

HB

225

FISCAL NOTE

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STATE OF ALASKA
 1999 LEGISLATIVE SESSION

Division Date: 5/16/99
 Title: HB 925 Campaign Finance legis. and term effects
 Sponsor: Cowdery
 Requester: _____

Dept. Affected _____
 BRU _____
 Component _____
 Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

| OPERATING EXPENDITURES | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|--------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES | | | | | | |
|--------------------|--|--|--|--|--|--|

FUND SOURCE

(Thousands of Dollars)

| | | | | | | |
|----------------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| 1091 Designated Program Receipts | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY98) cost: _____

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Prepared by Cory Winchell
House Judiciary

Phone 468-4990
 Phone _____
 Date _____

1-LS09311V /
Kurtz
5/15/99

*adopted
moved
(amended)*

SENATE CS FOR CS FOR HOUSE BILL NO. 225(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered:
Referred:

Sponsor(s): **REPRESENTATIVES COWDERY, Kohring**

A BILL

FOR AN ACT ENTITLED

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

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

4 * **Section 1. PURPOSE.** In the interest of attracting Alaska's best and brightest to
5 legislative service and retaining their services in the citizen legislature, and recognizing that
6 legislators are not full-time servants of the state but rather individuals with separate careers
7 whose business and personal obligations demand attention during the legislative session, it is
8 the purpose of this Act to minimize the burdens on candidates and legislators imposed by
9 Alaska's campaign finance and legislative ethics laws, without compromising the efficacy of
10 those laws.

11 * **Sec. 2.** AS 15.13.030 is amended by adding a new subsection to read:

12 (b) In applying this chapter and adopting regulations under this chapter, the
13 commission shall narrowly interpret the applicable statutes and the commission's
14 powers concerning contributions to candidates and requirements for financial reports

1 from candidates to ensure that campaigns for public office are conducted in a manner
2 that imposes the fewest burdens necessary on citizens, candidates, and groups to
3 comply with statutory contribution limits and to provide appropriate information to the
4 public. If a statute is ambiguous, the commission shall consider the intent of the
5 legislature in interpreting the statute.

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

7 (j) The results of a poll limited to issues and not mentioning any candidate
8 may not be considered a contribution. The results of a poll provided to a candidate
9 that mention a candidate may not be considered a contribution to the candidate to
10 whom the poll results were provided unless the poll was requested by or designed
11 primarily to benefit the candidate.

12 * Sec. 4. AS 15.13.050(b) is amended to read:

13 (b) If a group intends to support only one candidate, or to contribute to or
14 expend on behalf of one candidate 33 1/3 percent or more of its funds, the name of
15 the candidate shall be a part of the name of the group. If the group intends to oppose
16 only one candidate [,] or to contribute its funds in opposition to or make expenditures
17 in opposition to a candidate, the group's name must clearly state that it opposes that
18 candidate by using a word such as "opposes," "opposing," "in opposition to," or
19 "against" in the group's name. Promptly upon receiving the registration, the
20 commission shall notify the candidate of the group's organization and intent. More
21 than one group may be registered by a candidate to support that candidate;
22 however, multiple groups controlled by a single candidate shall be treated as a
23 single group for purposes of the contribution limit in AS 15.13.070(b)(1).

24 * Sec. 5. AS 15.13.070(e) is amended to read:

25 (e) This section does not prohibit a candidate from using up to a total of
26 \$2,000 [\$1,000] from campaign contributions in a year to pay the cost of

27 (1) attendance by a candidate or guests of the candidate at an event or
28 other function sponsored by a political party or by a subordinate unit of a political
29 party;

30 (2) membership in a political party, subordinate unit of a political party,
31 or other entity within a political party, or subscription to a publication from a political

1 party; [OR]

2 (3) co-sponsorship of an event or other function sponsored by a
3 political party or by a subordinate unit of a political party; or

4 (4) publicizing or reporting the activities of an organized group of
5 legislators as that term is defined in AS 24.60.080(I).

6 * Sec. 6. AS 15.13.074(c) as repealed and reenacted by sec. 12, ch. 48, SLA 1996, is
7 amended to read:

8 (c) A person or group may not make a contribution

9 (1) to a candidate for governor or lieutenant governor or an
10 individual who files with the commission the document necessary to permit that
11 individual to incur certain election-related expenses as authorized by AS 15.13.100 for
12 governor or lieutenant governor when the office is to be filled at a general election
13 before January 1 following [THE DATE THAT IS 18 MONTHS BEFORE] the last
14 general election in which a governor was elected;

15 (2) to a candidate for the state legislature or municipal office or an
16 individual who files with the commission the document necessary to permit that
17 individual to incur certain election-related expenses for the state legislature or
18 municipal office as authorized by AS 15.13.100 when the office is to be filled at
19 a general election before the date that is 18 months before the general election;

20 (3) to a candidate or an individual who files with the commission the
21 document necessary to permit that individual to incur certain election-related expenses
22 as authorized by AS 15.13.100 for an office that is to be filled at a special election or
23 municipal election before the date that is 18 months before the date of the regular
24 municipal election or that is before the date of the proclamation of the special election
25 at which the candidate or individual seeks election to public office; or

26 (4) [(3)] to any candidate after the earlier of December 31 of the
27 year of the election or the 60th [LATER THAN THE 45TH] day

28 (A) after the date of a primary election if the candidate

29 (i) has been nominated at the primary election or is
30 running as a write-in candidate; and

31 (ii) is not opposed at the general election;

1 (B) after the date of the primary election if the candidate was
2 not nominated at the primary election; or

3 (C) after the date of the general election, or after the date of a
4 municipal or municipal runoff election, if the candidate was opposed at the
5 general, municipal, or municipal runoff election.

6 * Sec. 7. AS 15.13.074(f) is amended to read:

7 (f) A corporation, company, partnership, firm, association, organization,
8 business trust or surety, labor union, or publicly funded entity that does not satisfy the
9 definition of group in AS 15.13.400 may not make a contribution to a candidate or
10 group. Notwithstanding the prohibition set out in this subsection, a corporation,
11 company, partnership, firm, association, organization, business trust or surety,
12 labor union, or publicly funded entity may sponsor a political party event within
13 this state by paying for advertising, food, hall rental, and other actual costs
14 associated with the event.

15 * Sec. 8. AS 15.13.078 is amended by adding a new subsection to read:

16 (e) A campaign expenditure for goods or services made by the candidate from
17 personal funds or by cash, personal check, or personal credit card and reimbursed to
18 the candidate by the campaign before the end of the reporting period for the report due
19 February 15 under AS 15.13.110(a) is not a loan or contribution for purposes of this
20 section and shall be reported to the commission as a campaign expenditure.

21 * Sec. 9. AS 15.13.110(a) is amended to read:

22 (a) Each candidate and group shall make a full report in accordance with
23 AS 15.13.040 for the period ending three days before the due date of the report and
24 beginning on the last day covered by the most recent previous report. If the report is
25 a first report, it shall cover the period from the beginning of the campaign to the date
26 three days before the due date of the report. If the report is a report due February 15,
27 it shall cover the period beginning on the last day covered by the most recent previous
28 report or on the day that the campaign started, whichever is later, and ending on
29 December 31 of the prior year. The report shall be filed

30 (1) 30 days before the election; however, this report is not required if
31 the deadline for filing a nominating petition or declaration of candidacy is within 30

1 days of the election;

2 (2) one week before the election;

3 (3) 10 days after the election; and

4 (4) February 15 for expenditures made and contributions received that
5 were not reported during the previous year, including, if applicable, all amounts
6 expended from a public office expense term account established under AS 15.13.118
7 [AS 15.13.116(a)(8)] and all amounts expended from a municipal office account under
8 AS 15.13.116(a)(9), or when expenditures were not made or contributions were not
9 received during the previous year.

