group. Penalties assessed  
5 against a candidate's campaign committee or against a group may be assessed directly against  
6 the candidate or the chair of the group.

7 Sec. 15.13.077. USE OF PUBLIC FUNDS PROHIBITED. A municipality, the state,  
8 agencies of the state, public corporations of the state, the University of Alaska, and other political  
9 subdivisions of the state, including school districts and regional educational attendance areas, may  
10 not use public funds to support or oppose a ballot proposition or the election of a candidate. This  
11 section does not prohibit the expenditure of public funds to provide to the public factual  
12 information regarding a ballot proposition.

13 \* Sec. 12. AS 15.13.120(d) is amended to read:

No change  
SB 243 (S)  
15

(d) A person who believes a violation of this chapter has occurred may file a complaint  
with the commission. The complaint must include a statement, made under oath, that the  
16 factual statements in the complaint are true, to the best of the complainant's knowledge.

17 If the commission determines there is substantial reason to believe that a violation has occurred,  
18 it shall expeditiously make an investigation, which may also include an investigation of reports  
19 and statements filed by the complainant if the complainant is a candidate, of the matter  
20 complained of. When, in the judgment of the commission, after affording due notice and an  
21 opportunity for a hearing, a person has engaged or is about to engage in any acts or practices  
22 which constitute or will constitute a violation of a provision of this chapter, or a regulation or  
23 order issued under it, it shall promptly report the information to the attorney general for  
24 appropriate action. The commission shall report its determination and recommendation to the  
25 person who filed the complaint with the commission within 60 days of receiving the complaint  
26 unless circumstances require additional time to make an adequate investigation. The finding of  
27 the commission may be appealed to the superior court.

28 \* Sec. 13. AS 15.13.120 is amended by adding new subsections to read:

29 (i) Proceedings of the commission relating to complaints before it under this section are  
30 confidential until the commission determines that there is probable cause to believe that a  
31 violation of this chapter has occurred. The confidentiality provisions of this subsection may be

1 waived by the subject of the complaint.

2 (j) Except as provided in (i) of this section, meetings of the commission relating to a  
3 complaint are governed by AS 44.62.310 - 44.62.312 (Open Meetings Act), and records in the  
4 possession of the commission relating to the complaint are subject to AS 09.25.110 - 09.25.125.

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

added  
civil  
penalties  
for late  
reporting

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

17 \* Sec. 15. AS 15.13.125 is amended by adding new subsections to read:

expand  
civil  
penalties  
for other  
violations

18 (b) A person who violates a provision of this chapter other than a provision for which  
19 a penalty is prescribed by (a) of this section is subject to a civil penalty of not more than \$20,000  
20 for each offense or twice the amount gained by the misconduct that resulted in a violation,  
21 whichever is greater, as determined by the commission. The commission may also assess a  
22 person subject to a penalty under this subsection with the costs of investigating and adjudicating  
23 the violation on which the penalty is based. The costs of investigation and adjudication shall be  
24 determined by the commission.

HD  
95

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

27 (d) A determination of the commission under this section is subject to right of appeal to  
28 the superior court.

29 (e) The imposition of the penalties prescribed in this section or in AS 15.13.120 does not  
30 excuse the person from filing reports required by this chapter.

31 \* Sec. 16. AS 15.13.130 is amended by adding new paragraphs to read:

1 (8) "commission" means the Alaska Public Offices Commission created in  
2 AS 15.13.020;

No Change  
From  
SB 299  
243(r)

3 (9) "school district" means a municipal school district or a regional educational  
4 attendance area established under AS 14.08;

5 (10) "state agency" means a department, agency, instrumentality, or corporate  
6 authority of the state, whether in the executive, legislative, or judicial branch, and includes the  
7 University of Alaska.

8 \* Sec. 17. AS 15.58.030 is amended by adding a new subsection to read:

9 (h) A candidate, or a person on behalf of a candidate, submitting material under this  
10 section shall swear that factual statements contained in the material are true to the best of the  
11 candidate's or person's knowledge. A candidate or person who knowingly swears falsely is  
12 guilty of perjury under AS 11.56.200.

No Change  
From  
SB 299

13 \* Sec. 18. AS 24.45.031(b) is amended to read:

14 (b) The commission may

15 (1) hold hearings and conduct investigations into compliance with the provisions  
16 of this chapter;

17 (2) in conjunction with (1) of this subsection, issue subpoenas, compel the  
18 attendance and testimony of witnesses, administer oaths and affirmations, and require the  
19 production of books, papers, records, documents or other items material to the commission's  
20 duties or powers under this chapter;

21 (3) prepare, publish, and make available to the public, semi-annual [PERIODIC,  
22 BUT AT LEAST QUARTERLY AND ANNUALLY,] summaries of the statements and reports  
23 received; these summaries shall list separately individual lobbyists and employers of lobbyists.

24 \* Sec. 19. AS 24.45.041(e) is amended to read:

25 (e) Within 45 days after the convening of each regular session of the legislature, the  
26 commission shall publish a directory of registered lobbyists, containing the information prescribed  
27 in (b) of this section for each lobbyist [AND THE PHOTOGRAPH, IF ANY, FURNISHED BY  
28 A LOBBYIST UNDER (C) OF THIS SECTION]. From time to time thereafter the commission  
29 shall publish those supplements to the directory that in the commission's judgment may be  
30 necessary. The directory shall be made available to public officials and to the public at the  
31 following locations: a public place adjacent to the legislative chambers in the state capitol

SB 290  
no change

1 building, [THE OFFICE OF THE LEUTENANT GOVERNOR, THE LEGISLATIVE  
2 REFERENCE LIBRARY OF] the Legislative Affairs Agency, and the commission's central  
3 office.

4 \* Sec. 20. AS 24.45.061(a) is repealed and reenacted to read:

5 (a) A person who employs, retains, or contracts for the services of a lobbyist shall sign  
6 the lobbyist's registration statement verifying that employment, retention, or contract for lobbying  
7 services.

8 \* Sec. 21. AS 24.45.061(b) is amended to read:

9 (b) A person who employs, retains, or [WHO] contracts for the services of one or more  
10 lobbyists, whether independently or jointly with other persons, and who directly or indirectly  
11 makes payments to influence legislative or administrative action shall file an annual [A  
12 QUARTERLY] report containing

13 (1) the full name, complete business address, and telephone number of the person  
14 making the report;

15 (2) information sufficient to identify the nature and interests of the person making  
16 the report;

17 (3) the total amount of payments made to influence legislative or administrative  
18 action during the period, and the name and address of each person to whom these payments have  
19 been made during the period by the maker of the report, together with the date and amount;

20 (4) the date and nature of any gift exceeding \$100 in value made to any public  
21 official and the full name and official position of the recipient of each gift;

22 (5) a general description of the legislative or administrative action that [WHICH]  
23 the person making the report has attempted to influence;

24 (6) the name of each lobbyist employed or retained by the person making the  
25 report, together with the total amount paid to each lobbyist and the portion of that amount, if any,  
26 that [WHICH] was paid for specific purposes, including salary, fees, and reimbursement for  
27 expenses; and

28 (7) a notice of termination if the person filing a report has ceased employing or  
29 retaining a lobbyist registered under this chapter and if this report constitutes the final report of  
30 the lobbyist's activities on behalf of the maker of the report.

31 \* Sec. 22. AS 24.45.081 is amended to read:

1           Sec. 24.45.081. REPORTING PERIODS. Lobbyist reports [REPORTS] required under  
 2 this chapter shall be filed during the calendar month following each calendar month during any  
 3 part of which the legislature was in session and during the month following each calendar quarter  
 4 when the legislature was not in session. However, if a lobbyist registered under this chapter has  
 5 declared that the lobbyist seeks only to influence administrative action and not legislative action,  
 6 the lobbyist need only file a report required under this chapter for each calendar quarter. The  
 7 period covered shall be the calendar month or the calendar quarter, as applicable, and shall in any  
 8 event cover the period from the date of the last report filed under this chapter to the date of the  
 9 end of the calendar month or quarter, as applicable, for which the report is being filed. The  
 10 period covered shall not include any months covered in previous reports filed by the same person.  
 11 When total amounts are required to be reported, totals shall be stated both for the period covered  
 12 by the statement and for the entire calendar year to date. Annual employer reports required  
 13 under this chapter shall be filed either 30 days after all lobbying activities are terminated  
 14 or during the month following the fourth calendar quarter, whichever occurs first.

15 \* Sec. 23. AS 39.50.030(a) is amended to read:

16           (a) Each statement shall be an accurate representation of the financial affairs of the public  
 17 official or candidate and shall contain the same information for each member of the person's  
 18 family, as specified in (b) of this section, to the extent that it is ascertainable by the public  
 19 official or candidate. [AN ASSET OR LIABILITY UNDER \$500, HOUSEHOLD GOODS,  
 20 AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

21 \* Sec. 24. AS 39.50.030(b) is amended to read:

22           (b) Each statement filed by a public official or candidate under this chapter shall include  
 23 the following:

24           (1) the source of all income over \$1,000 [\$100] during the preceding calendar  
 25 year, including taxable and nontaxable capital gains, received by the person, the person's spouse  
 26 or dependent child, or a nondependent child of the person who is living with that person, except  
 27 that a source of income that is a gift from other than a family member must be included  
 28 if the value of the gift exceeds \$100;

29           (2) the identity, by name and address, of each business in which the person, the  
 30 person's spouse or dependent child, or a nondependent child of the person who is living with that  
 31 person was a stockholder, owner, officer, director, partner, proprietor, or employee during the

*added  
 clarify  
 language  
 3/5/2009*

1 preceding calendar year;

2 (3) the identity and nature of each interest owned in any business during the  
3 preceding calendar year by the person, the person's spouse or dependent child, or a nondependent  
4 child of the person who is living with that person;

5 (4) the identity and nature of each interest in real property, including an option  
6 to buy, owned at any time during the preceding calendar year by the person, the person's spouse  
7 or dependent child, or a nondependent child of the person who is living with that person;

8 (5) the identity of each trust or other fiduciary relation in which the person, the  
9 person's spouse or dependent child, or a nondependent child of the person who is living with that  
10 person held a beneficial interest exceeding \$1,000 during the preceding calendar year, a  
11 description and identification of the property contained in each trust or relation, and the nature  
12 and extent of the beneficial interest in it;

13 (6) any loan or loan guarantee made to the person, the person's spouse or  
14 dependent child, or a nondependent child of the person who is living with that person, and the  
15 identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the  
16 person, the person's spouse or dependent child, or a nondependent child of the person who lives  
17 with that person owed more than \$1,000 [\$500 OR MORE];

18 (7) a list of all contracts and offers to contract with the state or an instrumentality  
19 of the state during the preceding calendar year held, bid, or offered by the person, the person's  
20 spouse or dependent child, a nondependent child of the person who is living with that person,  
21 a partnership or professional corporation of which the person is a member [THE PERSON'S  
22 MOTHER OR FATHER], or a corporation in which the person or the person's spouse or  
23 children, or a combination of them, hold a controlling interest; and

24 (8) a list of all mineral, timber, oil, or any other natural resource lease held, or  
25 lease offer made, during the preceding calendar year by the person, the person's spouse or  
26 dependent child, a nondependent child of the person who is living with that person, [THE  
27 PERSON'S MOTHER OR FATHER] a partnership or professional corporation of which the  
28 person is a member, or a corporation in which the person or the person's spouse or children, or  
29 a combination of them, holds a controlling interest.

