

SB

103

HFIN

FILE

Amendment

Adopted
4/11/01

#1

Offered in House Finance

CS SB 103 (JUD)

Representative John Davies

Add a new section

Section (). Section 15.13.080 Statement of contributor (a) is amended to read:

(a) an individual who contributes \$500, or goods or services with a value of \$500, to a candidate shall file a contributor's statement as required by this section. A campaign that receives \$500 or goods or service of a value of \$500 may fill a contributors statement as required under this section on behalf of the contributor.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB103 (JUD)
(S) Publish Date: 3/23/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: "An act relating to election campaigns" BRU: Alaska Public Offices Commission
Component: _____

Sponsor: Senate State Affairs
Requester: Senate Finance 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	52.5	52.5	52.5	52.5	52.5	52.5
Travel	4.1	0.0	0.0	0.0	0.0	0.0
Contractual	21.7	23.2	23.2	23.2	21.0	21.0
Supplies	0.6	0.6	0.6	0.6	0.6	0.6
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	78.9	76.3	76.3	76.3	74.1	74.1

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	78.9	78.9	76.3	76.3	74.1	74.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	78.9	76.3	76.3	76.3	74.1	74.1

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	2	2	2	2	2	2
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Brooke Miles Phone 276-4176
Division: Alaska Public Offices Commission Date/Time 3/20/01 10:40 AM
Approved by: Jim Duncan, Commissioner Date 3/21/01
Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

Fiscal Note Analysis
SB 103 #2

This is staff's estimate of the fiscal impact of CSSB 103(JUD). The Commission will not have an opportunity to review the proposed legislation and staff's recommendations for a fiscal note until their next meeting on March 29th and 30th, 2001.

SB 103 will result in additional costs to the Commission. The bill increases the amount of surplus campaign goods that may be taken by a candidate for personal use from \$2500 to \$5000 and provides that candidates may also retain campaign photographs, seasonal greeting cards and campaign signs.

In addition, the bill makes changes to AS 15.13 and to the legislative ethics act that will permit legislators and legislative staff to expend public funds in support of or opposition to a ballot question that amends the constitution. This will likely result in public inquiries and complaints requiring investigation by commission staff. It also amends the definition of "contribution" to exclude all professional services provided voluntarily to candidates and groups. This will result in both public inquiries and third party complaints requiring commission staff investigation and commission adjudication.

This draft fiscal note also reflects the costs to the Commission for conducting statewide seminars to educate candidates, groups, and political parties about the changes; revising manuals, forms, and database structures; and responding to informal inquiries, and advisory opinion requests.

Personal services costs reflect a permanent part time Paralegal Assistant I to assist the current Investigator position, a permanent part-time Administrative Clerk I to provide support, and overtime for current employees to amend reporting materials and conduct training for the Anchorage municipal elections and the 2002 state and municipal election cycles.

Failed

Amendment #2

Offered in House Finance

House CS SB 103 (JUD) draft version V

Representative John Davies

Add a new section

Section (). Section 19.25.105 is amended by adding:

(a) (7) Political campaign signs no larger than 4 feet by 8 feet may be within the right of way within 45 days of an election in which a candidate or ballot issue or constitutional amendment is to be decided, and those signs must be removed within 10 days after that election.

Section 19.25.150 is amended by adding:

A sign in violation of AS 95.25.105 (a) (7) may be removed immediately by the department, and returned to the candidate or campaign for upon receipt of a \$100 handling fee per sign.



Official Business

Alaska State Legislature

State Capitol
Juneau, AK 99801-1182

Senate Bill 103

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

SPONSOR: Senate State Affairs Committee

SPONSOR STATEMENT:

Senate Bill 103 is largely a clean-up bill to address conflicts and concerns that have arisen in the campaign finance and legislative ethics statutes. It also puts into law administrative rulings made by the Alaska Public Offices Commission (APOC) and informal advice given by the Legislative Ethics Committee. This legislation is different from last year's HB 225. It does not contain what were the more controversial elements of that bill.