10 * Sec. 10. AS 15.13.112(c) is amended to read:

11 (c) A candidate may use up to a total of \$2,000 [\$1,000] in campaign
12 contributions in a year to pay the cost of

13 (1) attending, or paying the cost for guests of the candidate to attend,
14 an event or other function sponsored by a political party or subordinate unit of a
15 political party;

16 (2) membership in a political party, subordinate unit of a political party,
17 or other entity within a political party, or subscription to a publication from a political
18 party; [AND]

19 (3) co-sponsorship of an event or other function sponsored by a
20 political party or by a subordinate unit of a political party; or

21 (4) meetings or activities of an organized group of legislators as
22 that term is defined in AS 24.60.080(1).

23 * Sec. 11. AS 15.13.116(a) is amended to read:

24 (a) A candidate who, after the date of the general, special, municipal, or
25 municipal runoff election or after the date the candidate withdraws as a candidate,
26 whichever comes first, holds unused campaign contributions shall distribute the amount
27 held within 90 days. The distribution may only be made to

28 (1) pay bills incurred for expenditures reasonably related to the
29 campaign and the winding up of the affairs of the campaign, including a victory or
30 thank you party, thank you advertisements, and thank you gifts to campaign
31 employees and volunteers, and to pay expenditures associated with post-election fund

1 raising that may be needed to raise funds to pay off campaign debts;

2 (2) make donations, without condition, to

3 (A) a political party;

4 (B) the state's general fund;

5 (C) a municipality of the state; or

6 (D) the federal government;

7 (3) make donations, without condition, to organizations qualified as
8 charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not
9 controlled by the candidate or a member of the candidate's immediate family;

10 (4) repay loans from the candidate to the candidate's own campaign
11 under AS 15.13.078(b);

12 (5) repay contributions to contributors, but only if repayment of the
13 contribution is made pro rata in approximate proportion to the contributions made
14 using one of the following, as the candidate determines:

15 (A) to all contributors;

16 (B) to contributors who have contributed most recently; or

17 (C) to contributors who have made larger contributions;

18 (6) establish a fund for, and from that fund to pay, attorney fees or
19 costs incurred in the prosecution or defense of an administrative or civil judicial action
20 that directly concerns a challenge to the victory or defeat of the candidate in the
21 election;

22 (7) transfer all or a portion of the unused campaign contributions to
23 [AN ACCOUNT FOR] a future election campaign account in accordance with
24 AS 15.13.117 [; A TRANSFER UNDER THIS PARAGRAPH IS LIMITED TO

25 (A) \$50,000, IF THE TRANSFER IS MADE BY A
26 CANDIDATE FOR GOVERNOR OR LIEUTENANT GOVERNOR;

27 (B) \$10,000, IF THE TRANSFER IS MADE BY A
28 CANDIDATE FOR THE STATE SENATE;

29 (C) \$5,000, IF THE TRANSFER IS MADE BY A CANDIDATE
30 FOR THE STATE HOUSE OF REPRESENTATIVES; AND

31 (D) \$5,000, IF THE TRANSFER IS MADE BY A

1 CANDIDATE FOR AN OFFICE NOT DESCRIBED IN (A) - (C) OF THIS
2 PARAGRAPH];

3 (8) transfer all or a portion of the unused campaign contributions to a
4 public office expense term account [OR TO A PUBLIC OFFICE EXPENSE TERM
5 ACCOUNT RESERVE] in accordance with AS 15.13.118 [(d) OF THIS SECTION;
6 A TRANSFER UNDER THIS PARAGRAPH IS SUBJECT TO THE FOLLOWING:

7 (A) THE AUTHORITY TO TRANSFER IS LIMITED TO
8 CANDIDATES WHO ARE ELECTED TO THE STATE LEGISLATURE;

9 (B) THE PUBLIC OFFICE EXPENSE TERM ACCOUNT
10 ESTABLISHED UNDER THIS PARAGRAPH MAY BE USED ONLY FOR
11 EXPENSES ASSOCIATED WITH THE CANDIDATE'S SERVING AS A
12 MEMBER OF THE LEGISLATURE;

13 (C) ALL AMOUNTS EXPENDED FROM THE PUBLIC
14 OFFICE EXPENSE TERM ACCOUNT SHALL BE ANNUALLY
15 ACCOUNTED FOR UNDER AS 15.13.110(a)(4); AND

16 (D) A TRANSFER UNDER THIS PARAGRAPH IS LIMITED
17 TO \$5,000 MULTIPLIED BY THE NUMBER OF YEARS IN THE TERM TO
18 WHICH THE CANDIDATE IS ELECTED]; and

19 (9) transfer all or a portion of the unused campaign contributions to a
20 municipal office account; a transfer under this paragraph is subject to the following:

21 (A) the authority to transfer is limited to candidates who are
22 elected to municipal office, including a municipal school board;

23 (B) the municipal office account established under this
24 paragraph may be used only for expenses associated with the candidate's
25 serving as mayor or as a member of the assembly, city council, or school
26 board;

27 (C) all amounts expended from the municipal office account
28 shall be annually accounted for under AS 15.13.110(a)(4); and

29 (D) a transfer under this paragraph is limited to \$5,000.

30 * Sec. 12. AS 15.13.116(b) is amended to read:

31 (b) After a general, special, municipal, or municipal runoff election, a

1 candidate may retain the ownership of one computer and one printer and of personal
2 property, except money, that was acquired by and for use in the campaign. The
3 current fair market value of the property retained, exclusive of the computer and
4 printer, may not exceed \$5,000 [\$2,500]. All other property shall be disposed of, or
5 sold and the sale proceeds disposed of, in accordance with (a) or (c) of this section.
6 Notwithstanding any other provision of this chapter,

7 (1) a candidate may (A) [(1)] retain a bulk mailing permit that was
8 paid for with campaign funds, and (B) [(2)] use personal funds, campaign funds, or
9 unused campaign contributions transferred to a public office expense term account
10 under AS 15.13.118 [(a)(8) OF THIS SECTION] to pay the continuing charges for the
11 permit after the election; money [MONEY] used to continue the life of the permit
12 is not considered to be a contribution under this chapter; in [IN] addition to any
13 other use permitted under this chapter, during the candidate's term of office, the
14 candidate may use the bulk mailing permit for mailings associated with service in the
15 office to which the candidate was elected; during [DURING] the candidate's term
16 of office, if the candidate files a declaration of candidacy or the document necessary
17 to permit the candidate to incur election-related expenses under AS 15.13.100 [A
18 LETTER OF INTENT TO BECOME A CANDIDATE] for the same or a different
19 elective office, the candidate may also use the bulk mailing permit in that election
20 campaign;

21 (2) a candidate may retain campaign photographs and use the
22 photographs for any purpose associated with service in the office to which the
23 candidate was elected;

24 (3) a candidate may retain seasonal greeting cards purchased with
25 campaign funds; and

26 (4) campaign signs prepared for an election that has already taken
27 place have no monetary value and may be retained or disposed of at the
28 candidate's discretion.

29 * Sec. 13. AS 15.13 is amended by adding new sections to read:

30 Sec. 15.13.117. Future election campaign accounts. (a) Unused campaign
31 contributions may be transferred to one or more future election campaign accounts.

1 Before transferring unused campaign contributions to a future election campaign
2 account, a candidate must file a letter of intent to campaign for election with the
3 commission. The letter of intent may specify the office to be sought and must specify
4 the election year in which the campaign will take place. If the letter of intent does not
5 specify the office to be sought, a maximum of \$20,000 may be transferred for
6 campaigns for state office and a maximum of \$10,000 for campaigns for municipal
7 office. If the letter of intent does not specify that a state office is to be sought, a
8 maximum of \$10,000 may be transferred. Contributions may be transferred to an
9 account for a future campaign for election to an office other than that for which they
10 were originally raised.

11 (b) If a candidate seeks election to a different office than that specified in the
12 letter of intent filed under (a) of this section, the candidate may use only that portion
13 of the amount transferred that would have been permitted under this subsection for the
14 office actually campaigned for. Any excess funds transferred are forfeited to the state
15 under AS 15.13.116(c). Any contributions that could not have been accepted under
16 AS 15.13.072 or 15.13.074 for a campaign for the office actually campaigned for are
17 forfeited to the state under AS 15.13.116(c). If the candidate does not actually seek
18 election to any office at the election specified in the letter of intent, the entire balance
19 of the account is forfeited to the state under AS 15.13.116(c).