\* Sec. 25. AS 39.50.050(d) is amended to read:

(d) To facilitate the filing of reports under AS 24.45 (Regulation of Lobbying) and the

>B299 30  
no change  
31  
↓

1 information required to be provided under AS 24.45.051(4) [AND (5),] the commission shall  
 2 publish copies of the reports required under this chapter not later than the convening of each  
 3 regular session of the legislature. Copies of this publication shall be provided on request;  
 4 however, the commission may make a charge for the publication that may not exceed the actual  
 5 cost of printing, postage, and handling.

6 \* Sec. 26. AS 39.50 is amended by adding a new section to read:

7           Sec. 39.50.147. EXEMPTION FOR MUNICIPALITIES. The provisions of this chapter  
 8 do not apply to a municipal officer of a municipality with a population of 1,000 or less according  
 9 to the latest United States census figures or estimates of population certified correct for  
 10 administrative purposes by the Department of Community and Regional Affairs.

11 \* Sec. 27. AS 15.13.110(a)(3); AS 24.45.041(c), 24.45.051(5), 24.45.116; AS 24.60.030(f),  
 12 24.60.030(g); and AS 39.50.025 are repealed.

*new  
effective  
date*

13 \* Sec. 28. This Act takes effect January 16, 1993.

1 legislature may not solicit, or knowingly allow, a lobbyist to engage in activities on behalf of the  
2 candidate that are prohibited by AS 24.45.121(a)(9).

3 (b) A candidate may not seek to evade the purposes of this section by soliciting, or  
4 knowingly permitting an entity retained to lobby or an employee of a lobbyist to perform  
5 fund-raising services.

6 (c) In this section,

7 (1) "entity retained to lobby" means a firm, corporation, other business entity, or  
8 nonprofit entity that is retained for the primary purpose of influencing legislative or  
9 administrative action;

10 (2) "lobbyist" has the meaning given in AS 24.45.171, but does not include a  
11 person described in AS 24.45.161(a) or a representational lobbyist as defined in AS 24.45.171.

12 **Sec. 15.13.077. USE OF PUBLIC FUNDS PROHIBITED.** A municipality, the state,  
13 agencies of the state, public corporations of the state, the University of Alaska, and other political  
14 subdivisions of the state, including school districts and regional educational attendance areas may  
15 not use public funds to support or oppose a ballot proposition or the election of a candidate. This  
16 section does not prohibit the expenditure of public funds to provide to the public factual  
17 information regarding a ballot proposition.

18 \* Sec. 4. AS 15.13.090 is amended to read:

19 **Sec. 15.13.090. IDENTIFICATION OF COMMUNICATION.** All advertisements,  
20 billboards, handbills, paid-for television and radio announcements, and other communications  
21 intended to influence the election of a candidate or outcome of a ballot proposition or question  
22 shall have their source [BE] clearly identified. The commission may adopt regulations to  
23 implement this section [BY THE WORDS "PAID FOR BY" FOLLOWED BY THE NAME  
24 AND ADDRESS OF THE CANDIDATE, GROUP OR INDIVIDUAL PAYING FOR THE  
25 ADVERTISING. IN ADDITION, CANDIDATES AND GROUPS MUST IDENTIFY THE  
26 NAME OF THEIR CAMPAIGN CHAIRMAN].

27 \* Sec. 5. AS 15.13.100 is amended to read:

28 **Sec. 15.13.100. EXPENDITURES BEFORE FILING.** A person may not accept a  
29 political contribution and a political campaign expenditure may not be made or incurred by a  
30 person in an election or by a person or group with the person's knowledge and on the person's  
31 behalf before the date upon which the person files for nomination for the office which the person

Suggested language - AM

**SENATE FINANCE CS FOR SB 243:**

Changes between (S) JUD version and proposed Finance CS:

Title change to accommodate roll-in of SB 299 - APOC bill

Section 1 - Advisory opinions binding on subsequent proceedings  
[carried forward from SB 243 (JUD)]

Section 2 - Exemption from APOC reporting requirements for candidates who receive or expend less than \$1000 on behalf of a campaign. [rolled in from SB 299 - APOC]

Section 3 - Unreported accrued expenditure not paid within 90 days becomes a contribution [rolled in from SB 299 - APOC]

Section 4 - AS 15.13.041 - Omits criminal penalties from section on prohibited solicitation of contributions - criminal penalties are still available under AS 15.13.120 - Section 14 & 15 [change from SB 243]

AS 15.13.043 - Deleted detailed examples of using public resources for campaigns and exempted Judicial Council evaluation of judges [change from SB 243].

Section 5 - When two or more groups are considered to be a single group for purpose of contribution limit - [no change from SB 243]

Section 6 - Prohibits paid lobbyist from serving as campaign treasurer or dep. treasurer [ no change from SB 243]

Section 7 - Clarifies that nonmonetary contributions are counted for purposes of the \$1000 limit [no change from SB 243]

Section 8 - Prohibits cash expenditure of more than \$100 [ no change from SB 243]

Section 9 - Added clarifying language suggested by APOC highlighted on your draft [no substantive change from SB 243]

Section 10 - Deleted ban on fundraising activities during session for incumbents<sup>4</sup> nonincumbents (limited legislative ban in current ethics law) and deleted ban on political subdivisions making contributions to

candidates to groups at any time [changes from SB 243] My understanding is that you did not see any reason to apply session fund raising ban on challengers and that ban on legislators fund raising activities should be addressed in ethics legislation.

Section 11 - AS15.13.072 Prohibits converting campaign funds or goods into personal use [no change from SB 243]

AS15.13.074 Disbursement of surplus campaign accounts - technical change and deletion of ambiguous and contradictory language suggested by APOC [no substantive change from SB 243]

AS15.13.076 - Changed "head" of group to "chair" of group incorporating APOC suggestion [SB 2143]

AS 15..13.077 - Prohibits use of public funds - per AML request to use language from SB 195

Section 12 - Complainant must sign oath that factual statements are true [no change from SB 243]

Section 13 - Clarified language relating to confidentiality of commission complaint proceedings - would allow commission to state why complaint was dismissed [changed from SB 243]

Section 14 - Added civil penalties for late reporting from SB 299

Section 15 - Expanded civil penalty authority for other violations of campaign disclosure law per APOC request [from HB 195]

Section 16 - Definitions [SB 243 no change]

Section 17 - Sworn statements for material included in election pamphlet [no change from SB 243]

Section 18 - Reduces APOC publication of lobbying activity summaries from 5 to 2 time per year [no change from SB 299]

Section 19 - Revises requirements for lobbyist directory [no change from SB 299]

Section 20 - Requirement for lobbyist's employer to sign lobbyist's registration statement (eliminates one filing) [no change from SB 299]

Section 21 - Reduces from three to one employer (lobbyist) reports per year (number of lobbyist reports will remain the same) [no change from SB 299]

Section 22 - Conforming amendment relating to reporting periods [no change from SB 299]

Section 23 - Eliminates ambiguous and unnecessary language from conflict of interest statute [no change from SB 299]

Section 24 - Changes reporting threshold for reporting sources of income or fiduciary interest on conflict of interest statement from \$100 to \$1000, and increases loan reporting threshold from \$500 to \$1000, retains requirement that gifts over \$100 be reported and codifies that gifts from **family members** need not be reported [minor change from SB 299]

Section 25 - Conforming amendment relating to repealer section (Sec. 27) [no change from SB 299]

Section 26 - Provides exemption for municipal officers in communities with less than 1000 population from filing conflict of interest statements [no change from SB 299]

Section 27 - Repealer section: 10-day campaign disclosure report deleted; photograph of lobbyist for directory; lobbyist business transactions with businesses owned or controlled by public officials deleted; deletes unnecessary language contributions to civic organizations from lobbying law; and eliminates requirement for APOC to distribute ethics law to candidates.

Section 28 - Changes effective date to January 16, 1993 to avoid impact on this year's election.

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS SB 243 (JUD)

Revision Date: \_\_\_\_\_  
Title: "An Act related to campaign financing and campaign material, etc."

Department Affected: Administration  
BRU: Alaska Public Offices Commission  
Component: Alaska Public Offices Commission

Sponsor: Special Committee on Ethics Reform  
Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 

		7	0
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	<u>112.2</u> 164.6	<u>117.1</u> 169.5	<u>122.2</u> 174.5	<u>127.4</u> 179.8	<u>132.3</u> 185.2	<u>138.4</u> 190.8
TRAVEL	5.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	6.2	<u>12.5</u> 22.5	<u>12.5</u> 22.5	<u>12.5</u> 22.5	<u>12.5</u> 22.5	<u>12.5</u> 22.5
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	<u>0</u> 1.7	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
TOTAL OPERATING	<u>123.4</u> 177.5	<u>131.6</u> 194.0	<u>136.7</u> 199.1	<u>141.9</u> 204.3	<u>147.3</u> 209.7	<u>152.9</u> 215.3

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	<u>123.4</u> 177.5	<u>131.6</u> 194.0	<u>136.7</u> 199.1	<u>141.9</u> 204.3	<u>147.3</u> 209.7	<u>152.9</u> 215.3
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	<u>123.4</u> 177.5	<u>131.6</u> 194.0	<u>136.7</u> 199.1	<u>141.9</u> 204.3	<u>147.3</u> 209.7	<u>152.9</u> 215.3

POSITIONS:

FULL-TIME	<u>3A</u>	<u>3A</u>	<u>3A</u>	<u>3A</u>	<u>3A</u>	<u>3A</u>
PART-TIME	(1)	(1)	(1)	(1)	(1)	(1)
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary. This bill modifies Alaska Statute 15.13, the Campaign Disclosure Law, and includes provisions which prohibit some campaign finance activity in public facilities and limit State and local government officials from using public funds or facilities to influence an election. It prohibits lobbyists from being campaign treasurers or deputy treasurers; prohibits cash contributions over \$100 and  
(continued)

Prepared by: Karen Booman, Executive Director  
Division: Alaska Public Offices Commission

Phone: 276-4176  
Date: May 1, 1992

Approved by Commissioner: Nancy Bear Usura  
Agency: Administration

Date: 5/1/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

## FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS SB 243 (JUD)

### ANALYSIS: (continued)

contributions from one candidate to another; limits fun raising by legislators and candidates for the legislature; prohibits use of campaign funds or goods for personal use; limits use of surplus funds and requires closure of campaign accounts after an election. The bill shortens the Alaska Public Offices Commission (APOC) response time on advisory opinions to 30 days and complaints to 45 days.

The commission anticipates it will incur start up costs as it prepares to assume its duties of administering and enforcing these new provisions. Staff must revise forms, manuals, and training materials, as well as prepare new regulations for commission adoption. Existing staff cannot undertake these start up activities, so new positions would be required.

