

SB

119

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FILE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

No. 5
Bill Version: CSSB 119 (FIN)
(S) Publish Date: 5/14/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title "An Act Eliminating the Alaska BRU Alaska Public Offices Commission
Public Offices Commission..." Component Alaska Public Offices Commission
Sponsor Sen. Rules Component No. 70
Requester Sen. Finance

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual	100.0	100.0	100.0	100.0	100.0	100.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	100.0	100.0	100.0	100.0	100.0	100.0

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	100.0	100.0	100.0	100.0	100.0	100.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Kevin Jardell, Assistant Commissioner
Division _____
Approved by: Mike Miller, Commissioner
Agency Department of Administration

Phone _____
Date/Time 5/14/03 11:13 AM
Date 5/14/2003

adopted NO/OBJ

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE STOLTZE

TO: CSSB119

Page 23 Line 20 Delete "AS 39.25.160(a)"

23-GS1090\Q

Craver

5/13/03

Sen. Thurman

CS FOR SENATE BILL NO. 119()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Alaska Public Offices Commission to issue advisory opinions;
 2 amending campaign financial disclosure and reporting requirements, campaign
 3 contribution limits, provisions related to contributions after elections, and provisions
 4 related to unused campaign contributions; providing for expedited consideration of, and
 5 modifying procedures for determining, violations of state election campaign laws;
 6 amending the time period within which to file an administrative complaint of a violation
 7 of state election campaign laws; amending the definitions of 'express communication'
 8 and 'political party' for state election campaigns; amending the registration fee for
 9 lobbyists; providing for increased use of electronic filing for reports to the Alaska Public
 10 Offices Commission; adding a definition of 'commission' in the regulation of lobbying
 11 laws; amending the requirements for the reporting of financial interests by public
 12 officials; adding a definition of 'domestic partner' in the legislative ethics code and in the

1 public official financial disclosure requirements; allowing classified employees to take an
2 active part in political party management; making conforming amendments; and
3 providing for an effective date."

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

5 * Section 1. AS 15.13.030 is amended to read:

6 **Sec. 15.13.030. Duties of the commission.** The commission shall

7 (1) develop and provide all forms for the reports and statements
8 required to be made under this chapter, AS 24.45, and AS 39.50;

9 (2) prepare and publish a manual setting out uniform methods of
10 bookkeeping and reporting for use by persons required to make reports and statements
11 under this chapter and otherwise assist candidates, groups, and individuals in
12 complying with the requirements of this chapter;

13 (3) receive and hold open for public inspection reports and statements
14 required to be made under this chapter and, upon request, furnish copies at cost to
15 interested persons;

16 (4) compile and maintain a current list of all filed reports and
17 statements;

18 (5) prepare a summary of each report filed under AS 15.13.110 and
19 make copies of this summary available to interested persons at their actual cost;

20 (6) notify, by registered or certified mail, all persons who are
21 delinquent in filing reports and statements required to be made under this chapter;

22 (7) examine, investigate, and compare all reports, statements, and
23 actions required by this chapter, AS 24.45, and AS 39.50;

24 (8) prepare and publish a biennial report concerning the activities of
25 the commission, the effectiveness of this chapter, its enforcement by the attorney
26 general's office, and recommendations and proposals for change; the commission shall
27 notify the legislature that the report is available;

28 (9) adopt regulations necessary to implement and clarify the provisions
29 of AS 24.45, AS 39.50, and this chapter, subject to the provisions of AS 44.62
30 (Administrative Procedure Act); and

1 (10) consider a written request for an advisory opinion concerning
2 the application of this chapter. AS 24.45. AS 24.60.200 - 24.60.260. or AS 39.50.

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

4 (a) Except as provided in (g) and (l) of this section, each candidate shall make
5 a full report, upon a form prescribed by the commission,

6 (1) listing

7 (A) the date and amount of all expenditures made by the
8 candidate;

9 (B) [,] the total amount of all contributions, including all funds
10 contributed by the candidate;

11 (C) [, AND FOR ALL CONTRIBUTIONS IN EXCESS OF
12 \$100 IN THE AGGREGATE A YEAR,] the name, address, [PRINCIPAL
13 OCCUPATION, AND EMPLOYER OF THE CONTRIBUTOR AND THE]
14 date, and amount contributed by each contributor; and

15 (D) for contributions in excess of \$250 in the aggregate
16 during a calendar year, the principal occupation and employer of the
17 contributor; and

18 (2) [. THE REPORT SHALL BE] filed in accordance with
19 AS 15.13.110 and [SHALL BE] certified correct by the candidate or campaign
20 treasurer.

21 * Sec. 3. AS 15.13.040(b) is amended to read:

22 (b) Except as provided in (l) of this section, each [EACH] group shall make
23 a full report upon a form prescribed by the commission, listing

24 (1) the name and address of each officer and director;

25 (2) the aggregate amount of all contributions made to it;

26 (3) [AND, FOR ALL CONTRIBUTIONS IN EXCESS OF \$100 IN
27 THE AGGREGATE A YEAR,] the name, address, [PRINCIPAL OCCUPATION,
28 AND EMPLOYER OF THE CONTRIBUTOR, AND THE] date, and amount
29 contributed by each contributor and, for contributions in excess of \$250 in the
30 aggregate during a calendar year, the principal occupation and employer of the
31 contributor [; FOR PURPOSES OF THIS PARAGRAPH, "CONTRIBUTOR"

1 MEANS THE TRUE SOURCE OF THE FUNDS, PROPERTY, OR SERVICES
2 BEING CONTRIBUTED]; and

3 (4) [(3)] the date and amount of all contributions made by it and all
4 expenditures made, incurred, or authorized by it.

5 * Sec. 4. AS 15.13.040(g) is amended to read:

6 (g) The provisions of (a) and (l) of this section do not apply if a candidate

7 (1) indicates, on a form prescribed by the commission, an intent not to
8 raise and not to expend more than \$5,000 [\$2,500] in seeking election to office,
9 including both the primary and general elections;

10 (2) accepts contributions totaling not more than \$5,000 [\$2,500] in
11 seeking election to office, including both the primary and general elections; and

12 (3) makes expenditures totaling not more than \$5,000 [\$2,500] in
13 seeking election to office, including both the primary and general elections.