20 (c) For an office specified in a letter of intent under (a) of this section, a
21 candidate may transfer to a future campaign account an amount not exceeding

- 22 (1) \$100,000 for a future campaign for governor or lieutenant governor;
23 (2) \$40,000 for a future campaign for the state senate;
24 (3) \$20,000 for a future campaign for the state house of representatives;
25 (4) \$60,000 for a future campaign for mayor of a municipality with a
26 population greater than 100,000;
27 (5) \$40,000 for a future campaign for mayor of a municipality with a
28 population greater than 50,000 but not exceeding 100,000;
29 (6) \$20,000 for a future campaign for mayor of a municipality with a
30 population not exceeding 50,000; and
31 (7) \$10,000 for an office not described in (A) - (F) of this paragraph.

1 (d) A candidate may use \$1,000 of the funds in a future election campaign
2 account each year for unconditional donations to one or more organizations qualified
3 as charitable organizations under 26 U.S.C. 501(c)(3), provided the organizations are
4 not controlled by the candidate or a member of the candidate's immediate family.

5 (e) A candidate may use \$1,000 of the funds in a future election campaign
6 account each year for the cost of attending, or paying the cost for guests of the
7 candidate to attend, an event or other function sponsored by a political party or
8 subordinate unit of a political party.

9 **Sec. 15.13.118. Public office expense term accounts.** (a) After a general or
10 special election, a candidate who has been elected to the state legislature in that
11 election may establish a public office expense term account reserve with unused
12 campaign contributions. A candidate for the senate may transfer up to \$40,000 in
13 unused campaign contributions into a public office expense term account reserve. A
14 candidate for the house of representatives may transfer up to \$16,000 in unused
15 campaign contributions to a public office expense term account reserve. The public
16 office expense term account reserve may only be used to make transfers to a public
17 office expense term account.

18 (b) A candidate elected to the senate may transfer up to \$10,000 each calendar
19 year from a public office expense term account reserve to a public office expense term
20 account. A candidate elected to the house may transfer up to \$8,000 each calendar
21 year from a public office expense term account reserve to a public office expense term
22 account. A candidate elected to the legislature may also transfer any interest that has
23 accrued in the candidate's public office expense term account reserve to a public office
24 expense term account. If, during a calendar year, a candidate transfers less than the
25 permitted amount from a public office expense term account reserve to a public office
26 expense term account, the excess may be carried over in the reserve and transferred
27 in a subsequent calendar year. At the end of the candidate's term of office, a balance
28 in the public office expense term account reserve must be disposed of only as
29 authorized by AS 15.13.116(a)(2), (3), or (5).

30 (c) Funds in a public office expense term account may be used only for
31 expenses associated with the candidate's serving as a member of the legislature,

1 including the unconditional donation of up to \$1,000 a year to one or more
2 organizations qualified as charitable organizations under 26 U.S.C. 501(c)(3), provided
3 the organization is not controlled by the candidate or a member of the candidate's
4 immediate family. Funds in a public office expense term account or public office
5 expense term account reserve shall be annually accounted for under
6 AS 15.13.110(a)(4).

7 * Sec. 14. AS 15.13.145(b) is amended to read:

8 (b) Money held by an entity identified in (a)(1) - (3) of this section may be
9 used to influence the outcome of an election concerning a ballot proposition or
10 question if the use is permitted under AS 24.60.030(a)(5)(H) or [, BUT ONLY] if
11 the funds have been specifically appropriated for that purpose by a state law or a
12 municipal ordinance.

13 * Sec. 15. AS 15.13.400(3) is amended to read:

14 (3) "contribution"

15 (A) means a purchase, payment, promise or obligation to pay,
16 loan or loan guarantee, deposit or gift of money, goods, or services for which
17 charge is ordinarily made and that is made for the purpose of influencing the
18 nomination or election of a candidate, and in AS 15.13.010(b) for the purpose
19 of influencing a ballot proposition or question, including the payment by a
20 person other than a candidate or political party, or compensation for the
21 personal services of another person, that are rendered to the candidate or
22 political party;

23 (B) does not include

24 (i) services provided without compensation by
25 individuals volunteering a portion or all of their time on behalf of a
26 political party, candidate, or ballot proposition or question [, BUT IT
27 DOES INCLUDE PROFESSIONAL SERVICES VOLUNTEERED BY
28 INDIVIDUALS FOR WHICH THEY ORDINARILY WOULD BE
29 PAID A FEE OR WAGE];

30 (ii) services provided by an accountant or other person
31 to prepare reports and statements required by this chapter; [OR]

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(iii) ordinary hospitality in a home;

(iv) professional legal or accounting services that are provided to a candidate, group, or political party without compensation by an attorney or accountant; the nature or form of the entity under which the attorney or accountant conducts the attorney's or accountant's professional practice does not affect the exception; or

(v) mass mailings by each political party describing the party's slate of candidates for election, which may include photographs and biographies of the party's candidates;

* Sec. 16. AS 24.45.121 is amended by adding a new subsection to read:

(d) An individual who is related to a member of the legislature may not be employed for compensation as a registered lobbyist or by a registered lobbyist.

* Sec. 17. AS 24.60.030(a) is amended to read:

(a) A legislator or legislative employee may not

(1) solicit, agree to accept, or accept a benefit other than official compensation for the performance of public duties; this paragraph may not be construed to prohibit lawful solicitation for and acceptance of campaign contributions or the acceptance of a lawful gratuity under AS 24.60.080;

(2) use public funds, facilities, equipment, services, or another government asset or resource for a nonlegislative purpose, for involvement in or support of or opposition to partisan political activity, or for the private benefit of either the legislator, legislative employee, or another person; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and either the cost or value related to the use is nominal or the legislator or legislative employee reimburses the state for the cost of the use;

(B) the unlimited use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nonlegislative purposes;

(C) unlimited telephone or facsimile use that does not carry a

1 special charge;

2 (D) the legislative council, notwithstanding AS 24.05.190, from
3 designating a public facility for use by legislators and legislative employees for
4 health or fitness purposes; when the council designates a facility to be used by
5 legislators and legislative employees for health or fitness purposes, it shall
6 adopt guidelines governing access to and use of the facility; the guidelines may
7 establish times in which use of the facility is limited to specific groups; [OR]

8 (E) a legislator from using the legislator's private office in the
9 capital city during a legislative session, and for the 10 [FIVE] days
10 immediately before and the 10 [FIVE] days immediately after a legislative
11 session, for nonlegislative purposes if the use does not interfere with the
12 performance of public duties and if there is no cost to the state for the use of
13 the space and equipment, other than utility costs and minimal wear and tear,
14 or the legislator promptly reimburses the state for the cost; an office is
15 considered a legislator's private office under this subparagraph if it is the
16 primary space in the capital city reserved for use by the legislator, whether or
17 not it is shared with others;

18 (F) a legislator from unlimited use of legislative employees
19 to prepare and send out seasonal greeting cards;

20 (G) a legislator from using state resources to transport
21 computers or other office equipment owned by the legislator but primarily
22 used for a state function;

23 (H) unlimited use by a legislator of photographs of that
24 legislator;

25 (I) reasonable use of the Internet by a legislator or a
26 legislative employee except if the use is for election campaign purposes; or

27 (J) a legislator from soliciting, accepting, or receiving a gift
28 on behalf of a recognized, nonpolitical charitable organization in a state
29 facility;

30 (3) knowingly seek, accept, use, allocate, grant, or award public funds
31 for a purpose other than that approved by law, or make a false statement in connection

1 with a claim, request, or application for compensation, reimbursement, or travel
2 allowances from public funds;

3 (4) require a legislative employee to perform services for the private
4 benefit of the legislator or employee at any time, or allow a legislative employee to
5 perform services for the private benefit of a legislator or employee on government
6 time; it is not a violation of this paragraph if the services were performed in an
7 unusual or infrequent situation and the person's services were reasonably necessary to
8 permit the legislator or legislative employee to perform official duties;