The commission will receive many ongoing requests for advice about interpretation of the law. In particular, the provisions dealing with the limits of the use of public funds or facilities will generate many compliance questions. Questions such as whether a planned campaign expenditure is permissible because it may be for personal use, or whether a local government or school district is improperly using public funds or facilities to influence the outcome of a local election are likely. Staff will need extra funds to prepare for the first election in which candidates must comply with the provisions regarding disbursement of campaign surplus and prohibited uses of campaign funds, and to give training sessions to help candidates comply. Information will have to be given to State and local government officials on the prohibitions regarding use of public funds and facilities.

It is expected that several complaints will be filed each year alleging that a candidate, lobbyist, public entity, or official has violated one of these provisions. Potential complaints include allegations that a candidate used campaign funds for personal use, closed down a campaign account improperly, or conducted fund raising too soon or too late. Since the only penalties available for these violations are criminal, it is reasonable to expect that one complaint each year will proceed to public hearing. This expense cannot be absorbed from funds currently budgeted.

The commission will need to hold a hearing in FY 93 to adopt regulatory changes. The expenses of such a hearing are not funded within the FY 93 budget.

In order to meet the mandates of the new law, the commission will need to add one professional staff member (Associate Coordinator, range 18) to investigate complaints, draft regulations, and provide compliance advice and draft advisory opinions. A paraprofessional staff member (Regulation: Specialist II, range 16) will be necessary to help draft regulations, develop manuals, revise forms, conduct training, and provide compliance advice. A Clerk IV (range 9) will be needed to handle the additional paperwork and extra typing that cannot be absorbed by the one secretary in the Anchorage office.

The commission's current office space in Anchorage is too small to house these new positions. Modest sized space is available in the building and could be made functional with minor remodeling. Two desks, chairs, and telephones will be required as well.

The Juneau office will require additional staff to provide compliance advice and assist in investigations. In order to meet this need and provide assistance to the Juneau office administrator, the commission requests extending the current part-time Clerk III position to a full-time clerk position.

A detailed breakdown of the costs associated with administration and enforcement of this bill is attached.

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS SB 243 (JUD)

ANALYSIS: (continued)

CS SB 243  
APOC Estimated Costs  
FY 93

Personnel:

Associate Coordinator, Range 18A -	\$ 59,705
Regulations Specialist II, Range 16A -	← 52,422 →
Clerk IV, Range 9A (Anchorage) -	35,261
Clerk III, Range 8B (upgrade to full-time, Juneau) -	17,169
	<u>\$164,557</u>

Travel:

* Regulations hearing	\$3,000
Training	<u>2,000</u>
	\$5,000 -

Contractual Services:

Instruction/education materials (design, print, postage for amended forms and manuals)	\$1,500
Teleconferencing Cost	\$ 500
Office space: 350 sq.ft. @ \$1.00 sq.ft./month	<u>- 4,200</u>
	\$6,200

*52,422  
4,200  
4,250  
60,870*

\*\* Legal Fees

Hearings	\$12,000
Witness Fees	250
Subpoenas	3,000
Transcripts	<u>1,000</u>
	\$16,250

*← 12,157*

Equipment:

* Desk and Chairs (2)	\$1,200
* Phone Installations/Equipment (2)	<u>500</u>
	\$1,700

\* Travel for regulations hearing and office equipment required for FY 93 only. (\$4,700 total)

\*\* Complaint investigation funds (legal fees) will be necessary after FY 93.

Personal Services cost projected to increase at three percent per year for merit increase.



4/30/91

SB 243

ELECTION CAMPAIGN FINANCING, CAMPAIGN MATERIAL AND  
THE ALASKA PUBLIC OFFICES COMMISSION

Personnel:

Associate Coordinator Range 18A \$40,723  
Paralegal Range 16A \$35,343  
Clerk Range 9A (ANC) \$22,642  
Clerk Range 8B (part time JNO) \$8,503

Benefits:

30% of base salaries (includes insurance) \$44,800

Travel:

\* Regulations hearing \$3,000  
Training 2,000

Contractual Services:

Instruction/educational materials  
(design, print, postage for amended forms and manuals) \$1,500  
Teleconferencing Cost 500

\*\*Legal fees

Hearing \$12,000  
Witness fee 250  
Subpoenas 3,000  
Transcripts 1,000  
\$16,250

Office space: 350 square feet @ \$1.00 sq. ft. \$4,200  
\*Desk and Chairs (2) 1,200  
\*Phone Installation/Equipment (2) 500  
\$5,900

\*Travel for regulations hearing and office equipment required for FY92 only  
(\$4,700 total)

\*\*Complaint investigation funds (legal fees) will be necessary after FY92.

## SB 243 FISCAL NARRATIVE

This bill modifies AS 15.13, the Campaign Disclosure law, and includes provisions which prohibit some campaign finance activity in public facilities and limit state and local government officials from using public funds or facilities to influence an election. It prohibits lobbyists from being campaign treasurers or deputy treasurers; prohibits cash contributions over \$100 and contributions from one candidate to another; limits fundraising by legislators and candidates for the legislature; prohibits use of campaign funds or goods for personal use; limits use of surplus funds and requires closure of campaign accounts after an election. The bill shortens the APOC response time on advisory opinions to 30 days and complaints to 45 days.

The Commission anticipates it will incur start up costs as it prepares to assume its duties of administering and enforcing these new provisions. Staff must revise forms, manuals and training materials as well as prepare new regulations for Commission adoption. Existing staff cannot undertake these start up activities, so new positions would be required.

The Commission will receive many ongoing requests for advice about interpretation of the law. In particular the provisions dealing with the limits of the use of public funds or facilities will generate many compliance questions. Questions such as whether a planned campaign expenditure is permissible because it may be for personal use, or whether a local government or school district is improperly using public funds or facilities to influence the outcome of a local election are likely. Staff will need extra funds to prepare for the first election in which candidates must comply with the provisions regarding disbursement of campaign surplus and prohibited uses of campaign funds and to give training sessions to help candidates comply. Information will have to be given to state and local government officials on the prohibitions regarding use of public funds and facilities.

It is expected that several complaints will be filed each year alleging that a candidate, lobbyist, public entity or official has violated one of these provisions. Potential complaints include allegations that a candidate used campaign funds for personal use, closed down a campaign account improperly, or conducted fundraising too soon or too late. Since the only penalties available for these violations are criminal, it is reasonable to expect that one complaint each year will proceed to public hearing. This expense cannot be absorbed from funds currently budgeted.

The Commission will need to hold a hearing in FY 92 to adopt regulatory changes. The expenses of such a hearing are not funded within the FY 92 budget.

SB 243  
Fiscal Narrative  
April 30, 1991  
Page Two

In order to meet the mandates of the new law, the Commission will need to add one professional staff member (Associate Coordinator - Range 18) to investigate complaints, draft regulations and provide compliance advice and draft advisory opinions. A paraprofessional staff member (Paralegal - Range 16) will be necessary to help draft regulations, develop manuals, revise forms, conduct training and provide compliance advice. A clerk typist IV (Range 9) will be needed to handle the additional paperwork and extra typing that cannot be absorbed by the one secretary in the Anchorage office.

The Commission's current office space in Anchorage is too small to house these new positions. Modest sized space is available in the building and could be made functional with minor remodeling. Two desks, chairs and telephones will be required as well.

The Juneau office will require additional staff to provide compliance advice and assist in investigations. In order to meet this need and provide assistance to the Juneau office administrator, the Commission requests extending the current part-time Clerk III position to a part-time clerk position, year round.

A detailed breakdown of the costs associated with administration and enforcement of this bill is attached.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

### MEMORANDUM

May 7, 1992

**SUBJECT:** Sectional Analysis of CSSB 243 (JUD)  
(Work Order No. 7-LS1064\M)

**TO:** Senator Virginia Collins  
Attention: Shirley Armstrong

**FROM:** Robert Glennon Casey *RG*  
Legislative Counsel *5-7-92*

You have requested a sectional analysis of the above-described bill. The following is an explanation of the contemplated effect of various provisions, but this should not be considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 would add a paragraph to AS 15.13.030 ("Duties of the Commission"). The effect would be to require the Alaska Public Offices Commission (APOC) to issue advisory opinions concerning the meaning of AS 15.13 upon request. APOC would thereafter be bound by its own interpretation in subsequent proceedings, thereby affording candidates who obtained such advisory opinions a measure of security.

Section 2 would add two new sections to AS 15.13. The two new sections would have similar themes. The first of these, AS 15.13.041 ("Prohibited Solicitation of Contributions"), would prohibit public officers and public employees from soliciting or requesting contributions while on the premises of state or municipal buildings. Violators of this section would be guilty of a class A misdemeanor, subject to imprisonment for up to one year, and subject to a fine up to \$5,000 or 400% of the illegal contribution, whichever was greater.

The other part of section 2 would create a new AS 15.13.043 ("Use of Public Office or Agency Facilities in a Campaign"). Under this section, public funds, property, personnel, facilities, and buildings could not be used for campaign fund-raising or various other activities intended to influence the outcome of elections. Specific prohibitions are listed, including a ban on the posting of partisan communications in public buildings. Excepted from the prohibitions are the preparation and distribution of the voter election pamphlet; nonpartisan voter registration; actions taken by public officials expressing collective decision or voting on a motion, proposal, bill, resolution,

Senator Virginia Collins

May 7, 1992

Page 2

ordinance, or order; and actions by elected public officials in support or opposition to ballot propositions or in response to questions at press conferences or specific inquiries.

Section 3 would amend AS 15.13.050 ("Groups") to provide that groups with two or more common officers would be considered single groups for purposes of contribution limitations. Such a measure would be intended to counter the tactic of circumventing contribution limitations by organizing numerous duplicate organizations and having each of them make the maximum donation.

Section 4 would amend AS 15.13.060 ("Campaign Treasurers") to prohibit certain currently registered lobbyists from simultaneously serving as campaign treasurers or deputy campaign treasurers. Representational lobbyists, however, would be permitted to serve both functions simultaneously.

Section 5 would tighten AS 15.13.070(a)'s \$1,000 annual limit on campaign contributions and expenditures by requiring that the calendar year be used to compute "annual" transactions. Furthermore, it would clarify that "money, goods, or services" or a combination thereof would all be included in computing the total amount of contributions. Thus certain methods of circumventing the \$1,000 limit - contributing \$1,000 on consecutive days but accounting the contributions as occurring at the end and the beginning of separate years or making separate contributions of cash, goods, and services, each valued at \$1,000 - would be prohibited.

Section 6 would further amend AS 15.13.070. It would tighten subsection (c)'s requirements concerning the tracing of payments. Contributions and expenditures of over \$100 could no longer be made in cash, regardless of the use of written receipts.

Section 7 would amend AS 15.13.070(d) by providing that a campaign receiving an illegal anonymous donation must disgorge the contribution within ten days. Thus campaigns could not benefit from illegal contributions by freezing them and collecting their interest. This section would also provide that contributions from unemancipated, unmarried minors be deemed to have been made by the minor's parent or guardian and counted toward the parent or guardian's contribution limit. Once again, a method of circumventing the \$1,000 limit - this time, separate contributions by a donor and the donor's unemancipated, unmarried children and wards that collectively totalled over \$1,000 - would be addressed.

Section 8 would amend AS 15.13.070 by adding five further restrictions on contributions to a campaign.

First, a candidate or a group controlled by a candidate could not make a contribution to another candidate except from the candidate's personal funds. Thus certain

campaigns could not be used as conduits for contributions to other campaigns occurring at the same time.