14 * Sec. 5. AS 15.13.040(h) is amended to read:

15 (h) The provisions of (d) of this section do not apply to one or more
16 expenditures made by an individual acting independently of any group or nongroup
17 entity and independently of any other individual if the expenditures

18 (1) cumulatively do not exceed \$500 [\$250] during a calendar year;
19 and

20 (2) are made only for billboards, signs, or printed material concerning
21 a ballot proposition as that term is defined by AS 15.13.065(c).

22 * Sec. 6. AS 15.13.040(j) is amended to read:

23 (j) Except as provided in (l) of this section, each [EACH] nongroup entity
24 shall make a full report in accordance with AS 15.13.110 upon a form prescribed by
25 the commission and certified by the nongroup entity's treasurer, listing

26 (1) the name and address of each officer and director of the nongroup
27 entity;

28 (2) the aggregate amount of all contributions made to the nongroup
29 entity for the purpose of influencing the outcome of an election;

30 (3) [AND,] for all [SUCH] contributions described in (2) of this
31 subsection [IN EXCESS OF \$100 IN THE AGGREGATE A YEAR], the name,

1 address, and principal occupation [, AND EMPLOYER] of the contributor, and the
 2 date and amount contributed by each contributor and, for all contributions described
 3 in (2) of this subsection in excess of \$250 in the aggregate during a calendar year.
 4 the employer of the contributor [; FOR PURPOSES OF THIS PARAGRAPH,
 5 "CONTRIBUTOR" MEANS THE TRUE SOURCE OF THE FUNDS, PROPERTY,
 6 OR SERVICES BEING CONTRIBUTED]; and

7 (4) [(3)] the date and amount of all contributions made by the
 8 nongroup entity, and, except as provided for certain independent expenditures in
 9 AS 15.13.135(a), all expenditures made, incurred, or authorized by the nongroup
 10 entity, for the purpose of influencing the outcome of an election; a nongroup entity
 11 shall report contributions made to a different nongroup entity for the purpose of
 12 influencing the outcome of an election and expenditures made on behalf of a different
 13 nongroup entity for the purpose of influencing the outcome of an election as soon as
 14 the total contributions and expenditures to that nongroup entity for the purpose of
 15 influencing the outcome of an election reach \$500 in a year and for all subsequent
 16 contributions and expenditures to that nongroup entity in a year whenever the total
 17 contributions and expenditures to that nongroup entity for the purpose of influencing
 18 the outcome of an election that have not been reported under this paragraph reach
 19 \$500.

20 * Sec. 7. AS 15.13.040 is amended by adding new subsections to read:

21 (l) Notwithstanding (a), (b), and (j) of this section, for any fund raising activity
 22 in which contributions are in amounts or values that do not exceed \$50 a person, the
 23 candidate, group, or nongroup entity shall report contributions and expenditures and
 24 supplying of services under this subsection as follows:

25 (1) a report under this subsection must

26 (A) describe the fund raising activity;

27 (B) include the number of persons making contributions and
 28 the total proceeds from the activity;

29 (C) report all contributions made for the fund raising activity
 30 that do not exceed \$50 a person in amount or value; if a contribution for the
 31 fund raising activity exceeds \$50, the contribution shall be reported under (a),

1 (b), and (j) of this section;

2 (2) for purposes of this subsection,

3 (A) "contribution" means a cash donation, a purchase such as
4 the purchase of a ticket, the purchase of goods or services offered for sale at a
5 fund raising activity, or a donation of goods or services for the fund raising
6 activity;

7 (B) "fund raising activity" means an activity, event, or sale of
8 goods undertaken by a candidate, group, or nongroup entity in which
9 contributions are \$50 a person or less in amount or value.

10 (m) Upon request of the commission, the information required under this
11 chapter shall be submitted electronically.

12 (n) For purposes of (b) and (j) of this section, "contributor" means the true
13 source of the funds, property, or services being contributed.

14 * Sec. 8. AS 15.13.070(b) is amended to read:

15 (b) An individual may contribute not more than

16 (1) \$1,000 [\$500] per year to a nongroup entity for the purpose of
17 influencing the nomination or election of a candidate, to a candidate, to an individual
18 who conducts a write-in campaign as a candidate, or to a group that is not a political
19 party;

20 (2) \$10,000 [\$5,000] per year to a political party for the purpose of
21 influencing the nomination or election of a candidate or candidates.

22 * Sec. 9. AS 15.13.070(c) is amended to read:

23 (c) A group that is not a political party may contribute not more than [\$1,000
24 PER YEAR]

25 (1) \$2,000 per year to a candidate, or to an individual who conducts a
26 write-in campaign as a candidate; [OR]

27 (2) \$2,000 per year to another group or [,] a nongroup entity; or

28 (3) \$4,000 per year [, OR] to a political party.

29 * Sec. 10. AS 15.13.070(f) is amended to read:

30 (f) A nongroup entity may contribute not more than \$1,000 [\$500] a year to
31 another [A] nongroup entity for the purpose of influencing the nomination or election

1 of a candidate, to a candidate, to an individual who conducts a write-in campaign as a
2 candidate, to a group, or to a political party.

3 * Sec. 11. AS 15.13.072(e) is amended to read:

4 (e) A candidate or an individual who has filed with the commission the
5 document necessary to permit that individual to incur election-related expenses under
6 AS 15.13.100 may solicit or accept contributions from an individual who is not a
7 resident of the state at the time the contribution is made if the amounts contributed by
8 individuals who are not residents do not exceed

9 (1) \$20,000 a calendar year, if the candidate or individual is seeking
10 the office of governor or lieutenant governor;

11 (2) \$5,000 a calendar year, if the candidate or individual is seeking
12 the office of state senator;

13 (3) \$3,000 a calendar year, if the candidate or individual is seeking
14 the office of state representative or municipal or other office.