9 (5) use or authorize the use of state funds, facilities, equipment,
10 services, or another government asset or resource for the purpose of political fund
11 raising or campaigning; this paragraph does not prohibit

12 (A) limited use of state property and resources for personal
13 purposes if the use does not interfere with the performance of public duties and
14 either the cost or value related to the use is nominal or the legislator or
15 legislative employee reimburses the state for the cost of the use;

16 (B) the unlimited use of mailing lists, computer data, or other
17 information lawfully obtained from a government agency and available to the
18 general public for nonlegislative purposes;

19 (C) telephone or facsimile use that does not carry a special
20 charge;

21 (D) unlimited storage or maintenance [STORING OR
22 MAINTAINING], consistent with (b) of this section, of election campaign
23 records in a legislator's office; [OR]

24 (E) a legislator from using the legislator's private office in the
25 capital city during a legislative session, and for the 10 [FIVE] days
26 immediately before and the 10 [FIVE] days immediately after a legislative
27 session, for nonlegislative purposes if the use does not interfere with the
28 performance of public duties and if there is no cost to the state for the use of
29 the space and equipment, other than utility costs and minimal wear and tear,
30 or the legislator promptly reimburses the state for the cost; an office is
31 considered a legislator's private office under this subparagraph if it is the

1 primary space in the capital city reserved for use by the legislator, whether or
2 not it is shared with others;

3 (F) unlimited use by a legislator of photographs of that
4 legislator;

5 (G) reasonable use of the Internet by a legislator or a
6 legislative employee except if the use is for election campaign purposes; or

7 (H) use of governmental resources, including paid staff time,
8 to support or oppose a proposed initiative or an amendment to the state
9 or federal constitution; a legislator or legislative employee may support or
10 oppose a proposed initiative or constitutional amendment; however, a
11 legislator or legislative employee may not use governmental resources to
12 solicit contributions for or gather signatures on an initiative petition; a
13 legislative employee may not, on government time, accept or receive
14 contributions relating to a proposed constitutional amendment or initiative.

15 * Sec. 18. AS 24.60.080 is amended by adding a new subsection to read:

16 (l) A legislator may solicit, accept, or receive a gift on behalf of an organized
17 group of legislators, but the gift may only be used to cover the cost of the meetings
18 or activities of the organized group within this state. The value of a gift authorized
19 by this subsection may not be included in determining the value of gifts under (a) of
20 this section. This subsection does not authorize a gift from a lobbyist. In this
21 subsection, "organized group of legislators" means two or more legislators organized
22 for a particular purpose not related to an individual's election campaign, other than a
23 majority caucus, minority caucus, or party caucus.

24 * Sec. 19. AS 24.60.090 is repealed and reenacted to read:

25 **Sec. 24.60.090. Nepotism.** (a) An individual who is related to a member of
26 the legislature may not be employed for compensation

27 (1) during the legislative session in the house in which the legislator
28 is a member;

29 (2) by an agency of the legislature established under AS 24.20; or

30 (3) in either house during the interim between sessions.

31 (b) An individual who is related to a member of the legislature may not be

1 employed by the committee, whether for compensation or not.

2 (c) An individual who is related to a legislative employee may not be
3 employed in a position over which the employee has supervisory authority.

4 (d) Notwithstanding (a)(3) of this section, an individual who is related to a
5 member of the legislature may be employed in the other house of the legislature during
6 the interim between sessions if, while the individual was disqualified from employment
7 in either house of the legislature during the interim under (a)(3) of this section, the
8 individual worked for at least 100 days during each of four regular legislative sessions.

9 (e) In this section,

10 (1) "an individual who is related to" means a member of the legislator's
11 or legislative employee's immediate family or a person who is a legislator's or
12 legislative employee's spousal equivalent living together in a conjugal relationship not
13 a legal marriage with the legislator or legislative employee;

14 (2) "interim between sessions" means the period beginning on the
15 eighth day after the legislature adjourns from a regular or special session and ending
16 eight days before the date that the legislature next convenes in regular session under
17 AS 24.05.090 or in special session under AS 24.05.100;

18 (3) "other house of the legislature" means the house in which the
19 individual's relation is not a member.

20 * Sec. 20. AS 24.60.150 is amended by adding a new subsection to read:

21 (c) In carrying out these duties, the committee shall interpret this chapter in
22 the manner that is no more restrictive of the actions of legislators than is necessary to
23 implement the intent of the law. If a statute is ambiguous, the committee shall
24 consider the intent of the legislature in interpreting the statute.

25 * Sec. 21. AS 15.13.116(d), AS 24.45.041(b)(7), ~~and AS 24.60.070(c)~~ are repealed.

26 * Sec. 22. Section 6 of this Act takes effect on the later of the effective date set out in
27 sec. 23 of this Act or on the date that, under sec. 34, ch. 48, SLA 1996, sec. 12, ch. 48, SLA
28 1996, takes effect.

29 * Sec. 23. Except as provided in sec. 22 of this Act, this Act takes effect December 1,
30 1999.

I-LS0931AM
Kurtz ✓
5/14/99

*adopted
amend.
Moved*

SENATE CS FOR CS FOR HOUSE BILL NO. 225()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES COWDERY, Kohring

A BILL

FOR AN ACT ENTITLED

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

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

4 * Section 1. PURPOSE. In the interest of attracting Alaska's best and brightest to
5 legislative service and retaining their services in the citizen legislature, and recognizing that
6 legislators are not full-time servants of the state but rather individuals with separate careers
7 whose business and personal obligations demand attention during the legislative session, it is
8 the purpose of this Act to minimize the burdens on candidates and legislators imposed by
9 Alaska's campaign finance and legislative ethics laws, without compromising the efficacy of
10 those laws.

11 * Sec. 2. AS 15.13.030 is amended by adding a new subsection to read:

12 (b) In applying this chapter and adopting regulations under this chapter, the
13 commission shall narrowly interpret the applicable statutes and the commission's
14 powers concerning contributions to candidates and requirements for financial reports

1 from candidates to ensure that campaigns for public office are conducted in a manner
2 that imposes the fewest burdens necessary on citizens, candidates, and groups to
3 comply with statutory contribution limits and to provide appropriate information to the
4 public. If a statute is ambiguous, the commission shall consider the intent of the
5 legislature in interpreting the statute.

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

7 (j) The results of a poll limited to issues and not mentioning any candidate
8 may not be considered a contribution. The results of a poll provided to a candidate
9 that mention a candidate may not be considered a contribution to the candidate to
10 whom the poll results were provided unless the poll was requested by or designed
11 primarily to benefit the candidate.

12 * Sec. 4. AS 15.13.050(b) is amended to read:

13 (b) If a group intends to support only one candidate, or to contribute to or
14 expend on behalf of one candidate 33 1/3 percent or more of its funds, the name of
15 the candidate shall be a part of the name of the group. If the group intends to oppose
16 only one candidate [,] or to contribute its funds in opposition to or make expenditures
17 in opposition to a candidate, the group's name must clearly state that it opposes that
18 candidate by using a word such as "opposes," "opposing," "in opposition to," or
19 "against" in the group's name. Promptly upon receiving the registration, the
20 commission shall notify the candidate of the group's organization and intent. More
21 than one group may be registered by a candidate to support that candidate;
22 however, multiple groups controlled by a single candidate shall be treated as a
23 single group for purposes of the contribution limit in AS 15.13.070(b)(1).

24 * Sec. 5. AS 15.13.070(e) is amended to read:

25 (e) This section does not prohibit a candidate from using up to a total of
26 \$2,000 [\$1,000] from campaign contributions in a year to pay the cost of

27 (1) attendance by a candidate or guests of the candidate at an event or
28 other function sponsored by a political party or by a subordinate unit of a political
29 party;

30 (2) membership in a political party, subordinate unit of a political party,
31 or other entity within a political party, or subscription to a publication from a political

1 party; [OR]

2 (3) co-sponsorship of an event or other function sponsored by a
3 political party or by a subordinate unit of a political party; or

4 (4) publicizing or reporting the activities of an organized group of
5 legislators as that term is defined in AS 24.60.080(l).