Second, loans and loan guarantees could not be made in favor of candidates or groups, other than by (1) the candidate or the candidate's spouse, parents, or children; (2) persons acting in the regular course of business; or (3) regulated financial institutions providing the same terms as those available to the general public. Circumvention of the \$1,000 limit by disguised loans and loan guarantees would thus be addressed.

Third, there would be a general prohibition against persons acting as conduits or "intermediaries" for transmitting contributions to campaigns. Excepted from the general prohibition, however, would be candidates and campaign officers that passed contributions on to their own campaigns, financial institutions, and certain persons who voluntarily conducted fund-raisers at their own homes.

Fourth, members of the legislature running for any office and nonincumbent candidates for the legislature would be prohibited from engaging in certain fund-raising activity during the legislation session. (See discussion of Section 13.)

Fifth, municipalities and school districts could not make contributions, either directly or through their officers or employees, to a candidate or group.

Section 9 adds more new sections to AS 15.13.

First to be added would be AS 15.13.072 ("Personal Use Prohibited"). This section would prohibit a candidate from converting campaign funds to personal use.

Second to be added would be AS 15.13.074 ("Disbursement of Campaign Accounts"). This section would require that campaign accounts be closed by January 15 of the year following the election and that unexpended and unobligated campaign funds after the election be disgorged according to any of the following methods: (1) transfer to a new account for a future campaign, (2) donation to certain charitable organizations, the state, or a municipality, (3) pro rata return to campaign contributors, (4) transfer to a legislative office account for expenditures qualifying as business expenses under the Internal Revenue Code, or (5) repayment of a candidate's own personal contributions to the campaign.

Under the new AS 15.13.074, miscellaneous special rules would govern transfer of equipment and transfer of funds for use in future elections.

AS 15.13.074's rules would not cover groups organized to influence campaigns on an ongoing basis. Such groups could redirect their accounts for future campaigns.

A third section to be added would be AS 15.13.076 ("Responsibility for Violations"). It would make candidates responsible for the violations of AS 15.13 committed by officers of their campaign committees. It would also make the head of a group responsible for violations by other officers of the same group. "Responsibility" would include personal liability for assessed penalties.

The fourth section to be added would be AS 15.13.078 ("Public Spending Prohibited"). It would prohibit officers and employees of state agencies, municipalities, or school districts from expending or authorizing expenditure of state, municipality, or school district funds to influence the outcome of elections. It would not prohibit use of such funds for dissemination of information regarding the date of an election or nonpartisan information regarding the qualifications of a candidate or the effect of a ballot proposition.

Section 10 would tighten the requirements of complaints filed with APOC that alleged violations of AS 15.13. A complaint would be required to include a statement under oath by the declarant that the factual statements were true, to the best of the declarant's knowledge.

Section 11 addresses the degree to which APOC investigations of possible violations of AS 15.13 would be open to the public. The general rule would be that meetings and records of APOC relating to a complaint would be open to the public. There would, however, be an exception. Until APOC decided that there was probable cause to believe that a violation of AS 15.13 had occurred, proceedings and records relating to a complaint would be confidential. The subject of an investigation could waive confidentiality.

Section 12 adds definitions of "commission," "school district," and "state agency" in response to use of those terms by this bill. The term "school district" would include a regional educational attendance area. The term "state agency" would include the University of Alaska.

Section 13 is a repealer section. Most of what it repeals, however, is restored by section 8 of the bill, as shall be explained.

First, section 13 would repeal AS 24.60.040(f), which presently characterizes as "a conflict of interest" acceptance by a legislator of money from an event held in the capital city during a legislative session that was intended to raise money for state legislative political purposes.

Furthermore, Section 13 would also logically repeal AS 24.60.040(g), which exempted legislators from the capital city from the effect of AS 24.60.040(f).

Senator Virginia Collins  
May 7, 1992  
Page 5

These two repealers would remove the above-described activity from AS 24.60's conflict of interest rules. On the other hand, similar activity would be prohibited under an earlier provision of the bill, section 8. Although section 8 would not prohibit lame duck legislators from receiving money from the kinds of events described above, it would prohibit legislators running for any office (including running for reelection) and nonincumbent candidates for legislature from accepting money from any events occurring during a legislative session. Thus section 8 would narrow the prohibition in one way (making it inapplicable to legislators who were not running for reelection to legislature or election to another office) but expand the prohibition in another way (making it applicable to fund-raising events regardless of where they were held).

RGC:pl  
92-335.plm

SFC-92  
5-8-92pm

ALASKA PUBLIC OFFICES COMMISSION  
CSSB 243  
POSITION PAPER  
APRIL 13, 1992

The Alaska Public Offices Commission has reviewed CSSB 243. This legislation would limit the time and place of campaign fundraising, prohibit some loans to candidates, and make it a crime for the state, school districts and municipalities to spend public money to distribute non-neutral information about an election. It would also require APOC to respond more quickly to complaints and advisory opinion requests and make complaint proceedings more confidential.

The Commission believes this bill is in the public's interest and supports its enactment. However, the Commission has several comments about specific sections.

The Commission notes that AS 15.13 provides only criminal penalties for the new prohibitions proposed in this legislation and suggests that civil penalties (fines) be added to apply to those prohibitions. Only two criminal convictions have resulted from violations of AS 15.13 since it was enacted. It is an expensive and time consuming process. If the goal of this bill is to create a disincentive for undesirable behavior, civil penalties would be a more effective tool than criminal penalties in reaching that goal--especially for the less egregious violations. Criminal penalties should remain available for the more egregious violations.

Section 1. AS 15.13.030(11). Advisory opinion requests. The Commission is not sure whether the legislature intends to make all advisory opinions binding precedent on future opinions. The Commission is also unclear about the need for a mandatory response time of 30 days. Since only the Commission can issue advisory opinions this would increase the frequency and therefore cost of meetings either in-person or telephonically.

✓ Section 2. AS 15.13.041 and 043. Prohibited solicitation of contributions and use of public office or agency facilities in a campaign. While the Commission supports the apparent intent of this section, it is concerned that the terms "state or municipal building," "public funds or property," "public building" and "the time of a public officer or employee" are very broad and may be unnecessarily restrictive. Would this outlaw the use of public broadcasting radio and television stations in campaigns or prevent a candidates forum in a city hall? Definitions would help clarify legislative intent for this section.

Section 3. AS 15.13.050(b). Contribution limits. In the Commission's experience this contribution limitation issue has arisen with corporations and labor unions not groups. The Commission adopted 2 AAC 50.357 to address this area. A copy is attached.

*Attachment*

Section 4. AS 15.13.060(g). Restrictions on lobbyists as campaign treasurers. The Commission supports this section.

Section 5. AS 15.13.070(a). Clarification of maximum contribution. The Commission supports this provision as it makes it more clear that goods and services are included in the contribution.

Section 6. AS 15.13.070(c). Prohibition of cash expenditures over \$100. The Commission believes this provision would create problems for campaigns in rural areas where cash is the dominant medium of exchange. The Commission suggests this section be reworded to prohibit cash expenditures over \$250 rather than \$100 to accomplish the intended purpose but reduce the problems for rural campaigns.

Section 7. AS 15.13.070(d). Contributions from unemancipated or unmarried minors count toward limit of parents. The Commission notes that 2 AAC 50.357(d) already deals with this area (see attached). The Commission suggests two minor additions to clarify this section. First, candidates should be required to return contributions from people wishing to remain anonymous within 10 days of receipt. Second, adding "of the parent or guardian" after "limit" on page 4, line 7 would make it clear whose limit the minor's contribution would count toward.

✓ Section 8. AS 15.13.070(i)-(m). Restrictions on contributions, loans, intermediaries and fundraising.

(i). The Commission notes that this subsection would require all joint campaign expenditures to be split evenly.

(j). The Commission agrees with this subsection.

(k). The Commission notes that 2 AAC 50.334 currently allows authorized intermediaries to transfer contributions as long as it does not take longer than 72 hours.

(l). This subsection bans all fundraising by candidates, parties or groups during legislative session, and is thus very restrictive. Does "member" on page 4, line 30 mean only incumbent legislators running for any office? The Commission suggests the term "state legislative political purposes" be defined.

(m). Is the exclusion of state officials intentional? It may be difficult to determine when an official is acting in an "official capacity." Does this prohibition extend to private as well as public funds?

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Position Paper  
April 13, 1992  
Page Three

Section 9. AS 15.13.072 through .078. Restrictions on use of campaign funds, disbursement of campaign accounts, and public spending; candidate and group liability.

.072. The Commission would like to require a candidate to report those assets worth more than \$2500 that the candidate retains at the close of the campaign. The Commission also notes that the prohibition of using campaign funds for "personal purposes" is very broad and a definition of personal purposes would show legislative intent.

.074. This section appears to give an advantage to long term incumbents as it allows transfer of unlimited funds to new campaign accounts and office accounts. The Commission supports limitation on the amount of funds transferred into new campaign accounts. It is not likely that candidates would transfer equipment to new campaign accounts without using it personally in the interim. Subsections (b) and (e) appear to contradict each other; if funds and equipment may be disbursed after January 15, that date has minimal significance as a deadline. What is meant by a group organized on an "on going basis"? Is two consecutive years of activity sufficient to qualify for this exemption?

"Of his or her own" could be added to the end of subsection (a)(1) to clarify the prohibition. The Commission suggests the following wording for subsection (d)

"A candidate or group that transfers campaign funds to an account for a future election under (a)(1) of this section shall report the transfer on the year-end report under AS 15.13.110 (a)(4) or the closing report under 2 AAC 50.400(a), whichever is sooner."

.076. The Commission is concerned that this section may create a disincentive to serve as a group officer or to run for office because of the vicarious criminal liability it creates. For example, a treasurer may make a major error while serving on behalf of a political party subdivision, complete their term and then move on and the group's president could be held personally responsible. The Commission notes that the term "head of a group" appears no other place in AS 15.13.

CSSB 243  
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Page Four

.078. The title limits this section to municipal spending but the text includes officer or employee of the state and state funds. The Commission believes public funds are properly spent on distributing neutral information. However, the Commission also expects problems to arise in interpreting this term.

Section 10. AS 15.13.120(d). The Commission agrees with the proposed change requiring the oath. However, given its current resources, the Commission cannot meet even the existing standard of resolving complaints within 60 days. Current staffing level allows one full-time investigator to investigate complaints.

Section 11. AS 15.13.120(i) and (j). The Commission generally favors open proceedings because private deliberations may erode public confidence in the fairness of the process. It should be noted the complainant could make the complaint and supporting documents public under these subsections, thus frustrating their apparent goal. There appears to be a conflict between the second sentence of subsection (i) and the first and third sentences; would the complaint always be confidential, or would it become public once probable cause were found?

Section 12. AS 15.13.130 (8) through (10). Definitions. (9) would increase the scope of the campaign disclosure law as rural education attendance areas are currently exempt from AS 15.13. (10) defines "state agency" very broadly and with the prohibitions on the use of state resources could create conflicts with some state agencies' statutes. For example, the Judicial Council, is required by statute to use public funds to distribute election information.