15 * Sec. 12. AS 15.13.074(c) is amended to read:

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

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

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

27 (3) to any candidate later than the 45th day

28 (A) [AFTER THE DATE OF A PRIMARY ELECTION IF
29 THE CANDIDATE

30 (i) HAS BEEN NOMINATED AT THE PRIMARY
31 ELECTION OR IS RUNNING AS A WRITE-IN CANDIDATE; AND

1 (ii) IS NOT OPPOSED AT THE GENERAL
2 ELECTION;

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

5 (B) [(C)] after the date of the general election, or after the date
6 of a municipal or municipal runoff election[, IF THE CANDIDATE WAS
7 OPPOSED AT THE GENERAL, MUNICIPAL, OR MUNICIPAL RUNOFF
8 ELECTION].

9 * Sec. 13. AS 15.13.074(g) is amended to read:

10 (g) An individual required to register as a lobbyist under AS 24.45 may not
11 make a contribution to a candidate for the legislature at any time the individual is
12 subject to the registration requirement under as 24.45 and for one year after the date of
13 the individual's initial registration or its renewal. However, the individual may make a
14 contribution under this section to a candidate for the legislature in a district in which
15 the individual is eligible to vote or will be eligible to vote on the date of the election.
16 An individual who is subject to the restrictions of this subsection shall report to the
17 commission, on a form provided by the commission, each contribution made while
18 required to register as a lobbyist under AS 24.45. Upon request of the commission,
19 the information required under this subsection shall be submitted electronically.
20 This subsection does not apply to a representational lobbyist as defined in regulations
21 of the commission.

22 * Sec. 14. AS 15.13.110(a) is amended to read:

23 (a) Each candidate, group, and nongroup entity shall make a full report in
24 accordance with AS 15.13.040 for the period ending three days before the due date of
25 the report and beginning on the last day covered by the most recent previous report. If
26 the report is a first report, it must [SHALL] cover the period from the beginning of the
27 campaign to the date three days before the due date of the report. If the report is a
28 report due February 15, it must [SHALL] cover the period beginning on the last day
29 covered by the most recent previous report or on the day that the campaign started,
30 whichever is later, and ending on February 1 of that [DECEMBER 31 OF THE
31 PRIOR] year. The report shall be filed

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

4 (2) one week before the election;

5 (3) 105 [10] days after a special [THE] election; and

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

12 * Sec. 15. AS 15.13.116(a) is amended to read:

13 (a) A candidate who, after the date of the general, special, municipal, or
14 municipal runoff election or after the date the candidate withdraws as a candidate,
15 whichever comes first, holds unused campaign contributions shall distribute the
16 amount held on February 1 for a general election or within 90 days after a special
17 election. The distribution may only be made to

18 (1) pay bills incurred for expenditures reasonably related to the
19 campaign and the winding up of the affairs of the campaign, including a victory or
20 thank you party, thank you advertisements, and thank you gifts to campaign
21 employees and volunteers, and to pay expenditures associated with post-election fund
22 raising that may be needed to raise funds to pay off campaign debts;

23 (2) make donations, without condition, to

24 (A) a political party;

25 (B) the state's general fund;

26 (C) a municipality of the state; or

27 (D) the federal government;

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

31 (4) repay loans from the candidate to the candidate's own campaign

1 under AS 15.13.078(b);

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

5 (A) to all contributors;

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

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

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

12 (7) transfer all or a portion of the unused campaign contributions to an
13 account for a future election campaign; a transfer under this paragraph is limited to

14 (A) \$50,000, if the transfer is made by a candidate for governor
15 or lieutenant governor;

16 (B) \$10,000, if the transfer is made by a candidate for the state
17 senate;

18 (C) \$5,000, if the transfer is made by a candidate for the state
19 house of representatives; and

20 (D) \$5,000, if the transfer is made by a candidate for an office
21 not described in (A) - (C) of this paragraph;

22 (8) transfer all or a portion of the unused campaign contributions to a
23 public office expense term account or to a public office expense term account reserve
24 in accordance with (d) of this section; a transfer under this paragraph is subject to the
25 following:

26 (A) the authority to transfer is limited to candidates who are
27 elected to the state legislature;

28 (B) the public office expense term account established under
29 this paragraph may be used only for expenses associated with the candidate's
30 serving as a member of the legislature;

31 (C) all amounts expended from the public office expense term

1 account shall be annually accounted for under AS 15.13.110(a)(4); and

2 (D) a transfer under this paragraph is limited to \$5,000
3 multiplied by the number of years in the term to which the candidate is elected
4 plus any accumulated interest; and

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

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

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

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

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

16 * Sec. 16. AS 15.13 is amended by adding a new section to read:

17 **Sec. 15.13.374. Advisory opinion.** (a) Any person may request an advisory
18 opinion from the commission concerning this chapter, AS 24.45, AS 24.60.200 -
19 24.60.260, or AS 39.50.

20 (b) A request for an advisory opinion

21 (1) must be in writing or contained in a message submitted by
22 electronic mail;

23 (2) must describe a specific transaction or activity that the requesting
24 person is presently engaged in or intends to undertake in the future;

25 (3) must include a description of all relevant facts, including the
26 identity of the person requesting the advisory opinion; and

27 (4) may not concern a hypothetical situation or the activity of a third
28 party.

29 (c) Within seven days after receiving a request satisfying the requirements of
30 (b) of this section, the executive director of the commission shall recommend a draft
31 advisory opinion for the commission to consider at its next meeting.

1 (d) The approval of a draft advisory opinion requires the affirmative vote of
2 four members of the commission. A draft advisory opinion failing to receive four
3 affirmative votes of the members of the commission is disapproved.

4 (e) A complaint under AS 15.13.380 may not be considered about a person
5 involved in a transaction or activity that

6 (1) was described in an advisory opinion approved under (d) of this
7 section;

8 (2) is indistinguishable from the description of an activity that was
9 approved in an advisory opinion approved under (d) of this section; or

10 (3) was undertaken after the executive director of the commission
11 recommended a draft advisory opinion under (c) of this section and before the
12 commission acted on the draft advisory opinion under (d) of this section, if

13 (A) the draft advisory opinion would have approved the
14 transaction or activity described; and

15 (B) the commission disapproved the draft advisory opinion.

16 (f) Advisory opinion requests and advisory opinions are public records subject
17 to inspection and copying under AS 40.25.