SB 103 makes the following changes:

- Clarifies that multiple groups controlled by a single candidate be treated as a single group for purposes of the contribution limit in AS 15.13.070(b)(1)
- Adds thank you advertisements to list of permissible uses of unused campaign funds
- Increases the total value of personal property which may be retained by a candidate
- Provides that money held by public entities may be used to influence the outcome of a ballot proposition or question under limited circumstances
- Clarifies and further defines contributions
- Adds new exceptions to and clarifies the prohibition on use of public assets and resources by legislators and legislative employees for nonlegislative purposes and certain previously prohibited public political uses

LEGAL SERVICES

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MEMORANDUM

March 28, 2001

SUBJECT: Sectional Summary of Campaign Finance and Legislative Ethics
CS SB103(FIN)

TO: Senator Gene Therriault
Attn: Joe Balash

FROM: Kathryn L. Kurtz *KK*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

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

Section 1. Permits candidates to register multiple groups to support them but specifies that all groups controlled by a single candidate be treated as a single group for purposes of the contribution limit in AS 15.13.070(b)(1).

Section 2. Adds thank you advertisements as a permissible use of unused campaign funds. Eliminates transfers of leftover campaign funds to public office expense term account reserves, but retains provision allowing transfers to public office expense term (POET) accounts. Limits transfers to POET accounts to \$10,000 for candidates for the house of representatives and \$20,000 for candidates for the senate. Requires that funds left in a POET account at the end of a candidate's term of office be disposed of by donating them to a political party, the state's general fund, a municipality, the federal government, or a 26 U.S.C. 501(c)(3) charitable organization, or by repaying contributions to contributors.

Section 3. Increases the total value of personal property which may be retained by a candidate after a campaign from \$2,500 to \$5,000. Specifies that campaign photographs and seasonal greeting cards may be retained and used. Provides that campaign signs prepared for an election that has already taken place have no monetary value.

Section 4. Amends AS 15.13.145(b), which restricts use of state money for influencing the outcome of elections, to reflect the change in section 6 of this bill permitting

legislators and legislative employees to use governmental resources to support or oppose a proposed amendment to the state or federal constitution.

Section 5. Excludes from the definition of campaign contribution: (a) services provided by volunteers to political parties, including legal and accounting services but not other professional services, (b) two or fewer mass mailings by each political party before each election, (c) certain poll results, and (d) newsletters from legislators to their constituents.

Section 6. Excludes from the definition of expenditure communications with a value of \$500 or less made by a corporation to its stockholders and employees and their families, or by a nonprofit corporation, labor organization, or business or trade association to its employees and members and their families.

Section 7. Adds new exceptions to and clarifies the prohibition on use of public assets and resources by legislators and legislative employees for nonlegislative purposes, including: use of staff to prepare and send out seasonal greeting cards, transporting computers or other office equipment owned by a legislator but used primarily for a state function, use of photographs of legislators, reasonable use of the Internet except for election campaign purposes, solicitation and acceptance in state facilities of donations to recognized non-political charitable organizations, and newsletters from legislators to constituents. Increases the period before and after session during which legislators may use their private office in Juneau for nonlegislative purposes from five days to ten days.

Also adds a number of exceptions to and clarifies the prohibition on use of public assets and resources for certain previously prohibited political uses, including: use of photographs, and support or opposition of constitutional amendments (but not to solicit contributions for a proposed constitutional amendment). Increases the period before and after session during which legislators may use their private office in Juneau for nonlegislative purposes from five days to ten days.

Section 8. Adds an exception to AS 24.60.080(c) permitting a legislator to accept a gift of transportation from another legislator, in a vehicle owned by the other legislator, except for political campaign purposes and trips for obtaining information of legislative concern.

Section 9. Repeals AS 15.13.116(d), the section providing for POET reserve accounts.

Section 10. Transitional provision requiring candidates elected before the effective date of the act to transfer any funds held in a POET reserve account to a POET account before January 1, 2002.