6 * Sec. 6. AS 15.13.074(c) as repealed and reenacted by sec. 12, ch. 48, SLA 1996, is
7 amended to read:

8 (c) A person or group may not make a contribution

9 (1) to a candidate for governor or lieutenant governor or an
10 individual who files with the commission the document necessary to permit that
11 individual to incur certain election-related expenses as authorized by AS 15.13.100 for
12 governor or lieutenant governor when the office is to be filled at a general election
13 before January 1 following [THE DATE THAT IS 18 MONTHS BEFORE] the last
14 general election in which a governor was elected;

15 (2) to a candidate for the state legislature or municipal office or an
16 individual who files with the commission the document necessary to permit that
17 individual to incur certain election-related expenses for the state legislature or
18 municipal office as authorized by AS 15.13.100 when the office is to be filled at
19 a general election before the date that is 18 months before the general election;

20 (3) to a candidate or an individual who files with the commission the
21 document necessary to permit that individual to incur certain election-related expenses
22 as authorized by AS 15.13.100 for an office that is to be filled at a special election or
23 municipal election before the date that is 18 months before the date of the regular
24 municipal election or that is before the date of the proclamation of the special election
25 at which the candidate or individual seeks election to public office; or

26 (4) [(3)] to any candidate after the earlier of December 31 of the
27 year of the election or the 60th [LATER THAN THE 45TH] day

28 (A) after the date of a primary election if the candidate

29 (i) has been nominated at the primary election or is
30 running as a write-in candidate; and

31 (ii) is not opposed at the general election;

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(B) after the date of the primary election if the candidate was not nominated at the primary election; or

(C) after the date of the general election, or after the date of a municipal or municipal runoff election, if the candidate was opposed at the general, municipal, or municipal runoff election.

* Sec. 7. AS 15.13.074(f) is amended to read:

(f) A corporation, company, partnership, firm, association, organization, business trust or surety, labor union, or publicly funded entity that does not satisfy the definition of group in AS 15.13.400 may not make a contribution to a candidate or group. Notwithstanding the prohibition set out in this subsection, a corporation, company, partnership, firm, association, organization, business trust or surety, labor union, or publicly funded entity may sponsor a political party event within this state by paying for advertising, food, hall rental, and other actual costs associated with the event.

* Sec. 8. AS 15.13.078 is amended by adding a new subsection to read:

(e) A campaign expenditure for goods or services may be made by a candidate from personal funds or by cash, personal check, or personal credit card. If a campaign expenditure for goods or services made by a candidate from personal funds or by cash, personal check, or personal credit card is reimbursed to the candidate by the campaign before the end of the reporting period in which the expenditure is made, it may not be considered a loan or contribution for purposes of this section.

* Sec. 9. AS 15.13.110(a) is amended to read:

(a) Each candidate and group shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it shall cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, it shall cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on December 31 of the prior year. The report shall be filed

(1) 30 days before the election; however, this report is not required if

1 the deadline for filing a nominating petition or declaration of candidacy is within 30
2 days of the election;

3 (2) one week before the election;

4 (3) 10 days after the election; and

5 (4) February 15 for expenditures made and contributions received that
6 were not reported during the previous year, including, if applicable, all amounts
7 expended from a public office expense term account established under AS 15.13.118
8 [AS 15.13.116(a)(8)] and all amounts expended from a municipal office account under
9 AS 15.13.116(a)(9), or when expenditures were not made or contributions were not
10 received during the previous year.

11 * Sec. 10. AS 15.13.112(c) is amended to read:

12 (c) A candidate may use up to a total of \$2,000 [\$1,000] in campaign
13 contributions in a year to pay the cost of

14 (1) attending, or paying the cost for guests of the candidate to attend,
15 an event or other function sponsored by a political party or subordinate unit of a
16 political party;

17 (2) membership in a political party, subordinate unit of a political party,
18 or other entity within a political party, or subscription to a publication from a political
19 party; [AND]

20 (3) co-sponsorship of an event or other function sponsored by a
21 political party or by a subordinate unit of a political party; or

22 (4) meetings or activities of an organized group of legislators as
23 that term is defined in AS 24.60.080(1).

24 * Sec. 11. AS 15.13.116(a) is amended to read:

25 (a) A candidate who, after the date of the general, special, municipal, or
26 municipal runoff election or after the date the candidate withdraws as a candidate,
27 whichever comes first, holds unused campaign contributions shall distribute the amount
28 held within 90 days. The distribution may only be made to

29 (1) pay bills incurred for expenditures reasonably related to the
30 campaign and the winding up of the affairs of the campaign, including a victory or
31 thank you party, thank you advertisements, and thank you gifts to campaign

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employees and volunteers, and to pay expenditures associated with post-election fund raising that may be needed to raise funds to pay off campaign debts;

(2) make donations, without condition, to

- (A) a political party;
- (B) the state's general fund;
- (C) a municipality of the state; or
- (D) the federal government;

(3) make donations, without condition, to organizations qualified as charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not controlled by the candidate or a member of the candidate's immediate family;

(4) repay loans from the candidate to the candidate's own campaign under AS 15.13.078(b);

(5) repay contributions to contributors, but only if repayment of the contribution is made pro rata in approximate proportion to the contributions made using one of the following, as the candidate determines:

- (A) to all contributors;
- (B) to contributors who have contributed most recently; or
- (C) to contributors who have made larger contributions;

(6) establish a fund for, and from that fund to pay, attorney fees or costs incurred in the prosecution or defense of an administrative or civil judicial action that directly concerns a challenge to the victory or defeat of the candidate in the election;

(7) transfer all or a portion of the unused campaign contributions to [AN ACCOUNT FOR] a future election campaign account in accordance with AS 15.13.117 [; A TRANSFER UNDER THIS PARAGRAPH IS LIMITED TO

- (A) \$50,000, IF THE TRANSFER IS MADE BY A CANDIDATE FOR GOVERNOR OR LIEUTENANT GOVERNOR;
- (B) \$10,000, IF THE TRANSFER IS MADE BY A CANDIDATE FOR THE STATE SENATE;
- (C) \$5,000, IF THE TRANSFER IS MADE BY A CANDIDATE FOR THE STATE HOUSE OF REPRESENTATIVES; AND

1 (D) \$5,000, IF THE TRANSFER IS MADE BY A
2 CANDIDATE FOR AN OFFICE NOT DESCRIBED IN (A) - (C) OF THIS
3 PARAGRAPH];

4 (8) transfer all or a portion of the unused campaign contributions to a
5 public office expense term account [OR TO A PUBLIC OFFICE EXPENSE TERM
6 ACCOUNT RESERVE] in accordance with AS 15.13.118 [(d) OF THIS SECTION;
7 A TRANSFER UNDER THIS PARAGRAPH IS SUBJECT TO THE FOLLOWING:

8 (A) THE AUTHORITY TO TRANSFER IS LIMITED TO
9 CANDIDATES WHO ARE ELECTED TO THE STATE LEGISLATURE;

10 (B) THE PUBLIC OFFICE EXPENSE TERM ACCOUNT
11 ESTABLISHED UNDER THIS PARAGRAPH MAY BE USED ONLY FOR
12 EXPENSES ASSOCIATED WITH THE CANDIDATE'S SERVING AS A
13 MEMBER OF THE LEGISLATURE;

14 (C) ALL AMOUNTS EXPENDED FROM THE PUBLIC
15 OFFICE EXPENSE TERM ACCOUNT SHALL BE ANNUALLY
16 ACCOUNTED FOR UNDER AS 15.13.110(a)(4); AND

17 (D) A TRANSFER UNDER THIS PARAGRAPH IS LIMITED
18 TO \$5,000 MULTIPLIED BY THE NUMBER OF YEARS IN THE TERM TO
19 WHICH THE CANDIDATE IS ELECTED]; and

20 (9) transfer all or a portion of the unused campaign contributions to a
21 municipal office account; a transfer under this paragraph is subject to the following:

22 (A) the authority to transfer is limited to candidates who are
23 elected to municipal office, including a municipal school board;

24 (B) the municipal office account established under this
25 paragraph may be used only for expenses associated with the candidate's
26 serving as mayor or as a member of the assembly, city council, or school
27 board;

28 (C) all amounts expended from the municipal office account
29 shall be annually accounted for under AS 15.13.110(a)(4); and

30 (D) a transfer under this paragraph is limited to \$5,000.