18 * Sec. 17. AS 15.13.380 is repealed and reenacted to read:

19 **Sec. 15.13.380. Violations; limitations on actions.** (a) Promptly after the
20 final date for filing statements and reports under this chapter, the commission shall
21 notify all persons who have become delinquent in filing them, including contributors
22 who failed to file a statement in accordance with AS 15.13.040, and shall make
23 available a list of those delinquent filers for public inspection. The commission shall
24 also report to the attorney general the names of all candidates in an election whose
25 campaign treasurers have failed to file the reports required by this chapter.

26 (b) A member of the commission, the commission's executive director, or a
27 person who believes a violation of this chapter or a regulation adopted under this
28 chapter has occurred or is occurring may file an administrative complaint with the
29 commission within one year after the date of the alleged violation. If a member of the
30 commission has filed the complaint, that member may not participate as a
31 commissioner in any proceeding of the commission with respect to the complaint.

1 The commission may consider a complaint on an expedited basis or a regular basis.

2 (c) The complainant or the respondent to the complaint may request in writing
3 that the commission expedite consideration of the complaint. A request for expedited
4 consideration must be accompanied by evidence to support expedited consideration
5 and be served on the opposing party. The commission shall grant or deny the request
6 within two days after receiving it. In deciding whether to expedite consideration, the
7 commission shall consider such factors as whether the alleged violation, if not
8 immediately restrained, could materially affect the outcome of an election or other
9 impending event; whether the alleged violation could cause irreparable harm that
10 penalties could not adequately remedy; and whether there is reasonable cause to
11 believe that a violation has occurred or will occur. Notwithstanding the absence of a
12 request to expedite consideration, the commission may independently expedite
13 consideration of the complaint if the commission finds that the standards for expedited
14 consideration set out in this subsection have been met.

15 (d) If the commission expedites consideration, the commission shall hold a
16 hearing on the complaint within two days after granting expedited consideration. Not
17 later than one day after affording the respondent notice and an opportunity to be heard,
18 the commission shall

19 (1) enter an emergency order requiring the violation to be ceased or to
20 be remedied and assess civil penalties under AS 15.13.390 if the commission finds
21 that the respondent has engaged in or is about to engage in an act or practice that
22 constitutes or will constitute a violation of this chapter or a regulation adopted under
23 this chapter;

24 (2) enter an emergency order dismissing the complaint if the
25 commission finds that the respondent has not or is not about to engage in an act or
26 practice that constitutes or will constitute a violation of this chapter or a regulation
27 adopted under this chapter; or

28 (3) remand the complaint to the executive director of the commission
29 for consideration by the commission on a regular rather than an expedited basis.

30 (e) If the commission accepts the complaint for consideration on a regular
31 rather than an expedited basis, the commission shall notify the respondent within

1 seven days after receiving the complaint and shall investigate the complaint. The
2 respondent may answer the complaint by filing a written response with the
3 commission within 15 days after the commission notifies the respondent of the
4 complaint. The commission may grant the respondent additional time to respond to
5 the complaint only for good cause. The commission shall hold a hearing on the
6 complaint not later than 45 days after the respondent's written response is due. Not
7 later than 10 days after the hearing, the commission shall issue its order. If the
8 commission finds that the respondent has engaged in or is about to engage in an act or
9 practice that constitutes or will constitute a violation of this chapter or a regulation
10 adopted under this chapter, the commission shall enter an order requiring the violation
11 to be ceased or to be remedied and shall assess civil penalties under AS 15.13.390.

12 (f) If the complaint involves a challenge to the constitutionality of a statute or
13 regulation, necessary witnesses that are not subject to the commission's subpoena
14 authority, or other issues outside the commission's authority, the commission may
15 request the attorney general to file a complaint in superior court alleging a violation of
16 this chapter. The commission may request the attorney general to file a complaint in
17 superior court to remedy the violation of a commission order.

18 (g) A commission order under (d) or (e) of this section may be appealed to the
19 superior court by either the complainant or respondent within 30 days in accordance
20 with the Alaska Rules of Appellate Procedure.

21 (h) If the commission does not complete action on an administrative complaint
22 within 90 days after the complaint was filed, the complainant may file a complaint in
23 superior court alleging a violation of this chapter by a respondent as described in the
24 administrative complaint filed with the commission. The complainant shall provide
25 copies of the complaint filed in the superior court to the commission and the attorney
26 general. This subsection does not create a private cause of action against the
27 commission; against the commission's members, officers, or employees; or against the
28 state.

29 (i) If a person who was a successful candidate or the campaign treasurer or
30 deputy campaign treasurer of a person who was a successful candidate is convicted of
31 a violation of this chapter, after the candidate is sworn into office, proceedings shall be

1 held and appropriate action taken in accordance with

2 (1) art. II, sec. 12, of the state constitution, if the successful candidate
3 is a member of the state legislature;

4 (2) art. II, sec. 20, of the state constitution, if the successful candidate
5 is governor or lieutenant governor;

6 (3) the provisions of the call for the constitutional convention, if the
7 successful candidate is a constitutional convention delegate;

8 (4) art. IV, sec. 10, of the state constitution, if the successful candidate
9 is a judge.

10 (j) Information developed by the commission under (b) - (e) of this section
11 shall be considered during a proceeding under (i) of this section.

12 (k) If, after a successful candidate is sworn into office, the successful
13 candidate or the campaign treasurer or deputy campaign treasurer of the person who
14 was a successful candidate is charged with a violation of this chapter, the case shall be
15 promptly tried and accorded a preferred position for purposes of argument and
16 decision so as to ensure a speedy disposition of the matter.

17 * Sec. 18. AS 15.13.400(7) is repealed and reenacted to read:

18 (7) "express communication" means a communication that, when read
19 as a whole and with limited reference to outside events, is susceptible of no other
20 reasonable interpretation but as an exhortation to vote for or against a specific
21 candidate;

22 * Sec. 19. AS 15.13.400(15) is repealed and reenacted to read:

23 (15) "political party" means any group that is a political party under
24 AS 15.60.010 and any subordinate unit of that group if, consistent with the rules or
25 bylaws of the political party, the unit conducts or supports campaign operations in a
26 municipality, neighborhood, house district, or precinct;

27 * Sec. 20. AS 24.45.041(b) is amended to read:

28 (7) the identification of a legislator, legislative employee, or public
29 official to whom the lobbyist is married or who is the domestic partner [SPOUSAL
30 EQUIVALENT] of the lobbyist; in this paragraph, "domestic partner [SPOUSAL
31 EQUIVALENT]" has the meaning given in AS 39.50.200(a).

