

HB

177

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 177(STA)
(H) Publish Date: 3/22/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: An act placing certain special interest BRU: Alaska Public Offices Commission
groups within the definition of "group..." Component: _____
Sponsor: House Rules Committee
Requester: House State Affairs Committee Component Number: 70

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	42.5	0.0	0.0	0.0	0.0	0.0
Travel	4.1	2.5	2.5	2.5	2.5	2.5
Contractual	23.2	23.2	23.2	23.2	23.2	23.2
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	70.8	26.7	26.7	26.7	26.7	26.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	70.8	26.7	26.7	26.7	26.7	26.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	70.8	26.7	26.7	26.7	26.7	26.7

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	1	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Brooke Miles Phone 907-276-4176
Division: Alaska Public Offices Commission Date/Time 3/21/01 1:31PM
Approved by: Jim Duncan, Commissioner Date 3/21/01
Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

COMMITTEE COPY

This is staff's estimate of the fiscal impact of HB 177. The Commission will not have an opportunity to review the legislation and staff's recommendation for a fiscal note until their next meeting on March 29th and 30th, 2001.

SB 177 amends the financial disclosure law and will result in additional costs to the Commission.

This bill will permit a proliferation of non-group entities described by the Alaska Supreme Court in its decision in State of Alaska v. Alaska Civil Liberties Union [ACLU]. Current regulations have narrowly interpreted this area of law and set forth a process through which non-profit corporations may qualify to participate in election campaign activities. HB 177, however, does not prescribe a procedure for the entities to "qualify" or to certify that they, in fact, meet the 3-part test set out by the Alaska Supreme Court in ACLU and referenced in this measure.

In the first year only, additional personal service funding is required to pay for a temporary regulations specialist to promulgate regulations implementing the changes.

Travel funding will enable staff to educate persons involved with non-group entities about the campaign disclosure law.

The Commission's staff anticipates that this legislation will result in an increase of public inquiries and complaints. Contractual funding is to pay for revisions of the written materials and postage and educational materials to cover an anticipated increase in investigation costs.

Supply funding is to pay for paper, printing and postage.

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March 28, 2001

Representative Pete Kott
Alaska State Legislature
Juneau, Alaska

Re: HB 177 - Full Disclosure of Campaign Finances

Dear Representative Kott:

The Alaska State Chamber of Commerce is in support of HB 177, requiring certain special interest organizations to disclose contributions received and expenditures made for campaigns, and to disclose the true source of the campaign contributions.

The purpose behind the disclosure requirements of Alaska's Campaign Finance laws is to provide the public with full knowledge of which citizens or groups of citizens are promoting or trying to defeat an issue that is up for a vote of the public. A loophole in existing law has made it possible for a very select group of people to spend unlimited amounts of money, collected from donors who are allowed to remain anonymous, for the purpose of swaying voters to support their ideology.

Alaska's voters deserve to know who the contributors are and in which states the individuals reside who are trying to persuade Alaskans to support their cause. This is required of all other groups and is no more than the public has the right to expect. If a cause is worthy of public support, there is no reason its promoters should need to hide behind their funding sources.

We urge the Legislature to correct this inequity and make full and complete disclosure a priority in every election campaign.

Sincerely,

A handwritten signature in cursive script that reads "Pamela LaBolle".

Pamela La Bolle
President

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Alaska State Legislature

HOUSE OF REPRESENTATIVES
Alaska State Capitol Juneau, Alaska 99801-1181

SPONSOR STATEMENT

COMMITTEE SUBSTITUTE FOR HOUSE BILL 177 (STA)

"An Act placing special interest organizations within the definition of 'group' for purposes of Alaska's campaign finance statutes; and requiring disclosure of the true source of campaign contributions."

In 1999, the Alaska Supreme Court in ACLU v. State upheld Alaska's ban on political contributions and independent expenditures by corporations and labor unions. But the court also held that entities must be allowed to make independent expenditures if "(1) they cannot participate in business activities, (2) they have no shareholders who have a claim on corporate earnings, and (3) they are independent from the influence of business corporations." The court also suggested that entities, which meet these three criteria, must be permitted to make political contributions.

The committee substitute for House Bill 177 clarifies that non-group entities that meet these three criteria may make contributions and independent expenditures. It also subjects them to the same rules--including contribution limits and reporting requirements--as other groups that participate in political campaigns.



Alaska State Legislature

HOUSE OF REPRESENTATIVES
Alaska State Capitol Juneau, Alaska 99801-1181

SECTIONAL ANALYSIS

COMMITTEE SUBSTITUTE FOR HOUSE BILL 177 (STA)

"An Act placing special interest organizations within the definition of 'group' for purposes of Alaska's campaign finance statutes; and requiring disclosure of the true source of campaign contributions."

Section 1: Adds a new section to uncodified law by giving this bill a short title: Full Disclosure of Campaign Finance Act.

Section 2: Amends AS 15.13.040(b). Contributions, expenditures, and supplying of services to be reported. This section requires groups to disclose the contributor of contributions in excess of \$100. Contributor is defined as the true source of the contribution. The true source of income is the original source of the contribution.

Section 3: Amends AS 15.13.400(5). Definitions. The definition of group is amended to include special interest organizations that fall within the mandatory exception to corporate contribution bans identified in *Federal Election Commission v. Massachusetts Citizens for Life*, 479 U.S. 238 (1986), by incorporating, into statute, the three part test cited by the Alaska Supreme Court in *State v. Alaska Civil Liberties Union*, 978 P.2d at 612.