31 * Sec. 12. AS 15.13.116(b) is amended to read:

1 (b) After a general, special, municipal, or municipal runoff election, a
2 candidate may retain the ownership of one computer and one printer and of personal
3 property, except money, that was acquired by and for use in the campaign. The
4 current fair market value of the property retained, exclusive of the computer and
5 printer, may not exceed \$5,000 [\$2,500]. All other property shall be disposed of, or
6 sold and the sale proceeds disposed of, in accordance with (a) or (c) of this section.
7 Notwithstanding any other provision of this chapter,

8 (1) a candidate may (A) [(1)] retain a bulk mailing permit that was
9 paid for with campaign funds, and (B) [(2)] use personal funds, campaign funds, or
10 unused campaign contributions transferred to a public office expense term account
11 under AS 15.13.118 [(a)(8) OF THIS SECTION] to pay the continuing charges for the
12 permit after the election; money [. MONEY] used to continue the life of the permit
13 is not considered to be a contribution under this chapter; in [. IN] addition to any
14 other use permitted under this chapter, during the candidate's term of office, the
15 candidate may use the bulk mailing permit for mailings associated with service in the
16 office to which the candidate was elected; during [. DURING] the candidate's term
17 of office, if the candidate files a declaration of candidacy or the document necessary
18 to permit the candidate to incur election-related expenses under AS 15.13.100 [A
19 LETTER OF INTENT TO BECOME A CANDIDATE] for the same or a different
20 elective office, the candidate may also use the bulk mailing permit in that election
21 campaign;

22 (2) a candidate may retain campaign photographs and use the
23 photographs for any purpose associated with service in the office to which the
24 candidate was elected;

25 (3) a candidate may retain seasonal greeting cards purchased with
26 campaign funds; and

27 (4) campaign signs prepared for an election that has already taken
28 place have no monetary value and may be retained or disposed of at the
29 candidate's discretion.

30 * Sec. 13. AS 15.13 is amended by adding new sections to read:

31 Sec. 15.13.117. Future election campaign accounts. (a) Unused campaign

1 contributions may be transferred to one or more future election campaign accounts.
2 Before transferring unused campaign contributions to a future election campaign
3 account, a candidate must file a letter of intent to campaign for election with the
4 commission. The letter of intent may specify the office to be sought and must specify
5 the election year in which the campaign will take place. If the letter of intent does not
6 specify the office to be sought, a maximum of \$20,000 may be transferred for
7 campaigns for state office and a maximum of \$10,000 for campaigns for municipal
8 office. If the letter of intent does not specify that a state office is to be sought, a
9 maximum of \$10,000 may be transferred. Contributions may be transferred to an
10 account for a future campaign for election to an office other than that for which they
11 were originally raised.

12 (b) If a candidate seeks election to a different office than that specified in the
13 letter of intent filed under (a) of this section, the candidate may use only that portion
14 of the amount transferred that would have been permitted under this subsection for the
15 office actually campaigned for. Any excess funds transferred are forfeited to the state
16 under AS 15.13.116(c). Any contributions that could not have been accepted under
17 AS 15.13.072 or 15.13.074 for a campaign for the office actually campaigned for are
18 forfeited to the state under AS 15.13.116(c). If the candidate does not actually seek
19 election to any office at the election specified in the letter of intent, the entire balance
20 of the account is forfeited to the state under AS 15.13.116(c).

21 (c) For an office specified in a letter of intent under (a) of this section, a
22 candidate may transfer to a future campaign account an amount not exceeding

- 23 (1) \$100,000 for a future campaign for governor or lieutenant governor;
24 (2) \$40,000 for a future campaign for the state senate;
25 (3) \$20,000 for a future campaign for the state house of representatives;
26 (4) \$60,000 for a future campaign for mayor of a municipality with a
27 population greater than 100,000;
28 (5) \$40,000 for a future campaign for mayor of a municipality with a
29 population greater than 50,000 but not exceeding 100,000;
30 (6) \$20,000 for a future campaign for mayor of a municipality with a
31 population not exceeding 50,000; and

1 (7) \$10,000 for an office not described in (A) - (F) of this paragraph.

2 (d) A candidate may use \$1,000 of the funds in a future election campaign
3 account each year for unconditional donations to one or more organizations qualified
4 as charitable organizations under 26 U.S.C. 501(c)(3), provided the organizations are
5 not controlled by the candidate or a member of the candidate's immediate family.

6 (e) A candidate may use \$1,000 of the funds in a future election campaign
7 account each year for the cost of attending, or paying the cost for guests of the
8 candidate to attend, an event or other function sponsored by a political party or
9 subordinate unit of a political party.

10 **Sec. 15.13.118. Public office expense term accounts.** (a) After a general or
11 special election, a candidate who has been elected to the state legislature in that
12 election may establish a public office expense term account reserve with unused
13 campaign contributions. A candidate for the senate may transfer up to \$40,000 in
14 unused campaign contributions into a public office expense term account reserve. A
15 candidate for the house of representatives may transfer up to \$16,000 in unused
16 campaign contributions to a public office expense term account reserve. The public
17 office expense term account reserve may only be used to make transfers to a public
18 office expense term account.

19 (b) A candidate elected to the senate may transfer up to \$10,000 each calendar
20 year from a public office expense term account reserve to a public office expense term
21 account. A candidate elected to the house may transfer up to \$8,000 each calendar
22 year from a public office expense term account reserve to a public office expense term
23 account. A candidate elected to the legislature may also transfer any interest that has
24 accrued in the candidate's public office expense term account reserve to a public office
25 expense term account. If, during a calendar year, a candidate transfers less than the
26 permitted amount from a public office expense term account reserve to a public office
27 expense term account, the excess may be carried over in the reserve and transferred
28 in a subsequent calendar year. At the end of the candidate's term of office, a balance
29 in the public office expense term account reserve must be disposed of only as
30 authorized by AS 15.13.116(a)(2), (3), or (5).

31 (c) Funds in a public office expense term account may be used only for

1 expenses associated with the candidate's serving as a member of the legislature,
2 including the unconditional donation of up to \$1,000 a year to one or more
3 organizations qualified as charitable organizations under 26 U.S.C. 501(c)(3), provided
4 the organization is not controlled by the candidate or a member of the candidate's
5 immediate family. Funds in a public office expense term account or public office
6 expense term account reserve shall be annually accounted for under
7 AS 15.13.110(a)(4).

8 * Sec. 14. AS 15.13.145(b) is amended to read:

9 (b) Money held by an entity identified in (a)(1) - (3) of this section may be
10 used to influence the outcome of an election concerning a ballot proposition or
11 question if the use is permitted under AS 24.60.030(a)(5)(H) or [, BUT ONLY] if
12 the funds have been specifically appropriated for that purpose by a state law or a
13 municipal ordinance.