**2 AAC 50.334. PERSONS WHO MAY ACCEPT CONTRIBUTIONS.** (a) A candidate's campaign committee, or a group, may authorize a person who is not registered as a deputy treasurer to accept or solicit campaign contributions on its behalf for any single event. Campaign committees or groups are not in violation of AS 15.13.070(e) if contributions collected by the authorized person are turned over to a candidate, treasurer, or deputy treasurer of the intended committee or group within 72 hours.

(b) An individual who is, or will be fundraising on a regular basis throughout a political campaign must be registered as a deputy treasurer in accordance with AS 15.13.060(e).

(c) Individuals that have not been "authorized" to accept campaign contributions by either a candidate or his treasurer, or the treasurer of a group, are prohibited from collecting campaign contributions on behalf of a candidate's campaign committee or group. (Eff. 4/28/79, Reg. 70; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10) AS 15.13.070(e)  
AS 15.13.060 AS 15.13.130(2)

**2 AAC 50.357. CONTRIBUTIONS IN THE NAME OF ANOTHER.** (a) No contribution may be made, directly or indirectly, by a person other than in the legal name of the original source of the contribution.

(b) No person, employer, principal, supervisor, or contractor may lend, pay, advance, or reimburse employees, agents, or other persons for contributions to a candidate or group in the employee's, agent's, or other person's name, or in a name other than the original source of the contribution.

(c) A contribution made at the direction of another person, including a parent organization, subsidiary, division, department, branch, or local unit, is a contribution in the name of another. Contributions by two or more organizations to the same recipient are in the name of another if the organizations

- (1) share the majority of members of their board of directors;
- (2) share two or more corporate or organizational officers;
- (3) are owned or controlled by the same shareholders or members; or
- (4) are in a parent-subsidary relationship.

(d) If a minor makes a contribution of money or any thing of value given to the child by a parent for that purpose, the parent has made a contribution in the name of another. (Eff. 1/4/86, Reg. 97)

Authority: AS 15.13.030(10) AS 15.13.070  
AS 15.13.040 AS 15.13.130

## **League updates Campaign Reform Position at State Convention**

At the state convention in April, the League of Women Voters of Alaska delegates voted to update the wording of the Campaign Finance Disclosure Position. Following is the updated statement of position. Please contact your local league president for a copy of the entire position, including amplification.

and other financial resources not be a necessary consideration in seeking public office; and second, that insofar as possible, there be an equalization of opportunity for challengers and incumbents.

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### **STATEMENT OF POSITION**

The League of Women Voters of Alaska favors public disclosure of campaign contributions of money, goods or services as well as the disclosure of financial interests of public officials, both elected and appointed. All disclosure reports should be received, compiled and published by an independent commission, which should have final responsibility for monitoring and enforcement. The League also favors limitations on the length of the time allowed for fund raising, the amount of contributions and, notwithstanding the U.S. Supreme Court decision in Buckley v. Valeo, the amount of expenditures.

The goals of a campaign system should be:

1. To ensure the public's right to know.
2. To combat corruption and undue influence.
3. To enable candidates to compete more equitably for public office.
4. To promote citizen participation in the political process.

"To enable candidates to compete for equitably for public office" reflects two distinct concerns: first, that differences in candidates' personal wealth

# Loophole

ADN 1/31/90

*Spending government money to support candidates isn't illegal — but it should be.*

In the 1988 primary election, 338 North Slope Borough voters opted for someone other than Eileen MacLean in the local state House race. But those 338 voters were forced to give Ms. MacLean support of another kind — with their pocketbooks.

Their borough government spent tens of thousands of dollars of their money to boost Ms. MacLean's prospects on election day. The borough paid for polls checking her standing with voters. It paid to mail a flattering magazine profile of her to every voter in the district. It paid travel bills for her campaign consultant. It paid to send Ms. MacLean to parts of the district where she wasn't well known. It paid for a voter registration drive that the polls said would help her chances.

Common sense suggests that spending public money to promote a candidate would be against the law. But somehow, this common-sense notion has never been written into state statutes. Nothing in state law bars the state or local governments from using taxpayers' money to help candidates for public office.

It's true, the North Slope Borough is in trouble with the state public offices commission. But the borough's mistake was not that it used public money to help Ms. MacLean's candidacy. The borough's mistake was giving Ms. MacLean more help than the \$1,000 allowed by law and failing to report its contributions to the commission.

Settling those charges will cost the borough a \$10,000 fine. From the borough's perspective, that's money well spent. Add up all the activities that smacked of promoting Ms. MacLean, and the bill is well over \$50,000. Another \$10,000 is small change.

Next time, the perpetrators of such sleazy dealings shouldn't be allowed to get off so easily. State lawmakers should close this loophole in state campaign laws. Public officials who wage disguised political campaigns at public expense should face criminal charges.

CS FOR SENATE BILL NO. 243 (JUDICIARY)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 5/1/92  
Referred: Finance

Sponsor(s): SENATE SPECIAL COMMITTEE ON ETHICS REFORM

A BILL  
FOR AN ACT ENTITLED

1 "An Act relating to election campaign financing, to restrictions on election campaign  
2 material, and to the Alaska Public Offices Commission."

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

4 \* Section 1. AS 15.13.030 is amended by adding a new paragraph to read:

5 (11) issue an advisory opinion to a person affected by this chapter regarding the  
6 interpretation of this chapter within 30 days of the request for the opinion or within an additional  
7 period of time that the person requesting the opinion may agree to; the advisory opinion issued  
8 is binding on the commission in a subsequent proceeding concerning the facts and circumstances  
9 set out in the request for an advisory opinion, unless material facts were omitted or misstated in  
10 the request.

11 \* Sec. 2. AS 15.13 is amended by adding new sections to read:

12 Sec. 15.13.041. PROHIBITED SOLICITATION OF CONTRIBUTIONS. (a) A public  
13 officer or employee of the state or of a municipality may not, while on the premises of a state  
14 or municipal building, solicit or request a contribution to a candidate, group, or political party.

1 (b) A person may not solicit or request a public officer to contribute to a candidate,  
2 group, or political party while the public officer or employee is on the premises of a state or  
3 municipal building.

4 (c) A candidate, a candidate's campaign treasurer or deputy campaign treasurer, a group,  
5 or an officer of a group may not accept a contribution that the candidate, campaign treasurer,  
6 deputy campaign treasurer, group, or officer of a group knows was obtained in violation of this  
7 section. A person who violates this subsection is guilty of a class A misdemeanor and may be  
8 fined an amount provided in AS 12.55.035 or an amount equal to four times the amount of the  
9 illegal contribution, whichever is greater.

10 Sec. 15.13.043. USE OF PUBLIC OFFICE OR AGENCY FACILITIES IN A  
11 CAMPAIGN. (a) A person may not use or authorize the use of public funds or property, or the  
12 time of a public officer or employee, to influence the outcome of an election.

13 (b) A person may not use or authorize the use of public funds or property, or the time  
14 of a public officer or employee, to produce, print, publish, broadcast, or otherwise disseminate  
15 material designed and timed to influence the results of an election, regardless of the lack of  
16 specific reference to the election.

17 (c) A person may not solicit, verbally or in writing, or receive a contribution on behalf  
18 of a candidate or group in a facility ordinarily used for the conduct of public business.

19 (d) A person may not deliver a contribution, or cause a contribution to be delivered, in  
20 a facility ordinarily used for the conduct of public business, other than a postal facility.

21 (e) A person may not distribute or post, or cause to be distributed or posted, a  
22 communication designed to influence the outcome of an election in a public building.

23 (f) Nothing in this section prohibits

24 (1) the division of elections from preparing and distributing the voter election  
25 pamphlet under AS 15.58;

26 (2) nonpartisan voter registration activities;

27 (3) action taken at a public meeting by members of the legislature, of a committee  
28 of the legislature, or of a state or municipal board or commission, expressing a collective decision  
29 or voting on a motion, proposal, bill, resolution, ordinance, or order;

30 (4) action by an elected public official of the state or of a municipality in support  
31 of or in opposition to a ballot proposition or question at an open press conference or in response

1 to a specific inquiry.

2 \* Sec. 3. AS 15.13.050 is amended by adding a new subsection to read:

3 (b) Two or more groups, other than political parties and subdivisions of political parties,  
4 in which two or more persons hold office in each group are considered to be a single group for  
5 purposes of the contribution limitations of this chapter.

6 \* Sec. 4. AS 15.13.060 is amended by adding a new subsection to read:

7 (g) A person may not serve as a campaign treasurer or deputy campaign treasurer during  
8 a calendar year in which the person was required to register as a lobbyist under AS 24.45, unless  
9 the person acted only as a representational lobbyist as defined in the regulations of the  
10 commission.

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

12 (a) A person or group, including but not limited to all political committees, businesses,  
13 corporations, and labor unions, may not contribute to or expend more than \$1,000 in a calendar  
14 year, whether in money, goods, or services, or a combination of money, goods, and services,  
15 on behalf of or in opposition to the competing candidates for each elective office. Political  
16 parties and their subdivisions are not subject to the limitation prescribed in this subsection, but  
17 they are subject to the reporting requirements prescribed by AS 15.13.040(b) and 15.13.110. This  
18 chapter does not prohibit

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

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

25 \* Sec. 6. AS 15.13.070(c) is amended to read:

26 (c) An expenditure over \$100 may not be made in cash [OR BY CASH PAYMENT  
27 UNLESS A WRITTEN RECEIPT IS OBTAINED AND FILED WITH THE COMMISSION].

28 \* Sec. 7. AS 15.13.070(d) is amended to read:

29 (d) A contribution may not be made, and an expenditure may not be made or incurred,  
30 directly or indirectly, anonymously, in a fictitious name, or by one person or group in the name  
31 of another, to influence the election of a candidate in an election. A contribution made by a

1 person wishing to remain anonymous, and received by a candidate, campaign treasurer or deputy  
2 campaign treasurer, may not be used or expended, but shall be returned within 10 days to the  
3 donor, if the donor's identity is known, and if no donor is found, the contribution escheats to the  
4 state if not donated by the candidate to the charity of the candidate's choice. A contribution  
5 from a minor under the age of 18, other than a minor who has been emancipated or who  
6 is married, is considered to have been made by a parent or guardian of the individual  
7 under the age of 18, and shall be counted toward the contribution limit established by this  
8 section.

9 \* Sec. 8. AS 15.13.070 is amended by adding new subsections to read:

10 *brook* (i) A candidate or a group controlled by a candidate may not make a contribution to  
11 another candidate, except that a candidate may make a contribution to another candidate from  
12 the candidate's own personal funds.

13 (j) An individual or a group may not make a loan to a candidate or to a group, or  
14 guarantee a loan made by another to a candidate or to a group. This subsection does not prohibit

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

17 (2) an extension of credit by a person made in the person's regular course of  
18 business to a candidate or a group; or

19 (3) a loan by a regulated financial institution to a candidate or group on the same  
20 terms as would apply to a loan by the financial institution to a similarly situated member of the  
21 public.

22 (k) A person may not act as an intermediary to transmit contributions to a candidate or  
23 group from a person or group. In this section, "intermediary" does not include a candidate, a  
24 treasurer, deputy treasurer, or other campaign officer, a financial institution, or a person  
25 voluntarily hosting a fund-raising event at the person's home.

