

HB

2006

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSHB 206 (STA) am

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act amending provisions of Alaska Elections Code . . ." BRU: Alaska Public Offices Commission
 Code . . . " _____ Component: Alaska Public Offices Commission
 Sponsor: Representative Mulder
 Requestor: _____ COMPONENT SERIAL NO. 70

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	13	13	13	13	13	13
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	.6	.5	.5	.5	.5	.5
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	1.9	1.8	1.8	1.8	1.8	1.8

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:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	1.9	1.8	1.8	1.8	1.8	1.8
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	1.9	1.8	1.8	1.8	1.8	1.8

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY93) impact: \$ none

ANALYSIS: (attach a separate page if necessary.)

See attached.

Prepared By: Karen Boorman, Director Phone: 276-4176
 Division: Alaska Public Offices Commission Date: _____
 Approved by Commissioner: Nancy Bear Usara Date: 4/21/93
 Agency: Department of Administration

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This bill would require candidates for an electrical or telephone cooperative's board of directors to comply with the Campaign Disclosure Law, AS 15.13, if the cooperative serviced at least 10,000 customers. Any group that took action to support or oppose these candidates would also be required to file reports and otherwise comply with AS 15.13. According to information from the Alaska Public Utilities Commission, there are 5 electrical cooperatives and one telephone cooperative that meet these criteria. All have annual meetings in March, April or May at which time newly elected board members would take office.

The commission has not had experience with non-governmental entities before so this is a new area. The closest analogy is in the regulation of municipal campaigns, candidates and groups. The commission has a policy that allows municipal candidates to file exemption forms if they do not intend to receive contributions exceeding \$1000 or make expenditures exceeding \$1000 during their campaign. If they do exceed this amount reporting requirements must be met. Groups taking action in support or opposition to these candidates must report at any monetary level. It is likely that the Commission will extend this \$1000 exemption policy to candidates for cooperative boards.

AS 15.13 will be more difficult to administer, at least initially, than it is to do so with municipalities for several reasons. No one entity regulates electrical and telephone cooperatives, these candidates are not accustomed to being regulated by the Alaska Public Utilities Commission and a municipality, usually the municipal clerk, has responsibility under APOC regulations 2 AAC 50.360 to provide a list of candidates and mailing addresses within seven days after the deadline for filing. A similar provision placed in statute for electrical and telephone cooperatives would certainly make administration easier.

The Commission anticipates it will incur start up costs in connection with administering and enforcing the new provisions. Staff must revise forms, manuals and prepare training materials. The Commission will receive many questions and requests for written and oral advice. Procedures will have to be established with the cooperatives, candidates and APOC to insure that all regulated candidates are notified of the requirements each year. Provisions for monitoring or determining the number of customers will have to be arranged to insure that candidates for cooperative boards servicing at least 10,000 customers are included. Training will have to be emphasized in the first few years to educate cooperative boards, candidates and groups active in cooperative elections. It is expected that at least one complaint will be filed each year alleging violations of the campaign disclosure laws.

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1993 LEGISLATIVE SESSION**

BILL NO. CSHB 206 (STA) am

ANALYSIS: (continued)

This comes at a time when Alaska Public Offices Commission staff and other resources are stretched thin and funding is at a maintenance level. Although an additional staff person is not necessary to accommodate these provisions, funds for printing of forms and manuals, conducting training, as well as overtime funds for staff to provide compliance assistance, training, to revise the manual and forms, draft advisory opinions and investigate complaints are needed. An estimated \$600 is allocated for the first year for printing, training, and materials and \$500 each year thereafter. An estimated \$1,300, or 65 hours at \$20 per hour, is allocated for overtime.

Sponsor Statement
Representative Eldon Mulder

CS HB206(STA) am

House Bill 206 relates to the Alaska Public Offices Commission regulating elections by electrical and telephone cooperatives. The bill has been introduced as a measure to ensure greater accountability to the public.

The scope of these elections has changed in recent years. While in the past they were often low budget and simple in nature, today these elections often cost many thousands of dollars, yet the public presently has no way of knowing where the money is coming from. It is only appropriate for members of the public to know how these campaigns are being financed.

House Bill 206 would require candidates running for a seat on the board of directors of electrical or telephone cooperatives who provide services to 10,000 or more customers to be subject to regulation by the Alaska Public Offices Commission.

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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FAX (907) 465-2029
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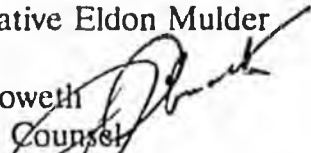
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 22, 1993

SUBJECT: CS for House Bill 206(STA) am -- sectional analysis (Work Order No. 8-LS0686(X))

TO: Representative Eldon Mulder

FROM: Jack Chenoweth
Legislative Counsel 

Through staff, you have asked me to prepare a revised sectional analysis of the House-adopted version of the measure.