14 * Sec. 15. AS 15.13.400(3) is amended to read:

15 (3) "contribution"

16 (A) means a purchase, payment, promise or obligation to pay,
17 loan or loan guarantee, deposit or gift of money, goods, or services for which
18 charge is ordinarily made and that is made for the purpose of influencing the
19 nomination or election of a candidate, and in AS 15.13.010(b) for the purpose
20 of influencing a ballot proposition or question, including the payment by a
21 person other than a candidate or political party, or compensation for the
22 personal services of another person, that are rendered to the candidate or
23 political party;

24 (B) does not include

25 (i) services provided without compensation by
26 individuals volunteering a portion or all of their time on behalf of a
27 candidate or ballot proposition or question, but, except as provided by
28 (ii) and (iv) of this subparagraph, it does include professional services
29 volunteered by individuals for which they ordinarily would be paid a
30 fee or wage;

31 (ii) services provided by an accountant or other person

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to prepare reports and statements required by this chapter; [OR]

(iii) ordinary hospitality in a home;

(iv) professional legal or accounting services that are provided to a candidate, group, or political party without compensation by an attorney or accountant; the nature or form of the entity under which the attorney or accountant conducts the attorney's or accountant's professional practice does not affect the exception; or

(v) mass mailings by each political party describing the party's slate of candidates for election, which may include photographs and biographies [of each] of the party's candidates;

#8 Passed
→

* Sec. 16. AS 24.60.030(a) is amended to read:

- (a) A legislator or legislative employee may not
 - (1) solicit, agree to accept, or accept a benefit other than official compensation for the performance of public duties; this paragraph may not be construed to prohibit lawful solicitation for and acceptance of campaign contributions or the acceptance of a lawful gratuity under AS 24.60.080;
 - (2) use public funds, facilities, equipment, services, or another government asset or resource for a nonlegislative purpose, for involvement in or support of or opposition to partisan political activity, or for the private benefit of either the legislator, legislative employee, or another person; this paragraph does not prohibit
 - (A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and either the cost or value related to the use is nominal or the legislator or legislative employee reimburses the state for the cost of the use;
 - (B) the unlimited use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nonlegislative purposes;
 - (C) unlimited telephone or facsimile use that does not carry a special charge;
 - (D) the legislative council, notwithstanding AS 24.05.190, from

1 designating a public facility for use by legislators and legislative employees for
2 health or fitness purposes; when the council designates a facility to be used by
3 legislators and legislative employees for health or fitness purposes, it shall
4 adopt guidelines governing access to and use of the facility; the guidelines may
5 establish times in which use of the facility is limited to specific groups; [OR]

6 (E) a legislator from using the legislator's private office in the
7 capital city during a legislative session, and for the 10 [FIVE] days
8 immediately before and the 10 [FIVE] days immediately after a legislative
9 session, for nonlegislative purposes if the use does not interfere with the
10 performance of public duties and if there is no cost to the state for the use of
11 the space and equipment, other than utility costs and minimal wear and tear,
12 or the legislator promptly reimburses the state for the cost; an office is
13 considered a legislator's private office under this subparagraph if it is the
14 primary space in the capital city reserved for use by the legislator, whether or
15 not it is shared with others;

16 (F) a legislator from unlimited use of legislative employees
17 to prepare and send out seasonal greeting cards;

18 (G) a legislator from using state resources to transport
19 computers or other office equipment owned by the legislator but primarily
20 used for a state function;

21 (H) unlimited use by a legislator of photographs of that
22 legislator;

23 (I) reasonable use of the Internet by a legislator or a
24 legislative employee except if the use is for election campaign purposes; or

25 (J) a legislator from soliciting, accepting, or receiving a gift
26 on behalf of a recognized, nonpolitical charitable organization in a state
27 facility;

28 (3) knowingly seek, accept, use, allocate, grant, or award public funds
29 for a purpose other than that approved by law, or make a false statement in connection
30 with a claim, request, or application for compensation, reimbursement, or travel
31 allowances from public funds;

1 (4) require a legislative employee to perform services for the private
2 benefit of the legislator or employee at any time, or allow a legislative employee to
3 perform services for the private benefit of a legislator or employee on government
4 time; it is not a violation of this paragraph if the services were performed in an
5 unusual or infrequent situation and the person's services were reasonably necessary to
6 permit the legislator or legislative employee to perform official duties;

7 (5) use or authorize the use of state funds, facilities, equipment,
8 services, or another government asset or resource for the purpose of political fund
9 raising or campaigning; this paragraph does not prohibit

10 (A) limited use of state property and resources for personal
11 purposes if the use does not interfere with the performance of public duties and
12 either the cost or value related to the use is nominal or the legislator or
13 legislative employee reimburses the state for the cost of the use;

14 (B) the unlimited use of mailing lists, computer data, or other
15 information lawfully obtained from a government agency and available to the
16 general public for nonlegislative purposes;

17 (C) telephone or facsimile use that does not carry a special
18 charge;

19 (D) unlimited storage or maintenance [STORING OR
20 MAINTAINING], consistent with (b) of this section, of election campaign
21 records in a legislator's office; [OR]

22 (E) a legislator from using the legislator's private office in the
23 capital city during a legislative session, and for the 10 [FIVE] days
24 immediately before and the 10 [FIVE] days immediately after a legislative
25 session, for nonlegislative purposes if the use does not interfere with the
26 performance of public duties and if there is no cost to the state for the use of
27 the space and equipment, other than utility costs and minimal wear and tear,
28 or the legislator promptly reimburses the state for the cost; an office is
29 considered a legislator's private office under this subparagraph if it is the
30 primary space in the capital city reserved for use by the legislator, whether or
31 not it is shared with others;

- 1 (F) unlimited use by a legislator of photographs of that
2 legislator;
3 (G) reasonable use of the Internet by a legislator or a
4 legislative employee except if the use is for election campaign purposes; or
5 (H) use of governmental resources, including paid staff time,
6 to support or oppose a proposed initiative or an amendment to the state
7 or federal constitution; a legislator or legislative employee may support or
8 oppose a proposed initiative or constitutional amendment; however, a
9 legislator or legislative employee may not use governmental resources to
10 solicit contributions for or gather signatures on an initiative petition; a
11 legislative employee may not, on government time, accept or receive
12 contributions relating to a proposed constitutional amendment or initiative.

13 * Sec. 17. AS 24.60.080 is amended by adding a new subsection to read:

14 (l) A legislator may solicit, accept, or receive a gift on behalf of an organized
15 group of legislators, but the gift may only be used to cover the cost of the meetings
16 or activities of the organized group within this state. The value of a gift authorized
17 by this subsection may not be included in determining the value of gifts under (a) of
18 this section. This subsection does not authorize a gift from a lobbyist. In this
19 subsection, "organized group of legislators" means two or more legislators organized
20 for a particular purpose not related to an individual's election campaign, other than a
21 majority caucus, minority caucus, or party caucus.

22 * Sec. 18. AS 24.60.150 is amended by adding a new subsection to read:

23 (c) In carrying out these duties, the committee shall interpret this chapter in
24 the manner that is no more restrictive of the actions of legislators than is necessary to
25 implement the intent of the law. If a statute is ambiguous, the committee shall
26 consider the intent of the legislature in interpreting the statute.

27 * Sec. 19. AS 15.13.116(d) is repealed.

28 * Sec. 20. Section 6 of this Act takes effect on the later of the effective date set out in
29 sec. 21 of this Act or on the date that, under sec. 34, ch. 48, SLA 1996, sec. 12, ch. 48, SLA
30 1996, takes effect.

31 * Sec. 21. Except as provided in sec. 20 of this Act, this Act takes effect December 1,

1 1999.

A M E N D M E N T #1

adopted

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: SCS CSHB(), Draft Version "X" "M"

1 Page 4, lines 21 - 25:

2 Delete all material and insert:

3 "(e) A campaign expenditure for goods or services made by the candidate
4 from personal funds or by cash, personal check, or personal credit card and
5 reimbursed to the candidate by the campaign before the end of the reporting period
6 for the report due February 15 under AS 15.13.110(a) is not a loan or contribution for
7 purposes of this section and shall be reported to the commission as a campaign
8 expenditure."

AMENDMENT

2

adopted
need to change
lobby statutes
to add to list
and to
24.60.090
stan. rules

OFFERED IN THE SENATE
TO: CSHB 225(JUD)

1 Page 5, following line 20:

2 Insert a new bill section to read:

3 ** Sec. 4. AS 24.60.090 is repealed and reenacted to read:

4 Sec. 24.60.090. Nepotism. (a) An individual who is related to a member of
5 the legislature may not be employed for compensation

AS A REGISTERED LOBBYIST
OR BY A

6 (1) during the legislative session of the house in which the legislator
7 is a member;

24.60.090
close economic
#9

8 (2) by an agency of the legislature established under AS 24.20; or

9 (3) in either house during the interim between sessions.

10 (b) An individual who is related to a member of the legislature may not be
11 employed by the committee, whether for compensation or not.

by a lobbyist for a
legislator

12 (c) An individual who is related to a legislative employee may not be
13 employed in a position over which the employee has supervisory authority.