26 *Executive P/B below* (l) A candidate for the legislature, including an incumbent legislator, may not

27 (1) solicit or accept a contribution during a legislative session; or

28 (2) accept money from an event held during a legislative session if a substantial  
29 *brook* purpose of the event is either to raise money on behalf of the member for campaign purposes or  
30 to raise money for state legislative political purposes.

31 (m) A municipality or a school district, or an officer or employee of a municipality or

1 a school district, acting in an official capacity, may not make a contribution to a candidate or to  
2 a group.

3 \* Sec. 9. AS 15.13 is amended by adding new sections to read:

4 Sec. 15.13.072. PERSONAL USE PROHIBITED. A candidate for public office may not  
5 use campaign funds for personal purposes, convert ~~campaign~~ funds into personal income, or  
6 convert goods purchased with campaign funds for personal use.

7 Sec. 15.13.074. DISBURSEMENT OF CAMPAIGN ACCOUNTS. (a) If a candidate  
8 for public office or a group has unexpended and unobligated funds after the date of the election,  
9 the candidate or group shall, no later than January 15 of the year following the election,

10 (1) elect to carry forward the funds for a future election campaign;

11 (2) donate the funds to an organization that qualifies as a charitable organization  
12 under 26 U.S.C. 501(c), to a political party as defined in AS 15.60.010, or to the state or a  
13 municipality;

14 (3) return the funds on a pro rata basis to the contributors to the candidate or  
15 group; or

16 (4) transfer the funds to a legislative office account for expenditures qualifying  
17 as business expenses under 26 U.S.C. 162.

18 (b) In addition to the uses listed in (a) of this section, a candidate may, no later than  
19 January 15 of the year following the election, use unexpended and unobligated funds remaining  
20 after the election to repay the candidate's contributions to the candidate's campaign.

21 (c) Equipment owned by a candidate or group shall, no later than January 15 of the year  
22 following the election, be carried forward or donated as provided in (a)(1) and (2) of this section.  
23 If the equipment was purchased solely with funds provided by a candidate personally, the  
24 candidate may convert the equipment to the candidate's personal use.

25 (d) A candidate or group that elects to carry forward campaign funds for a future election  
26 under (a)(1) of this section shall file an annual report with the commission under  
27 AS 15.13.110(a)(4) in the year following the election, even if the candidate or group makes no  
28 expenditures or receives no contributions during that year.

29 (e) Funds carried forward under (a)(1) of this section may, even after the transfer, be  
30 disbursed as provided in (a) and (b) of this section. Equipment carried forward under (c) of this  
31 section may, even after the transfer, be distributed as provided by that subsection.

HB 195  
language

1 (f) This section does not apply to a group that is organized to influence elections on an  
2 ongoing basis.

3 Sec. 15.13.076. RESPONSIBILITY FOR VIOLATIONS. A candidate is responsible for  
4 violations of this chapter by officers of the candidate's campaign committee, and the head of a  
5 group is responsible for violations of this chapter by other officers of a group. Penalties assessed  
6 against a candidate's campaign committee or against a group may be assessed directly against  
7 the candidate or the head of the group.

8 *Scott*  
*Bugles* Sec. 15.13.078. PUBLIC SPENDING PROHIBITED. (a) An officer or employee of a  
9 state agency, a municipality, or a school district acting in an official capacity may not expend  
10 state funds or municipal or school district funds, or authorize the expenditure of state funds or  
11 municipal or school district funds, to influence the outcome of an election for a public office or  
12 on a ballot proposition.

13 (b) This section does not prohibit the expenditure of state funds or municipal or school  
14 district funds to provide to the public factual information regarding the dates of an election and  
15 neutral information regarding the candidates and ballot propositions appearing on the ballot; in  
16 this subsection, "neutral information" means information that does not imply a bias for or against  
17 a candidate or ballot proposition but does enable a voter to assess the qualifications of a  
18 candidate or the effect of a ballot proposition.

19 \* Sec. 10. AS 15.13.120(d) is amended to read:

20 (d) A person who believes a violation of this chapter has occurred may file a complaint  
21 with the commission. The complaint must include a statement, made under oath, that the  
22 factual statements in the complaint are true, to the best of the complainant's knowledge.  
23 If the commission determines there is substantial reason to believe that a violation has occurred,  
24 it shall expeditiously make an investigation, which may also include an investigation of reports  
25 and statements filed by the complainant if the complainant is a candidate, of the matter  
26 complained of. When, in the judgment of the commission, after affording due notice and an  
27 opportunity for a hearing, a person has engaged or is about to engage in any acts or practices  
28 which constitute or will constitute a violation of a provision of this chapter, or a regulation or  
29 order issued under it, it shall promptly report the information to the attorney general for  
30 appropriate action. The commission shall report its determination and recommendation to the  
31 person who filed the complaint with the commission within 60 days of receiving the complaint

1 unless circumstances require additional time to make an adequate investigation. The finding of  
2 the commission may be appealed to the superior court.

3 \* Sec. 11. AS 15.13.120 is amended by adding new subsections to ~~read:~~

4 (i) Proceedings of the commission relating to complaints before it under this section are  
5 confidential until the commission determines that there is probable cause to believe that a  
6 violation of this chapter has occurred. The complaint and all documents produced or disclosed  
7 as a result of the commission's investigation are confidential and not subject to inspection by the  
8 public. All meetings of the commission relating to the complaint are closed to the public before  
9 the determination of probable cause is made. The confidentiality provisions of this subsection  
10 may be waived by the subject of the complaint.

11 (j) Except as provided in (i) of this section, meetings of the commission relating to a  
12 complaint are governed by AS 44.62.310 - 44.62.312 (Open Meetings Act), and records in the  
13 possession of the commission relating to the complaint are subject to AS 09.25.110 - 09.25.125.

14 \* Sec. 12. AS 15.13.130 is amended by adding new paragraphs to read:

15 (8) "commission" means the Alaska Public Offices Commission created in  
16 AS 15.13.020;

17 (9) "school district" means a municipal school district or a regional educational  
18 attendance area established under AS 14.08;

19 (10) "state agency" means a department, agency, instrumentality, or corporate  
20 authority of the state, whether in the executive, legislative, or judicial branch, and includes the  
21 University of Alaska.

22 \* Sec. 13. AS 15.58.030 is amended by adding a new subsection to read:

23 (h) A candidate, or a person on behalf of a candidate, submitting material under this  
24 section shall swear that factual statements contained in the material are true to the best of the  
25 candidate's or person's knowledge. A candidate or person who knowingly swears falsely is  
26 guilty of perjury under AS 11.56.200.

27 \* Sec. 14. AS 24.60.030(f) and 24.60.030(g) are repealed.

SENATE COMMITTEE REPORT

*Juan*

DATE: 5/3/91

FURTHER: Finance

DATE TURNED INTO OFFICE: 4-30-92

Judiciary Committee considered SENATE BILL NO. 243

"An Act relating to election campaign financing, to restrictions on election campaign material, and to the Alaska Public Offices Commission."

and a majority of the committee recommends it be replaced with

and recommended:

replace with \_\_\_\_\_ CS  
 or adopt \_\_\_\_\_ CS

SB 243 (JUD)

same title  
 new title  
 technical title change (HB only)

attached amendment(s) \_\_\_\_\_ and do pass  
 \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

*FN*

ATTACHES NEW FISCAL NOTE(S): Dept/Date:

fiscal note(s) Admin 5/1/92 - CS

zero fiscal note(s) \_\_\_\_\_

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

Governor's bill w/fiscal note

SIGNING DO PASS:

*[Handwritten signatures]*

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rich Halford do pass  
Chair: Signature and Recommendation

CS FOR SENATE BILL NO. 243 (ETHICS REFORM)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE SPECIAL COMMITTEE ON ETHICS REFORM

Offered: 5/3/91  
Referred: Finance

Sponsor(s): SENATE SPECIAL COMMITTEE ON ETHICS REFORM

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to election campaign financing, to restrictions on election campaign  
2 material, and to the Alaska Public Offices Commission."

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

4 \* Section 1. AS 15.13.030 is amended by adding a new paragraph to read:

5 (11) issue an advisory opinion to a person affected by this chapter regarding the  
6 interpretation of this chapter within 30 days of the request for the opinion or within an additional  
7 period of time that the person requesting the opinion may agree to; the advisory opinion issued  
8 is binding on the commission in a subsequent proceeding concerning the facts and circumstances  
9 set out in the request for an advisory opinion, unless material facts were omitted or misstated in  
10 the request.

11 \* Sec. 2. AS 15.13 is amended by adding new sections to read:

12 Sec. 15.13.041. PROHIBITED SOLICITATION OF CONTRIBUTIONS. (a) A public  
13 officer or employee of the state or of a municipality may not, while on the premises of a state  
14 or municipal building, solicit or request a contribution to a candidate, group, or political party.

1 (b) A person may not solicit or request a public officer to contribute to a candidate,  
2 group, or political party while the public officer or employee is on the premises of a state or  
3 municipal building.

4 (c) A candidate, a candidate's campaign treasurer or deputy campaign treasurer, a group,  
5 or an officer of a group may not accept a contribution that the candidate, campaign treasurer,  
6 deputy campaign treasurer, group, or officer of a group knows was obtained in violation of this  
7 section. A person who violates this subsection is guilty of a class A misdemeanor and may be  
8 fined an amount provided in AS 12.55.035 or an amount equal to four times the amount of the  
9 illegal contribution, whichever is greater.

10 Sec. 15.13.043. USE OF PUBLIC OFFICE OR AGENCY FACILITIES IN A  
11 CAMPAIGN. (a) A person may not use or authorize the use of public funds or property, or the  
12 time of a public officer or employee, to influence the outcome of an election.

13 (b) A person may not use or authorize the use of public funds or property, or the time  
14 of a public officer or employee, to produce, print, publish, broadcast, or otherwise disseminate  
15 material designed and timed to influence the results of an election, regardless of the lack of  
16 specific reference to the election.

17 (c) A person may not solicit, verbally or in writing, or receive a contribution on behalf  
18 of a candidate or group in a facility ordinarily used for the conduct of public business.

19 (d) A person may not deliver a contribution, or cause a contribution to be delivered, in  
20 a facility ordinarily used for the conduct of public business, other than a postal facility.

21 (e) A person may not distribute or post, or cause to be distributed or posted, a  
22 communication designed to influence the outcome of an election in a public building.

23 (f) Nothing in this section prohibits

24 (1) the division of elections from preparing and distributing the voter election  
25 pamphlet under AS 15.58;

26 (2) nonpartisan voter registration activities;

27 (3) action taken at a public meeting by members of the legislature, of a committee  
28 of the legislature, or of a state or municipal board or commission, expressing a collective decision  
29 or voting on a motion, proposal, bill, resolution, ordinance, or order;

30 (4) action by an elected public official of the state or of a municipality in support  
31 of or in opposition to a ballot proposition or question at an open press conference or in response

1 to a specific inquiry.

2 \* Sec. 3. AS 15.13.050 is amended by adding a new subsection to read:

3 (b) Two or more groups, other than political parties and subdivisions of political parties,  
4 in which two or more persons hold office in each group are considered to be a single group for  
5 purposes of the contribution limitations of this chapter.