1 * **Sec. 21.** AS 24.45.041(g) is amended to read:

2 (g) An application for registration as a lobbyist under (a) of this section or for
3 renewal of a registration under (f) of this section is subject to a fee of \$250 [\$100].
4 The commission may not accept an application for registration or renew a registration
5 until the fee is paid. This subsection does not apply to a volunteer lobbyist under
6 AS 24.45.161 or a representational lobbyist under regulations of the commission.

7 * **Sec. 22.** AS 24.45.041 is amended by adding a new subsection to read:

8 (h) Upon request of the commission, information required under this section
9 shall be submitted electronically.

10 * **Sec. 23.** AS 24.45.051 is amended to read:

11 **Sec. 24.45.051. Reports.** Each lobbyist registered under AS 24.45.041 shall
12 file with the commission a report concerning the lobbyist's activities during each
13 reporting period prescribed in AS 24.45.081, so long as the lobbyist continues to
14 engage in lobbying activities. The report shall be made on a form prescribed by the
15 commission and filed in accordance with AS 24.45.071 and 24.45.081. Upon request
16 of the commission, information required under this section shall be submitted
17 electronically. The report also must include any changes in the information required
18 to be supplied under AS 24.45.041(b) and the following information for the reporting
19 period, as applicable:

20 (1) the source of income, as defined in AS 39.50.200(a) and the
21 monetary value of all payments, including but not limited to salary, fees, and
22 reimbursement of expenses, received in consideration for or directly or indirectly in
23 support of or in connection with influencing legislative or administrative action, and
24 the full name and complete address of each person from whom amounts or things of
25 value have been received and the total monetary value received from each person:

26 (2) the aggregate amount of disbursements or expenditures made or
27 incurred during the period in support of or in connection with influencing legislative
28 or administrative action by the lobbyist, or on behalf of the lobbyist by the lobbyist's
29 employer in the following categories:

30 (A) food and beverages;

31 (B) living accommodations;

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(C) travel;

(3) the date and nature of any gift exceeding \$100 in value made to a public official and the full name and official position of that person;

(4) the name and official position of each public official, and the name of each member of the immediate family of any of these officials, with whom the lobbyist has engaged in an exchange of money, goods, services, or anything of more than \$100 in value and the nature and date of each of these exchanges and the monetary values exchanged;

(5) the name and address of any business entity in which the lobbyist knows or has reason to know that a public official is a proprietor, partner, director, officer or manager, or has a controlling interest, and whom the lobbyist has engaged in an exchange of money, goods, services, or anything of value and the nature and date of each exchange and the monetary value exchanged if the total value of these exchanges is \$100 or more in a calendar year; and

(6) a notice of termination if the lobbyist has ceased the lobbying activity that required registration under this chapter and if this report constitutes the final report of the lobbyist's activities.

* Sec. 24. AS 24.45.061 is amended by adding a new subsection to read:

(c) Upon request of the commission, information required under this section shall be submitted electronically.

* Sec. 25. AS 24.45.116 is amended to read:

Sec. 24.45.116. Disclosure of contributions. A civic league or organization shall report the total amount of contributions received for the reporting period and, for any contribution over \$100, the name of the contributor and the amount contributed. The civic league or organization may establish a separate fund to account for receipts and expenditures arising out of activities to influence legislative action. Reports shall be made on a form provided by the commission on February 10, April 25, and July 10 of each year, listing contributions received during the period that ended 10 days earlier. Upon request of the commission, information required under this section shall be submitted electronically.

* Sec. 26. AS 24.45.171 is amended by adding a new paragraph to read:

1 (13) "commission" means the Alaska Public Offices Commission.

2 * Sec. 27. AS 24.60.070(c) is amended to read:

3 (c) When making a disclosure under (a) of this section concerning a
4 relationship with a lobbyist to whom the legislator or legislative employee is married
5 or who is the legislator's or legislative employee's domestic partner [SPOUSAL
6 EQUIVALENT], the legislator or legislative employee shall also disclose the name
7 and address of each employer of the lobbyist and the total monetary value received by
8 the lobbyist from the lobbyist's employer. The legislator or legislative employee shall
9 report changes in the employer of the spouse or domestic partner [SPOUSAL
10 EQUIVALENT] within 48 hours after the change. In this subsection, "employer of the
11 lobbyist" means the person from whom the lobbyist received amounts or things of
12 value for engaging in lobbying on behalf of the person.

13 * Sec. 28. AS 24.60.080(k) is amended to read:

14 (k) In this section, "immediate family" or "family member" means

- 15 (1) the spouse of the person;
- 16 (2) the person's domestic partner [SPOUSAL EQUIVALENT].
- 17 (3) a child, including a stepchild and an adoptive child, of the person
18 or of the person's domestic partner [SPOUSAL EQUIVALENT],
- 19 (4) a parent, sibling, grandparent, aunt, or uncle of the person;
- 20 (5) a parent, sibling, grandparent, aunt, or uncle of the person's spouse
21 or the person's domestic partner [SPOUSAL EQUIVALENT]; and
- 22 (6) a stepparent, stepsister, stepbrother, step-grandparent, step-aunt, or
23 step-uncle of the person, the person's spouse, or the person's domestic partner
24 [SPOUSAL EQUIVALENT].