14 (d) Notwithstanding (a)(3) of this section, an individual who is related to a
15 member of the legislature may be employed in the other house of the legislature
16 during the interim between sessions if, while the individual was disqualified from
17 employment in either house of the legislature during the interim under this section,
18 the individual worked for at least 100 days in each of four regular legislative sessions.

19 (e) In this section,

20 (1) "an individual who is related to" means a member of the
21 legislator's or legislative employee's immediate family or a person who is a
22 legislator's or legislative employee's spousal equivalent living together in a conjugal
23 relationship not a legal marriage with the legislator or legislative employee; and

24 (2) "interim between sessions" means the period beginning on the
25 eighth day after the legislature adjourns from a regular or special session and ending

1 eight days before the date that the legislature next convenes in regular session under
2 AS 24.05.090 or in special session under AS 24.05.100;
3 (3) "other house of the legislature" means the house in which the
4 individual's relation is not a member."

5 Renumber the following bill sections accordingly.

6 Page 5, line 21:

7 Delete "sec. 5"

8 Insert "sec. 6"

AMENDMENT

#3 fails

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: SCS CSHB 225(), Draft Version "M"

1 Page 5, line 12, following "may":

2 Insert

3 "(1) donate money, goods, or services to a political party for the
4 purpose of party administration, overhead, party-building, and other uses that
5 are not for the purpose of influencing the nomination or election of a candidate
6 and, under AS 15.13.010(b), that are not for the purpose of influencing a ballot
7 proposition or question; and

8 (2)"

9 Page 5, line 14:

10 Delete "(1)"

11 Insert "(A) [(1)]"

12 Page 5, line 17:

13 Delete "(2)"

14 Insert "(B) [(2)]"

15 Page 5, line 20:

16 Delete "(3)"

17 Insert "(C) [(3)]"

18 Page 5, line 22:

19 Delete "(4)"

20 Insert "(D)"

#4 adopted

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: SCS CSHB 225(), Draft Version "M"

1 Page 11, line 26, following "behalf of a":

2 Insert "political party."

3 Page 11, line 27:

4 Following "candidate":

5 Insert ","

6 Delete ", but, except as provided by (ii) and (iv) of this subparagraph, it
7 does include professional services volunteered by individuals for which they
8 ordinarily would be paid a fee or wage"

9 Insert "[, BUT IT DOES INCLUDE PROFESSIONAL SERVICES
10 VOLUNTEERED BY INDIVIDUALS FOR WHICH THEY ORDINARILY
11 WOULD BE PAID A FEE OR WAGE]"

#5 failed

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: SCS CSHB 225(), Draft Version "M"

1 Page 12, line 8:

2 Delete "or"

3 Page 12, line 11, following "candidates":

4 Insert "or

5 (vi) donations of money, goods, or services to a
6 political party for the purpose of party administration, overhead,
7 party-building, and other uses that are not for the purpose of
8 influencing the nomination or election of a candidate and, under
9 AS 15.13.010(b), that are not for the purpose of influencing a ballot
10 proposition or question:"

#6 failed

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: SCS CSHB 225(), Draft Version "M"

1 Page 12, following line 11:

2 Insert a new bill section to read:

3 **"* Sec. 16.** AS 15.13.400(4) is amended to read:

4 (4) "expenditure"

5 (A) means a purchase or a transfer of money or anything of
6 value, or promise or agreement to purchase or transfer money or anything of
7 value, incurred or made for the purpose of

8 (i) influencing the nomination or election of a candidate
9 or of any individual who files for nomination at a later date and
10 becomes a candidate;

11 (ii) [USE BY A POLITICAL PARTY;

12 (iii)] the payment by a person other than a candidate or
13 political party of compensation for the personal services of another
14 person that are rendered to a candidate or political party; or

15 (iii) [(iv)] influencing the outcome of a ballot
16 proposition or question;

17 (B) does not include a candidate's filing fee or the cost of
18 preparing reports and statements required by this chapter;"

19 Renumber the following bill sections accordingly.

20 Page 15, line 29:

21 Delete "sec. 21"

22 Insert "sec. 22"

- 1 Page 15, line 31:
- 2 Delete "sec. 20"
- 3 Insert "sec. 21"

#7
failed

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: SCS CSHB 225(), Draft Version "M"

1 Page 12, following line 10:

2 Insert a new bill section to read:

3 "* Sec. 16. AS 15.13.400 is amended by adding a new paragraph to read:

4 (12) "influence" or "influencing" means the use of explicit words of
5 advocacy for

6 (A) the nomination, election, or defeat of a clearly identified
7 candidate; or

8 (B) the adoption or defeat of a clearly identified ballot
9 proposition or question."

10 Renumber the following bill sections accordingly.

11 Page 15, line 29:

12 Delete "sec. 21"

13 Insert "sec. 22"

14

15 Page 15, line 31:

16 Delete "sec. 20"

17 Insert "sec. 21"

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

May 15, 1999

SUBJECT: SCS CSHB 225(JUD): Nepotism and Lobbying (Work Order No. 21-LS0931\V)

TO: Senator Robin Taylor
Attn: Sue Mossgrove

FROM: Kathryn L. Kurtz *KK*
Legislative Counsel

Enclosed is the draft CS you requested which incorporates the amendments you specified.

The addition of the phrase "as a registered lobbyist or by a registered lobbyist" to the new AS 24.60.090 creates a bit of a problem since the remainder of the new nepotism section deals with employment by the legislature. So, we have instead inserted the sentence "An individual who is related to a member of the legislature may not be employed for compensation as a registered lobbyist" as a new subsection to AS 24.45.121, the prohibitions section in the chapter on regulation of lobbying. The new language fits much better here.

Please note that we are nervous about the relationship of this change to the title of the bill. The title may not give adequate notice to lobbyists that their conduct is being regulated in this bill.

If we can be of further assistance, please call.

KLK:glc
99-275.glc

Enclosure

Sponsor Statement for House Bill 225 (JUD)

Section 1 of House Bill 225 is crafted to address an issue raised by the Supreme Court's recent decision regarding campaign contributions in *State v. AkCLU*. The legislature had the foresight to provide sec. 12, ch. 48, SLA 1996 to become law in the event of a court's invalidation of the fund raising limitations established in AS 15.13.074 (c). However, in 1998, Senate Bill 105 amended the now invalid portion of AS 15.13.074 (c) and neglected to similarly amend the session law which would take effect in the case of a court ruling the law unconstitutional. Thus, when the *State v. AkCLU* decision becomes final, sec. 12, ch. 48, SLA will self-execute and have the effect of repealing a portion of the legislature's actions last year in SB 105. HB 225 redresses this unintended consequence.

Section 2 of HB 225 makes a technical change to harmonize existing law with the provisions of HB 225 section 3 (Page 5, lines 13-20)

Section 3 of HB 225 clarifies the relationship between subsections (2) and (5)(A) and subsections (2) (B) and (C) and (5) (B) and (D) of AS 24.60.030(a) by specifying that the 'limited' uses stated in (A) do not limit the specific exceptions allowed by points (2)(B) and 2(C) and points (5)(C) and 5(D). Furthermore HB 225 seeks to more clearly define the lines of acceptable conduct by legislators and legislative employees. It specifically addresses gray areas regarding greeting card preparation, Internet use, personal equipment used for state purposes, photographs, gifts from non-partisan charities, and allowable participation in constitutional amendment and initiative efforts. In some cases, the new provision are meant to codify existing ethics opinions. I believe that it is better to openly state our exact intent with regards to these troublesome gray areas so that legislators and staff can work with certainty and confidence. Current law leaves many of these questions subject to ethics committee opinions and leads to nebulous interpretations which invite suspicion on us all.

It is important to note that all of these changes merely define the scope of the ethics committee jurisdiction, they do not allow a legislator to operate outside of other state and federal laws regarding use of an internet resource or telephonic device.

The effective date section is designed to implement the ethics portion of the bill on Dec. 1, 1999 and the technical changes of section 1 as needed.