As passed by the House, the bill (1) subjects to regulation by the Alaska Public Offices Commission elections for seats on boards of directors of certain electrical and telephone cooperatives, and (2) exempts from election campaign reporting requirements candidates whose campaign contributions and expenditures do not exceed \$1000.

Bill section 1: This bill section expands and reformats AS 15.13.010(a). The substantive addition appears on page 2, at lines 12 - 15, and incorporates within the statement of the scope of AS 15.13 the additional reference to campaigns of candidates for seats on boards of directors of electrical and telephone cooperatives having at least 10,000 customers. ^{1/}

Bill section 2: This bill section adds a new subsection, subsection (c), to accommodate the sentence that is proposed to be deleted at the end of bill section 1. The deletion and addition are intended to reformat the content of this section so that AS 15.13.010(a) reads a little easier.

^{1/} The additional language set out at lines 4 and 5 of page 2 is inserted only by way of introduction of the next following sentence of current law ("A municipality may exempt itself . . ."), and simply serves to affirm what is already presumed in the law--that a municipality may exempt itself from operation of the election campaign disclosure requirements.

Representative Eldon Mulder

April 22, 1993

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Bill section 3: This provision, added by House floor amendment, provides the exemption from election campaign reporting requirements candidates whose campaign contributions and expenditures do not exceed \$1000.

Bill section 4: This bill section, an addition to AS 15.13.120(f), directs that, if a candidate for a seat on the board of directors of an electrical or telephone cooperative is successful in the election campaign and is subsequently "convicted of a violation of [AS 15.13]," the successful candidate is subject to whatever appropriate punitive action may be required by the articles of incorporation and bylaws of the cooperative for whose board the candidate successfully sought election.

Bill section 5: The bill section directs the electrical and telephone cooperatives whose elections are subject to AS 15.13 to file a list of the candidates for directors seats with the Alaska Public Office Commission.

Bill section 6: The bill section, substantively, revises the definition of "candidate" in AS 15.13.130(1) to add a reference to a candidate for a seat on the board of directors of an electrical or telephone cooperative with at least 10,000 customers. As a technical matter, the format for the text of the definition is revised.

Bill section 7: The bill section, adding additional paragraphs to the list of terms defined in AS 15.13.130, supplies definitions to the terms "electrical cooperative" and "telephone cooperative."

JBC:glc
93-358.glc

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ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION

ACTIVE MEMBERSHIP

<u>ORGANIZATION</u>	<u>AREA OF SERVICE</u>	<u>CONSUMERS</u>
1.) Alaska Electric Generation and Transmission Cooperative, Inc..	Sterling to Homer	approximately 14, 000 ?
2.) Alaska Village Electric Cooperative, Inc.	Western Alaska	5,420
3.) Chugach Electric Association, Inc.	Anchorage Area	63,361
4.) Copper Valley Electric Association, Inc.	Glennallen to Valdez	2,784
5. Cordova Electric Cooperative, Inc.	Cordova Area	1,569
6.) Golden Valley Electric Association, Inc.	Fairbanks Area	26,726
7.) Homer Electric Association, Inc.	Sterling to Soldovia	18,173
8.) Inn Electric Cooperative, Inc.	Iliamna Area	256
9.) Kodiak Electric Association, Inc.	Kodiak Area	5,197
10.) Kotzebue Electric Association	Kotzebue Area	1,004

11.) Levelock Electric Cooperative	Levelock Area	73
12.) Matanuska Electric Association, Inc.	Talkeetna to Eagle River Area	29,008
13.) Middle Kuskokwim Electric Cooperative, Inc.	Sleetmute, Stony River, Chuathbaluk, Crooked Creek, Red Devil	172
14.) Naknek Electric Association, Inc.	Naknek/King Salmon Area	765
15.) Nushagak Electric Cooperative, Inc.	Dillingham Area	1,158
16.) Tlingit-Haida Regional Electrical Authority	Scutheast Area	1,183
17.) Unalakleet Valley Electric Cooperative	Unalakleet Area	235

ALASKA TELEPHONE COOPERATIVES

<u>Cooperative</u>	<u>Subscribers</u>
Arctic Slope Telephone Assoc. Cooperative, Inc.	1,724
Bristol Bay Telephone Cooperative, Inc.	1,249
Copper Valley Telephone Cooperative, Inc.	3,821
Cordova Telephone Cooperative, Inc.	1,455
Matanuska Telephone Association	31,577
Nushagak Telephone Cooperative, Inc.	1,590
Otz Telephone Cooperative, Inc.	2,071