25 * Sec. 29. AS 24.60.090(a) is amended to read:

26 (a) An individual who is related to a member of the legislature may not be
27 employed for compensation (1) during the legislative session in the house in which the
28 legislator is a member, (2) by an agency of the legislature established under AS 24.20.
29 (3) in either house during the interim between sessions, or (4), whether for
30 compensation or not, by the committee. An individual who is related to a legislative
31 employee may not be employed in a position over which the employee has supervisory

1 authority. In this subsection, "an individual who is related to" means a member of the
2 legislator's or legislative employee's immediate family or a person who is a legislator's
3 or legislative employee's domestic partner [SPOUSAL EQUIVALENT] living
4 together in a conjugal relationship not a legal marriage with the legislator or legislative
5 employee, and "interim between sessions" means the period beginning on the eighth
6 day after the legislature adjourns from a regular session, and ending eight days before
7 the date that the legislature shall convene under AS 24.05.090.

8 * Sec. 30. AS 24.60.200 is amended to read:

9 **Sec. 24.60.200. Financial disclosure by legislators, public members of the**
10 **committee, and legislative directors.** A legislator, a public member of the
11 committee, and a legislative director shall file a disclosure statement, under oath and
12 on penalty of perjury, with the Alaska Public Offices Commission giving the
13 following information about the income received by the discloser, the discloser's
14 spouse or domestic partner [SPOUSAL EQUIVALENT], the discloser's dependent
15 children, and the discloser's nondependent children who are living with the discloser:

16 (1) the information that a public official is required to report under
17 AS 39.50.030, other than information about gifts;

18 (2) as to income in excess of \$5,000 [\$1,000] received as
19 compensation for personal services, the name and address of the source of the income,
20 and a statement describing the nature of the services performed; if the source of
21 income is known or reasonably should be known to have a substantial interest in
22 legislative, administrative, or political action and the recipient of the income is a
23 legislator or a legislative director, the amount of income received from the source shall
24 be disclosed;

25 (3) as to each loan or loan guarantee over \$1,000 from a source with a
26 substantial interest in legislative, administrative, or political action, the name and
27 address of the person making the loan or guarantee, the amount of the loan, the terms
28 and conditions under which the loan or guarantee was given, the amount outstanding
29 at the time of filing, and whether or not a written loan agreement exists.

30 * Sec. 31. AS 24.60.200 is amended by adding a new subsection to read:

31 (b) Upon request of the Alaska Public Offices Commission, the information

1 required under AS 24.60.200 - 24.60.260 shall be submitted electronically.

2 * Sec. 32. AS 24.60.990(a)(5) is amended to read:

3 (5) "immediate family" means

4 (A) the spouse or domestic partner [SPOUSAL
5 EQUIVALENT] of the person; or

6 (B) a parent, child, including a stepchild and an adoptive child,
7 and sibling of a person if the parent, child, or sibling resides with the person, is
8 financially dependent on the person, or shares a substantial financial interest
9 with the person;

10 * Sec. 33. AS 24.60.990(a) is amended by adding a new paragraph to read:

11 (17) "domestic partner" means a person who is cohabiting with another
12 person in a relationship that is like a marriage but that is not a legal marriage.

13 * Sec. 34. AS 39.50.030(b) is amended to read:

14 (b) Each [EXCEPT AS PROVIDED IN (g) OF THIS SECTION, EACH]
15 statement filed by a public official or candidate under this chapter must include the
16 following:

17 (1) the source of all income over \$5,000 [\$1,000] during the preceding
18 calendar year, including taxable and nontaxable capital gains, received by the person,
19 the person's spouse or domestic partner [SPOUSAL EQUIVALENT], or the person's
20 dependent child, except that a source of income that is a gift must be included if the
21 value of the gift exceeds \$250;

22 (2) the identity, by name and address, of each business in which the
23 person, the person's spouse or domestic partner [SPOUSAL EQUIVALENT], or the
24 person's dependent child has an interest or was a stockholder, owner, officer,
25 director, partner, proprietor, or employee during the preceding calendar year, except
26 that an interest of less than \$5,000 in the stock of a publicly traded corporation
27 need not be included;

28 (3) [THE IDENTITY AND NATURE OF EACH INTEREST
29 OWNED IN ANY BUSINESS DURING THE PRECEDING CALENDAR YEAR
30 BY THE PERSON, THE PERSON'S SPOUSE OR SPOUSAL EQUIVALENT, OR
31 THE PERSON'S CHILD;

1 (4) the identity and nature of each interest in real property, including
2 an option to buy, owned at any time during the preceding calendar year by the person,
3 the person's spouse or domestic partner [SPOUSAL EQUIVALENT], or the person's
4 dependent child;

5 (4) [(5)] the identity of each trust or other fiduciary relation in which
6 the person, the person's spouse or domestic partner [SPOUSAL EQUIVALENT], or
7 the person's dependent child held a beneficial interest exceeding \$5,000 [\$1,000]
8 during the preceding calendar year, a description and identification of the property
9 contained in each trust or relation, and the nature and extent of the beneficial interest
10 in it;

11 (5) [(6)] any loan or loan guarantee of more than \$5,000 [\$1,000] made
12 to the person, the person's spouse or domestic partner [SPOUSAL EQUIVALENT],
13 or the person's dependent child, and the identity of the maker of the loan or loan
14 guarantor and the identity of each creditor to whom the person, the person's spouse or
15 domestic partner [SPOUSAL EQUIVALENT], or the person's dependent child
16 owed more than \$5,000 [\$1,000]; this paragraph requires disclosure of a loan, loan
17 guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness
18 incurred, during the preceding calendar year, or if the amount still owing on the loan,
19 loan guarantee, or indebtedness was more than \$5,000 [\$1,000] at any time during the
20 preceding calendar year;

21 (6) [(7)] a list of all contracts and offers to contract with the state or an
22 instrumentality of the state during the preceding calendar year held, bid, or offered by
23 the person, the person's spouse or domestic partner [SPOUSAL EQUIVALENT], or
24 the person's dependent child, a partnership or professional corporation of which the
25 person is a member, or a corporation in which the person or the person's spouse,
26 domestic partner [SPOUSAL EQUIVALENT], or dependent children, or a
27 combination of them, hold a controlling interest; and

28 (7) [(8)] a list of all mineral, timber, oil, or any other natural resource
29 lease held, or lease offer made, during the preceding calendar year by the person, the
30 person's spouse or domestic partner [SPOUSAL EQUIVALENT], or the person's
31 dependent child, a partnership or professional corporation of which the person is a

1 member, or a corporation in which the person or the person's spouse or domestic
2 partner [SPOUSAL EQUIVALENT] or dependent children, or a combination of
3 them, holds a controlling interest.