<u>Section</u>	<u>pg,ln</u>	<u>issue</u>	<u>reason</u>	<u>example</u>
1	p 1; 11-14	multiple groups controlled by a single candidate are treated as a single group for contribution limit purposes		non-partisans for Candidate Smith and Friends and Neighbors for Candidate Smith; a single contributor may not give \$500 to both groups
2	p 2, ln 7	surplus campaign funds used for thank you ads	APOC already allows this; the Legislature is merely codifying it	
	p 3, ln 20-26	POET Account transfers are limited to \$10,000 for Reps and \$20,000 for Senators	the POET Reserve is being repealed in section 9	
3	p 4, ln 13	the value of property retained by the candidate is increased to \$5,000		
	p 4, ln 16-26	retaining bulk mail permits	If, as a legislator, you used your campaign's bulk mail permit, you can use it in your next race for public office without it being considered a contribution in your next race	You can use the same bulk mail permit across races and terms in office without having to reapply for new permits in each new race
	p 5, ln 1-2	greeting cards purchased with campaign funds	APOC already allows this; the Legislature is merely codifying it	
	p 5, ln 3-5	campaign signs may be retained or disposed of by the candidate	this is a little bit of a gray area--APOC currently says signs have no value after the race. The legislature is clarifying that the candidate may decide what to do with their signs	
4	p 5, ln 9	money held by state entities may be used to influence the outcome of a ballot proposition	allows legislators to use their office account or staff support or oppose proposed constitutional amendments; constitutional amendments may only come from the legislature	Sen Smith uses money in his office account (held by LAA) to pay for stationery or postage on a mailing regarding his support or opposition to a constitutional amendmnet; while APOC may find this falls within the "legislative duties" exception, this new language would clearly allow for it

<u>Section</u>	<u>pg,ln</u>	<u>issue</u>	<u>reason</u>	<u>example</u>
5	p 5, ln 25-31	professionals volunteering for a political party or candidate	politics today, unfortunately, requires the services of professionals more and more often: legal challenges, campaign finance compliance: Attorneys and Accountants charge various fees within their profession--differences between rates charged by private and non-profit attorneys result in treating two people differently; why should a family law attorney be "charged" at her hourly professional rate for work outside of her expertise?	
	p 6, ln2-5	two or fewer mass mailings before each election	political parties should have the ability to trumpet who they support in a given election--the "slate" mailings aren't a "direct" benefit to a single candidate	
	p 6, ln 6-9	polls limited to issues	allows candidates to receive information	
	p 6, ln 10-14	newsletter communication	legislators should be able to communicate to their constituents without APOC deciding that it constitutes a contribution	Sen. Smith should be able to include information in a newsletter to his constituents that helps them think about state issues at a time when their awareness is heightened on this subject
6	p 6-7, ln 30-5	communications on any subject	1st Amendment principles; this is not a loophole--there is a limitation on how much communicating a given entity may do	

<u>Section</u>	<u>pg,ln</u>	<u>issue</u>	<u>reason</u>	<u>example</u>
7	p 8, ln 2-3	use of legislative offices	legislators already may use their offices for non-legislative purposes during session and the 5 days before and after session; this increases those days so that people can come to Juneau earlier and stay longer without being unduly burdened	a legislator who has a law practice and brings his family with him to Juneau will need additional days before and after session to first get their children into school on-time and then allow them to finish out the rest of the school year once session is over. This allows them to use their office for a non-legislative purpose without violating the Ethics statutes
	p 8, ln 11-21	reasonable exceptions to what legislators and their employees may do with state facilities, funds, and services	F through J are all activities that the Ethics committee has already permitted through informal advice or formal rulings; this is just the Legislature codifying current practices	Susie Barnett is leaving in June and we will have a new person providing informal advice--if that person has a different perspective, legislators might engage in activities that have long been permissible but would now be considered impermissible
	p 8, ln 22-26	communications on any subject	currently, this is a gray area--this creates a bright line for the Ethics Committee to consider in the event of a complaint	
	p 9, ln 21-22	use of legislative offices	duplicating the exception granted in the earlier part of the same section	
	p 9, ln 30	use of photographs	allows a legislator to use the same photograph for campaigns that s/he used as a legislator	
	p 9-10, ln 31-5	legislators supporting or opposing constitutional amendments	constitutional amendments can only originate in the legislature--those who propose them should be able to explain why they have put this before the voters	Sen. Smith proposes, and successfully carries through the legislative process, a constitutional amendment; if the local rotary wants to hear why this amendment is necessary, Sen. Smith should be able to speak to that body and voice his/her support for the ballot question.
8	p 11, ln 7-12	gifts of travel	we already allow hospitality with regard to residences and accommodations; this allows transportation to be included--between legislators <i>only</i>	