6 \* Sec. 4. AS 15.13.060 is amended by adding a new subsection to read:

7 (g) A person may not serve as a campaign treasurer or deputy campaign treasurer during  
8 a calendar year in which the person was required to register as a lobbyist under AS 24.45, unless  
9 the person acted only as a representational lobbyist as defined in the regulations of the  
10 commission.

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

12 (a) A person or group, including but not limited to all political committees, businesses,  
13 corporations, and labor unions, may not contribute to or expend more than \$1,000 in a calendar  
14 year, whether in money, goods, or services, or a combination of money, goods, and services,  
15 on behalf of or in opposition to the competing candidates for each elective office. Political  
16 parties and their subdivisions are not subject to the limitation prescribed in this subsection, but  
17 they are subject to the reporting requirements prescribed by AS 15.13.040(b) and 15.13.110. This  
18 chapter does not prohibit

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

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

25 \* Sec. 6. AS 15.13.070(c) is amended to read:

26 (c) An expenditure over \$100 may not be made in cash [OR BY CASH PAYMENT  
27 UNLESS A WRITTEN RECEIPT IS OBTAINED AND FILED WITH THE COMMISSION].

28 \* Sec. 7. AS 15.13.070(d) is amended to read:

29 (d) A contribution may not be made, and an expenditure may not be made or incurred,  
30 directly or indirectly, anonymously, in a fictitious name, or by one person or group in the name  
31 of another, to influence the election of a candidate in an election. A contribution made by a

1 person wishing to remain anonymous, and received by a candidate, campaign treasurer or deputy  
2 campaign treasurer, may not be used or expended, but shall be returned within 10 days to the  
3 donor, if the donor's identity is known, and if no donor is found, the contribution escheats to the  
4 state if not donated by the candidate to the charity of the candidate's choice. A contribution  
5 from a minor under the age of 18, other than a minor who has been emancipated or who  
6 is married, is considered to have been made by a parent or guardian of the individual  
7 under the age of 18, and shall be counted toward the contribution limit established by this  
8 section.

9 \* Sec. 8. AS 15.13.070 is amended by adding new subsections to read:

10 (i) A candidate or a group controlled by a candidate may not make a contribution to  
11 another candidate, except that a candidate may make a contribution to another candidate from  
12 the candidate's own personal funds.

13 (j) An individual or a group may not make a loan to a candidate or to a group, or  
14 guarantee a loan made by another to a candidate or to a group. This subsection does not prohibit

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

17 (2) an extension of credit by a person made in the person's regular course of  
18 business to a candidate or a group; or

19 (3) a loan by a regulated financial institution to a candidate or group on the same  
20 terms as would apply to a loan by the financial institution to a similarly situated member of the  
21 public.

22 (k) A person may not act as an intermediary to transmit contributions to a candidate or  
23 group from a person or group. In this section, "intermediary" does not include a candidate, a  
24 treasurer, deputy treasurer, or other campaign officer, a financial institution, or a person  
25 voluntarily hosting a fund-raising event at the person's home.

26 (l) A candidate for the legislature, including an incumbent legislator, may not

27 (1) solicit or accept a contribution during a legislative session; or

28 (2) accept money from an event held during a legislative session if a substantial  
29 purpose of the event is either to raise money on behalf of the member for campaign purposes or  
30 to raise money for state legislative political purposes.

31 (m) A municipality or a school district, or an officer or employee of a municipality or

1 a school district, acting in an official capacity, may not make a contribution to a candidate or to  
2 a group.

3 \* Sec. 9. AS 15.13 is amended by adding new sections to read:

4 Sec. 15.13.072. PERSONAL USE PROHIBITED. A candidate for public office may not  
5 use campaign funds for personal purposes, convert campaign funds into personal income, or  
6 convert goods purchased with campaign funds for personal use.

7 Sec. 15.13.074. DISBURSEMENT OF CAMPAIGN ACCOUNTS. (a) If a candidate  
8 for public office or a group has unexpended and unobligated funds after the date of the election,  
9 the candidate or group shall, no later than January 15 of the year following the election,

10 (1) elect to carry forward the funds for a future election campaign;

11 (2) donate the funds to an organization that qualifies as a charitable organization  
12 under 26 U.S.C. 501(c), to a political party as defined in AS 15.60.010, or to the state or a  
13 municipality;

14 (3) return the funds on a pro rata basis to the contributors to the candidate or  
15 group; or

16 (4) transfer the funds to a legislative office account for expenditures qualifying  
17 as business expenses under 26 U.S.C. 162.

18 (b) In addition to the uses listed in (a) of this section, a candidate may, no later than  
19 January 15 of the year following the election, use unexpended and unobligated funds remaining  
20 after the election to repay the candidate's contributions to the candidate's campaign.

21 (c) Equipment owned by a candidate or group shall, no later than January 15 of the year  
22 following the election, be carried forward or donated as provided in (a)(1) and (2) of this section.  
23 If the equipment was purchased solely with funds provided by a candidate personally, the  
24 candidate may convert the equipment to the candidate's personal use.

25 (d) A candidate or group that elects to carry forward campaign funds for a future election  
26 under (a)(1) of this section shall file an annual report with the commission under  
27 AS 15.13.110(a)(4) in the year following the election, even if the candidate or group makes no  
28 expenditures or receives no contributions during that year.

29 (e) Funds carried forward under (a)(1) of this section may, even after the transfer, be  
30 disbursed as provided in (a) and (b) of this section. Equipment carried forward under (c) of this  
31 section may, even after the transfer, be distributed as provided by that subsection.

1 (f) This section does not apply to a group that is organized to influence elections on an  
2 ongoing basis.

3 Sec. 15.13.076. RESPONSIBILITY FOR VIOLATIONS. A candidate is responsible for  
4 violations of this chapter by officers of the candidate's campaign committee, and the head of a  
5 group is responsible for violations of this chapter by other officers of a group. Penalties assessed  
6 against a candidate's campaign committee or against a group may be assessed directly against  
7 the candidate or the head of the group.

8 Sec. 15.13.078. MUNICIPAL SPENDING PROHIBITED. (a) An officer or employee  
9 of a state agency, a municipality, or a school district acting in an official capacity may not  
10 expend state funds or municipal or school district funds, or authorize the expenditure of state  
11 funds or municipal or school district funds, to influence the outcome of an election for a public  
12 office or on a ballot proposition.

13 (b) This section does not prohibit the expenditure of state funds or municipal or school  
14 district funds to provide to the public neutral information regarding the dates of an election and  
15 the candidates and ballot propositions appearing on the ballot.

16 \* Sec. 10. AS 15.13.120(d) is amended to read:

17 (d) A person who believes a violation of this chapter has occurred may file a complaint  
18 with the commission. The complaint must include a statement, made under oath, that the  
19 factual statements in the complaint are true, to the best of the complainant's knowledge.

20 If the commission determines there is substantial reason to believe that a violation has occurred,  
21 it shall expeditiously make an investigation, which may also include an investigation of reports  
22 and statements filed by the complainant if the complainant is a candidate, of the matter  
23 complained of. When, in the judgment of the commission, after affording due notice and an  
24 opportunity for a hearing, a person has engaged or is about to engage in any acts or practices  
25 which constitute or will constitute a violation of a provision of this chapter, or a regulation or  
26 order issued under it, it shall promptly report the information to the attorney general for  
27 appropriate action. The commission shall report its determination and recommendation to the  
28 person who filed the complaint with the commission within 60 days of receiving the complaint  
29 unless circumstances require additional time to make an adequate investigation. The finding of  
30 the commission may be appealed to the superior court.

31 \* Sec. 11. AS 15.13.120 is amended by adding new subsections to read:

1 (i) Proceedings of the commission relating to complaints before it under this section are  
2 confidential until the commission determines that there is probable cause to believe that a  
3 violation of this chapter has occurred. The complaint and all documents produced or disclosed  
4 as a result of the commission's investigation are confidential and not subject to inspection by the  
5 public. All meetings of the commission relating to the complaint are closed to the public before  
6 the determination of probable cause is made. The confidentiality provisions of this subsection  
7 may be waived by the subject of the complaint.

8 (j) Except as provided in (i) of this section, meetings of the commission relating to a  
9 complaint are governed by AS 44.62.310 - 44.62.312 (Open Meetings Act), and records in the  
10 possession of the commission relating to the complaint are subject to AS 09.25.110 - 09.25.125.

11 \* Sec. 12. AS 15.13.130 is amended by adding new paragraphs to read:

12 (8) "commission" means the Alaska Public Offices Commission created in  
13 AS 15.13.020;

14 (9) "school district" means a municipal school district or a regional educational  
15 attendance area established under AS 14.08;

16 (10) "state agency" means a department, agency, instrumentality, or corporate  
17 authority of the state, whether in the executive, legislative, or judicial branch, and includes the  
18 University of Alaska.

19 \* Sec. 13. AS 15.58.030 is amended by adding a new subsection to read:

20 (h) A candidate, or a person on behalf of a candidate, submitting material under this  
21 section shall swear that factual statements contained in the material are true to the best of the  
22 candidate's or person's knowledge. A candidate or person who knowingly swears falsely is  
23 guilty of perjury under AS 11.56.200.

24 \* Sec. 14. AS 24.60.030(f) and 24.60.030(g) are repealed.

SENATE COMMITTEE REPORT  
FIRST COMMITTEE OF REFERRAL

DATE: 4/5/91

FURTHER: Judiciary  
Finance

Date of 5-Day Notice: April 19, 1991  
(in accordance with Uniform Rule 23)

DATE TURNED  
INTO OFFICE: 5-3-91

Senate Special Comte  
on Ethics Reform considered SB 243

Election campaign financing, to restrictions on election campaign material, and to the Alaska Public Offices Commission.

and recommended: s it be replaced w

- replace with \_\_\_\_\_ CS SB 243  same title
- attached amendment(s) & report back as follows  new title
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to Judiciary

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) APDC - SB  
APDCS

zero fiscal note(s) \_\_\_\_\_

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

[Signature] - No Rec  
[Signature] No Rec  
[Signature] No Rec  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chair: Signature and Recommendation

## SENATE BILL NO. 243

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE SPECIAL COMMITTEE ON ETHICS REFORM

Introduced: 4/8/91

Referred: ETR, Judiciary, Finance

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to election campaign financing, to restrictions on election campaign  
2 material, and to the Alaska Public Offices Commission."

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

4 \* Section 1. AS 15.13.030 is amended by adding a new paragraph to read:

5 (11) issue an advisory opinion to a person affected by this chapter regarding the  
6 interpretation of this chapter within 30 days of the request for the opinion or within an additional  
7 period of time that the person requesting the opinion may agree to; the advisory opinion issued  
8 is binding on the commission in a subsequent proceeding concerning the facts and circumstances  
9 set out in the request for an advisory opinion, unless material facts were omitted or misstated in  
10 the request.

11 \* Sec. 2. AS 15.13 is amended by adding new sections to read:

12 Sec. 15.13.041. PROHIBITED SOLICITATION OF CONTRIBUTIONS. (a) A public  
13 officer or employee of the state or of a municipality may not, while on the premises of a state  
14 or municipal building, solicit or request a contribution to a candidate, group, or political party.

1 (b) A person may not solicit or request a public officer to contribute to a candidate,  
2 group, or political party while the public officer or employee is on the premises of a state or  
3 municipal building.