4 * Sec. 35. AS 39.50.030(f) is amended to read:

5 (f) When making a disclosure under (d) of this section concerning a
6 relationship with a lobbyist to whom the public official is married or who is the public
7 official's domestic partner [SPOUSAL EQUIVALENT], the public official shall also
8 disclose the name and address of each employer of the lobbyist and the total monetary
9 value received from the lobbyist's employer. The public official shall report changes
10 in the employers of the spouse or domestic partner [SPOUSAL EQUIVALENT]
11 within 48 hours after the change. In this subsection, "employer of the lobbyist" means
12 the person from whom the lobbyist received money, or goods or services having a
13 monetary value, for engaging in lobbying on behalf of the person.

14 * Sec. 36. AS 39.50.050(a) is amended to read:

15 (a) The Alaska Public Offices Commission created under AS 15.13.020(a)
16 shall administer the provisions of this chapter. The commission shall prepare and
17 keep available for distribution [,] standardized forms on which the reports required by
18 this chapter shall be filed. Upon request of the commission, the information
19 required under this chapter shall be submitted electronically.

20 * Sec. 37. AS 39.50.090(a) is amended to read:

21 (a) A public official may not use the official position or office for the primary
22 purpose of obtaining personal financial gain or financial gain for a spouse, dependent
23 child, mother, father, or business with which the official is associated or in which the
24 official owns stock. A public official other than an elected or appointed municipal
25 official may not use the official's position or office for the primary purpose of
26 obtaining financial gain for the official's domestic partner [SPOUSAL
27 EQUIVALENT].

28 * Sec. 38. AS 39.50.090(b) is amended to read:

29 (b) A person may not offer or pay to a public official, and a public official
30 may not solicit or receive money for legislative advice or assistance, or for advice or
31 assistance given in the course of the official's public employment or relating to the

1 public employment. However, this prohibition does not apply to a chair
2 [CHAIRMAN] or member of a state commission or board or municipal officer if the
3 subject matter of the legislative advice or assistance is not related directly to the
4 function of the commission, board, or municipal body served by the municipal officer;
5 this exception from the general prohibition does not apply to one whose service on a
6 state commission or board constitutes the person as a full-time state employee under
7 this title [AS 39].

8 * Sec. 39. AS 39.50.200(a)(9) is amended to read:

9 (9) "source of income" means the entity for which service is performed
10 or that [WHICH] is otherwise the origin of payment; if the person whose income is
11 being reported is employed by another, the employer is the source of income; but if
12 the person is self-employed by means of a sole proprietorship, partnership,
13 professional corporation, or a corporation in which the person, the person's spouse or
14 domestic partner [SPOUSAL EQUIVALENT], or the person's dependent children,
15 or a combination of them, hold a controlling interest, the "source" is the client or
16 customer of the proprietorship, partnership, or corporation, but, if the entity that
17 [WHICH] is the origin of payment is not the same as the client or customer for whom
18 the service is performed, both are considered the source;

19 * Sec. 40. AS 39.50.200(a) is amended by adding a new paragraph to read:

20 (11) "domestic partner" means a person who is cohabiting with another
21 person in a relationship that is like a marriage but that is not a legal marriage.

22 * Sec. 41. AS 24.60.990(a)(15); AS 39.25.160(a); AS 39.50.030(h)(1), and
23 39.50.200(a)(10) are repealed.

24 * Sec. 42. The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 TRANSITION: REGULATIONS. Notwithstanding sec. 44 of this Act, the Alaska
27 Public Offices Commission may proceed to adopt regulations necessary to implement the
28 changes made by this Act. The regulations take effect under AS 44.62 (Administrative
29 Procedure Act), but not before the effective date of the statutory change.

30 * Sec. 43. Section 42 of this Act takes effect immediately under AS 01.10.070(c).

31 * Sec. 44. Except as provided in sec. 43 of this Act, this Act takes effect July 1, 2003.

Subject: SB 119 McLeod Testimony

Date: Sat, 17 May 2003 09:48:54 -0800

From: "Andree" <mcleodak@alaska.net>

To: "Representative Hawker" <Representative_Mike_Hawker@legis.state.ak.us>, "Representative Kerttula" <Representative_Beth_Kerttula@legis.state.ak.us>, "Representative Chenault" <Representative_Mike_Chenault@legis.state.ak.us>, "Representative Harris" <Representative_John_Harris@legis.state.ak.us>, "Representative Berkowitz" <Representative_Ethan_Berkowitz@legis.state.ak.us>, "Representative Moses" <Representative_Carl_Moses@legis.state.ak.us>, "Representative Whitaker" <Representative_Jim_Whitaker@legis.state.ak.us>, "Representative Stoltze" <Representative_Bill_Stoltze@legis.state.ak.us>, "Representative Meyer" <Representative_Kevin_Meyer@legis.state.ak.us>, "Representative Williams" <Representative_Bill_Williams@legis.state.ak.us>
CC: <louanne_christian@legis.state.ak.us>

Dear House Finance Committee Members,

By raising the contribution limits, you're impacting what economists call the limit price. In the private sector, it's typically done in order to bar others from entering a market. Increasing the limit price discourages competition.

By increasing the contribution limit you increase the costs of campaigns, thereby decreasing competition for seats up for election, and barring others from entering races.

Why the need for the increase? I just ran a race. I had enough to buy signs, flyers and I walked door to door every night. More money only buys more TV and radio and newspapers. That space is finite. Let's face it, any more political advertisement and you end up with what economists call negative externalities. Seeing and hearing your voice more will actually discourage people from voting for you, and generally increase the negative feelings people harbor towards politicians. Another result is happy advertisers jacking up their fees.

If contributors have this compelling need to give more money, there's enough hunger and poverty in the world to satisfy their urge. If they want to exercise their 1st amendment right of speech by handing out more money, then let them satisfy it by giving it to the general fund.

So, what you are doing is barring others from running against you. And, with the companion bill of letting lobbyists to give you money, this clearly becomes special interest legislation. You're giving special interests advantages to our political process as you widen the chasm between the have and have-nots.