4 (c) A candidate, a candidate's campaign treasurer or deputy campaign treasurer, a group,  
5 or an officer of a group may not accept a contribution that the candidate, campaign treasurer,  
6 deputy campaign treasurer, group, or officer of a group knows was obtained in violation of this  
7 section. A person who violates this subsection is guilty of a class A misdemeanor and may be  
8 fined an amount provided in AS 12.55.035 or an amount equal to four times the amount of the  
9 illegal contribution, whichever is greater.

10 Sec. 15.13.043. USE OF PUBLIC OFFICE OR AGENCY FACILITIES IN A  
11 CAMPAIGN. (a) A person may not use or authorize the use of public funds or property, or the  
12 time of a public officer or employee, to influence the outcome of an election.

13 (b) A person may not use or authorize the use of public funds or property, or the time  
14 of a public officer or employee, to produce, print, publish, broadcast, or otherwise disseminate  
15 material designed and timed to influence the results of an election, regardless of the lack of  
16 specific reference to the election.

17 (c) A person may not solicit, verbally or in writing, or receive a contribution on behalf  
18 of a candidate or group in a facility ordinarily used for the conduct of public business.

19 (d) A person may not deliver a contribution, or cause a contribution to be delivered, in  
20 a facility ordinarily used for the conduct of public business, other than a postal facility.

21 (e) A person may not distribute or post, or cause to be distributed or posted, a  
22 communication designed to influence the outcome of an election in a public building.

23 (f) Nothing in this section prohibits

24 (1) the division of elections from preparing and distributing the voter election  
25 pamphlet under AS 15.58;

26 (2) nonpartisan voter registration activities;

27 (3) action taken at a public meeting by members of the legislature, of a committee  
28 of the legislature, or of a state or municipal board or commission, expressing a collective decision  
29 or voting on a motion, proposal, bill, resolution, ordinance, or order;

30 (4) action by an elected public official of the state or of a municipality in support  
31 of or in opposition to a ballot proposition or question at an open press conference or in response

1 to a specific inquiry.

2 \* Sec. 3. AS 15.13.050 is amended by adding a new subsection to read:

3 (b) Two or more groups, other than political parties and subdivisions of political parties,  
4 in which two or more persons hold office in each group are considered to be a single group for  
5 purposes of the contribution limitations of this chapter.

6 \* Sec. 4. AS 15.13.060 is amended by adding a new subsection to read:

7 (g) A person may not serve as a campaign treasurer or deputy campaign treasurer during  
8 a calendar year in which the person was required to register as a lobbyist under AS 24.45, unless  
9 the person acted only as a representational lobbyist as defined in the regulations of the  
10 commission.

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

12 (a) A person or group, including but not limited to all political committees, businesses,  
13 corporations, and labor unions, may not contribute to or expend more than \$1,000 in a calendar  
14 year, whether in money, goods, or services, or a combination of money, goods, and services,  
15 on behalf of or in opposition to the competing candidates for each elective office. Political  
16 parties and their subdivisions are not subject to the limitation prescribed in this subsection, but  
17 they are subject to the reporting requirements prescribed by AS 15.13.040(b) and 15.13.110. This  
18 chapter does not prohibit

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

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

25 \* Sec. 6. AS 15.13.070(c) is amended to read:

26 (c) An expenditure over \$100 may not be made in cash [OR BY CASH PAYMENT  
27 UNLESS A WRITTEN RECEIPT IS OBTAINED AND FILED WITH THE COMMISSION].

28 \* Sec. 7. AS 15.13.070(d) is amended to read:

29 (d) A contribution may not be made, and an expenditure may not be made or incurred,  
30 directly or indirectly, anonymously, in a fictitious name, or by one person or group in the name  
31 of another, to influence the election of a candidate in an election. A contribution made by a

1 person wishing to remain anonymous, and received by a candidate, campaign treasurer or deputy  
2 campaign treasurer, may not be used or expended, but shall be returned within 10 days to the  
3 donor, if the donor's identity is known, and if no donor is found, the contribution escheats to the  
4 state if not donated by the candidate to the charity of the candidate's choice. A contribution  
5 from a minor under the age of 18, other than a minor who has been emancipated or who  
6 is married, is considered to have been made by a parent or guardian of the individual  
7 under the age of 18, and shall be counted toward the contribution limit established by this  
8 section.

9 \* Sec. 8. AS 15.13.070 is amended by adding new subsections to read:

10 (i) A candidate or a group controlled by a candidate may not make a contribution to  
11 another candidate, except that a candidate may make a contribution to another candidate from  
12 the candidate's own personal funds.

13 (j) An individual or a group may not make a loan to a candidate or to a group, or  
14 guarantee a loan made by another to a candidate or to a group. This subsection does not prohibit

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

17 (2) an extension of credit by a person made in the person's regular course of  
18 business to a candidate or a group; or

19 (3) a loan by a regulated financial institution to a candidate or group on the same  
20 terms as would apply to a loan by the financial institution to a similarly situated member of the  
21 public.

22 (k) A person may not act as an intermediary to transmit contributions to a candidate or  
23 group from a person or group. In this section, "intermediary" does not include a candidate, a  
24 treasurer, deputy treasurer, or other campaign officer, a financial institution, or a person  
25 voluntarily hosting a fund-raising event at the person's home.

26 (l) A member of the legislature running for any office, and a nonincumbent candidate for  
27 the legislature, may not

28 (1) solicit or accept a contribution during a legislative session; or

29 (2) accept money from an event held during a legislative session if a substantial  
30 purpose of the event is either to raise money on behalf of the member for campaign purposes or  
31 to raise money for state legislative political purposes.

1 (m) A municipality or a school district, or an officer or employee of a municipality or  
2 a school district, acting in an official capacity, may not make a contribution to a candidate or to  
3 a group.

4 \* Sec. 9. AS 15.13 is amended by adding new sections to read:

5 Sec. 15.13.072. PERSONAL USE PROHIBITED. A candidate for public office may not  
6 use campaign funds for personal purposes, convert campaign funds into personal income, or  
7 convert goods purchased with campaign funds for personal use.

8 Sec. 15.13.074. DISBURSEMENT OF CAMPAIGN ACCOUNTS. (a) If a candidate  
9 for public office or a group has unexpended and unobligated funds after the date of the election,  
10 the candidate or group shall, no later than January 15 of the year following the election,

11 (1) transfer the funds to a new account for a future election campaign;

12 (2) donate the funds to an organization that qualifies as a charitable organization  
13 under 26 U.S.C. 501(c), or to the state or a municipality;

14 (3) return the funds on a pro rata basis to the contributors to the candidate or  
15 group; or

16 (4) transfer the funds to a legislative office account for expenditures qualifying  
17 as business expenses under 26 U.S.C. 162.

18 (b) In addition to the uses listed in (a) of this section, a candidate may, no later than  
19 January 15 of the year following the election, use unexpended and unobligated funds remaining  
20 after the election to repay the candidate's contributions to the candidate's campaign.

21 (c) Equipment owned by a candidate or group shall, no later than January 15 of the year  
22 following the election, be disposed of as provided in (a)(1) and (2). If the equipment was  
23 purchased solely with funds provided by a candidate personally, the candidate may convert the  
24 equipment to the candidate's personal use.

25 (d) A candidate or group that transfers campaign funds to an account for a future election  
26 under (a)(1) of this section in the year following the election shall file an annual report with the  
27 commission under AS 15.13.110(a)(4), even if the candidate or group makes no expenditures or  
28 receives no contributions during that year.

29 (e) Funds transferred to a new account under (a)(1) of this section may, even after the  
30 transfer, be disbursed as provided in (a) and (b) of this section. Equipment transferred to a new  
31 account under (c) of this section may, even after the transfer, be distributed as provided by that

1 subsection.

2 (f) Candidates and groups shall close each campaign account no later than January 15  
3 of the year following the year of the election.

4 (g) This section does not apply to a group that is organized to influence elections on an  
5 ongoing basis.

6 Sec. 15.13.076. RESPONSIBILITY FOR VIOLATIONS. A candidate is responsible for  
7 violations of this chapter by officers of the candidate's campaign committee, and the head of a  
8 group is responsible for violations of this chapter by other officers of a group. Penalties assessed  
9 against a candidate's campaign committee or against a group may be assessed directly against  
10 the candidate or the head of the group.

11 Sec. 15.13.078. MUNICIPAL SPENDING PROHIBITED. (a) An officer or employee  
12 of a state agency, a municipality, or a school district acting in an official capacity may not  
13 expend state funds or municipal or school district funds, or authorize the expenditure of state  
14 funds or municipal or school district funds, to influence the outcome of an election for a public  
15 office or on a ballot proposition.

16 (b) This section does not prohibit the expenditure of state funds or municipal or school  
17 district funds to provide to the public neutral information regarding the dates of an election and  
18 the candidates and ballot propositions appearing on the ballot.

19 \* Sec. 10. AS 15.13.120(d) is amended to read:

20 (d) A person who believes a violation of this chapter has occurred may file a complaint  
21 with the commission. The complaint must include a statement, made under oath, that the  
22 factual statements in the complaint are true, to the best of the complainant's knowledge.

23 If the commission determines there is substantial reason to believe that a violation has occurred,  
24 it shall expeditiously make an investigation, which may also include an investigation of reports  
25 and statements filed by the complainant if the complainant is a candidate, of the matter  
26 complained of. When, in the judgment of the commission, after affording due notice and an  
27 opportunity for a hearing, a person has engaged or is about to engage in any acts or practices  
28 which constitute or will constitute a violation of a provision of this chapter, or a regulation or  
29 order issued under it, it shall promptly report the information to the attorney general for  
30 appropriate action. The commission shall report its determination and recommendation to the  
31 person who filed the complaint with the commission within 45 [60] days of receiving the

1 complaint unless circumstances require additional time to make an adequate investigation. The  
2 finding of the commission may be appealed to the superior court.

3 \* Sec. 11. AS 15.13.120 is amended by adding new subsections to read:

4 (i) Proceedings of the commission relating to complaints before it under this section are  
5 confidential until the commission determines that there is probable cause to believe that a  
6 violation of this chapter has occurred. The complaint and all documents produced or disclosed  
7 as a result of the commission's investigation are confidential and not subject to inspection by the  
8 public. All meetings of the commission relating to the complaint are closed to the public before  
9 the determination of probable cause is made. The confidentiality provisions of this subsection  
10 may be waived by the subject of the complaint.

11 (j) Except as provided in (i) of this section, meetings of the commission relating to a  
12 complaint are governed by AS 44.62.310 - 44.62.312 (Open Meetings Act), and records in the  
13 possession of the commission relating to the complaint are subject to AS 09.25.110 - 09.25.125.

14 \* Sec. 12. AS 15.13.130 is amended by adding new paragraphs to read:

15 (8) "commission" means the Alaska Public Offices Commission created in  
16 AS 15.13.020;

17 (9) "school district" means a municipal school district or a regional educational  
18 attendance area established under AS 14.08;

19 (10) "state agency" means a department, agency, instrumentality, or corporate  
20 authority of the state, whether in the executive legislative, or judicial branch, and includes the  
21 University of Alaska.

22 \* Sec. 13. AS 24.60.030(f) and 24.60.030(g) are repealed.