What is a special interest? It is someone who has a greater claim on state resources than a citizen acting on his own behalf.

Couple the increased contribution limits with lobbyists' ability to contribute to all campaigns, and we end up with a legislature peopled with officials elected from the same

pools of money, resulting in a significantly decreased number of legislators coming from varied human experiences. End result, mob mentality and no innovative thinking.

If that's where you want Alaska to go, then by all means vote to increase the limits as you shove lobbyists out of the public light, and bar the ordinary, average Alaskan from entering any race from here on in.

However, leaving that kind of legacy is not something to be part of, nor proud of.

With all due respect,
Andree McLeod

FRANK H. MURKOWSKI
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



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March 5, 2003

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 107
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that modifies the duties of the Alaska Public Offices Commission.

The Alaska Public Offices Commission (APOC) and campaign finance laws were generally established to accomplish three major goals: to restrict financial contributions to campaigns, to provide information to the general public as to who is contributing to whom, and to enforce those laws. Under the current campaign finance model, the Alaska Public Offices Commission, has ultimately failed in all three areas. At the core is the Commission's inability to investigate and rule on complaints in a timely manner. The collapse of enforcement and lengthy delays in decisions, sometimes approaching two election cycles, has undermined the objectives of campaign finance laws. Due to the lack of timely enforcement, the APOC has become a vehicle which focuses nearly all media attention on allegations of misconduct and not on the factual reporting of contributions.

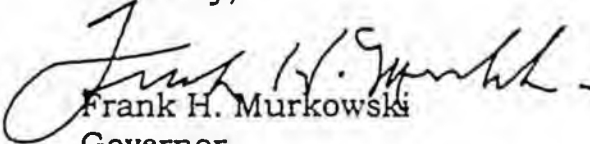
Therefore, with this bill, enforcement of Alaska's campaign finance laws will be elevated to the Department of Law and the Judiciary. This change will allow legitimate complaints to be processed with just resolution coming from the Alaska Court System. Raising the bar to the judiciary should reduce allegations made for political gain and will install confidence in our reporting system.

The Honorable Gene Therriault
March 5, 2003
Page 2

Furthermore, this bill mandates electronic reporting. For the past decade private sector employers, citizens, and some public agencies have increasingly moved into the technological age. It is now common to use electronic means to pay bills, reserve travel, renew a driver's license or offer up-to-the-minute election results. One of the premier users and innovators of technology is the Division of Elections. With this bill the Division of Elections will now be tasked with collecting the electronic reporting and distributing the information to the public. With this step the public will be able to access election and campaign information from a single source and the state will see a savings through consolidation and technological efficiencies.

I urge your prompt and favorable action on this measure.

Sincerely,



Frank H. Murkowski
Governor

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

May 17, 2003

SUBJECT: HCS CSSB 119 (Finance) (Work Order No. 23-GS1090\U)

TO: Representative Bill Williams
Attn: House Finance Committee Co-Chair

FROM: Jack Chenoweth
Assistant Revisor of Statutes

Thru for JBC

The purpose of this memo is to provide written confirmation of the oral advice provided by the Director, Tam Cook, to Randy Ruaro that, due to the elimination in the repealer provisions of reference to "AS 39.25.160(a)," the corresponding elimination of reference to it in the bill title may be treated as a technical title change.

Under Uniform Rule 41(b) and other appropriate rules, a technical title change is permitted in the second house. The elimination of the repealer provision removes from the bill material that presented a possible single subject violation under the first sentence of article II, section 13 of the state constitution.

JBC:med
03-563.mcd

CAMPAIGN FINANCE REFORM NOW!

2224 Turnagain Parkway, Anchorage, Alaska 99517 Ph: 248-5078 Mike Frank, Chair

May 17, 2003

Alaska State House
State Capitol
Juneau, AK 99801

Dear Representative:

We would like to express our strong opposition to the version of SB 119 which recently passed the Senate. As the original sponsors of the 1996 citizen initiative that led to our current laws, we feel SB 119 would do major damage to our campaign finance and disclosure laws. A cursory review reveals about 20 significant weakening changes to existing law, including the following provisions. By identifying these worst provisions of SB 119, we don't mean to overlook the impact of the many other weakening amendments. The Senate passed version of SB 119:

Increases the individual contribution limits from \$500 to \$1000 to a candidate or group; and from \$5000 to \$10,000 to a political party. One of the most basic provisions of our 1996 citizen initiative was the reduction from \$1000 to \$500 for the maximum individual contribution to candidates. Lower maximum contributions haven't rendered candidates unable to raise sufficient funds; rather, candidates have raised money from more Alaskans, not just the wealthy and special interests.

Increases the PAC (group) contribution limits from \$1000 to \$2000 to a candidate or another group; and from \$1000 to \$4,000 to a political party. The 1996 Campaign Finance Reform Law did not lower the limit on contributions from PACs to candidates – it was \$1000 prior to the law. There is no justification for increasing this maximum amount, which may drastically increase the role of PACs in Alaska politics. The purpose of allowing PACs to contribute at all is to allow individuals of limited means to magnify their voices by pooling small contributions so that they might approximate the maximum amount a wealthy individual can contribute. Allowing PACs to contribute more magnifies their voices above the individual voter's, and that is anti-democratic. Lower PAC contribution levels mean greater opportunities for individuals to affect Alaska elections.

Increases from \$1000 to \$10,000 the reporting threshold for contracts and loans for financial disclosure. While these changes aren't to the campaign finance laws, they are equally damaging to the public trust. Why shouldn't Alaskans know who is providing significant salaries, payments and loans to our elected officials? Amounts between \$1000 and \$10,000 are large enough to provide potential for undisclosed corruption. It is ironic that campaign finance disclosure laws require the source of much smaller contributions to

be disclosed --- a good thing -- but a weaker standard would be applied for direct income sources to members of the Legislature.

We would be glad to provide any additional information on these provisions, or on the other more minor weakening amendments. Thank you for your consideration

Sincerely,

Mike Frank
mdfrank@uci.net

David Finkelstein
davidfinkelstein@juno.com