

HB

183

Representative Mike Hawker

Alaska State Legislature



Session:
State Capitol
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Interim:
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Chairman:
House Special Committee
On Ways & Means

Member:
House Finance Committee
Legislative Budget
& Audit Committee

House District 12:
Eagle River
Anchorage
Rainbow
Indian
Bird
Caulwood
Portage
Whittier
Sumner
Hope

Fact Sheet for House Bill 183

Short Title: Campaign Finance: Shared Expenses

Current Version: HB 183

Staff Contact: Juli Lucky, 465-4949

Summary:

- Clarifies that a payment for a shared expense made by one candidate that is reimbursed by the other participating candidate(s) within 48 hours is not an illegal campaign-to-campaign contribution.

Benefits:

- Puts the onus for complying with campaign finance regulations regarding shared expenses on the candidate.
- Reduces paperwork and helps vendors receive prompt payment when providing services for political campaigns.

Background:

Current statute and regulations do not give clear guidance about payment for shared campaign activities, such as jointly hosted fundraisers. The statute clearly states that one campaign cannot make a contribution to another. The regulations clarify that candidates (or groups) may share campaign efforts if the costs and income are accounted for separately. The regulation has been interpreted to prohibit one candidate from paying a bill in full then collecting a reimbursement from each participating candidate.

This prohibition puts the burden on businesses to collect from each candidate on a pro-rata basis and reimburse any funds received over the pro-rata amount. House Bill 183 would allow for one candidate to make the expenditure and then collect from the other campaigns within 48 hours, thereby reducing the burden on businesses.

Revised 3/28/2005

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB163
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: Campaign Finance Shared Expenses RDU: Alaska Public Offices Commission
in State election advertising Component: Alaska Public Offices Commission
 Sponsor: Hawker
 Requester: House State Affairs Component No.: 70

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)
 This bill will have no fiscal impact.

Prepared by: Brooke Miles, Executive Director Phone 907-334-1726
 Division: Alaska Public Offices Commission Date/Time 3/29/05 7:38 AM
 Approved by: Mike Tibbles, Deputy Commissioner Date 3/29/2005
 Agency: Department of Administration

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB183
 () Publish Date: _____

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in State election advertising Component: Alaska Public Offices Commission
 Sponsor: Hawker
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CAPITAL EXPENDITURES						
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Member

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& Audit Committee

House District 32

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Anchorage
Rainbow
Inhau
Bird
Cordwood
Portage
Whittier
Sudbosc
Hope

House Bill 183 Sponsor Statement

"An Act relating to the use of campaign contributions for shared campaign activity expenses and to reimbursement of those expenses."

House Bill 183 allows a candidate to reimburse another candidate for costs incurred in a shared campaign expense within 48 hours of the expenditure. Currently, when more than one candidate is involved in an event, vendors must collect separately from each candidate. This complication is an unnecessary inconvenience for vendors and does not substantially enhance Alaska's strict campaign finance regulation.

The intent of current law is to prohibit one campaign from making a loan or contribution to another campaign. This prohibition is accomplished by imposing the burden of compliance on vendors rather than candidates. It is reasonable to expect candidates to know and comply with campaign statutes, but it is not appropriate to impose this expectation on merchants during the ordinary conduct of their business.

This bill allows one candidate participating in a shared campaign activity to pay a vendor if the other candidate(s) involved reimburse their portion of that payment within 48 hours. If the complete reimbursement is not received within that time limit, the expenditure would be an illegal campaign-to-campaign contribution.

The proposed statute relieves vendors of unnecessary responsibilities while maintaining our strict statutory prohibition of campaign-to-campaign loans or contributions.

HOUSE BILL NO. 183

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE HAWKER

Introduced: 2/28/05

Referred: State Affairs, Judiciary

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the use of campaign contributions for shared campaign activity**
2 **expenses and to reimbursement of those expenses."**

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

4 *** Section 1.** AS 15.13.112(b) is amended to read:

5 (b) Campaign contributions held by a candidate or group may not be

6 (1) used to give a personal benefit to the candidate or to another
7 person;

8 (2) converted to personal income of the candidate;

9 (3) loaned to a person;

10 (4) knowingly used to pay more than the fair market value for goods or
11 services purchased for the campaign;

12 (5) used to pay a criminal fine;

13 (6) used to pay civil penalties; however, campaign contributions held
14 by a candidate or group may be used to pay a civil penalty assessed under this chapter
15 if authorized by the commission or a court after it first determines that

1 (A) the candidate, campaign treasurer, and deputy campaign
2 treasurer did not cause or participate in the violation for which the civil penalty
3 is imposed and exercised a reasonable level of oversight over the campaign;
4 and

5 (B) the candidate, campaign treasurer, and deputy campaign
6 treasurer cooperated in the revelation of the violation and in its immediate
7 correction; or

8 (7) used to make contributions to another candidate or to a group;
9 however, it is not a violation of this paragraph if, in circumstances in which a
10 candidate or group participates in a shared campaign activity, the candidate or
11 group participating in the activity

12 (A) uses campaign contributions of the candidate or group
13 for payment of

14 (i) all of the shared campaign activity expense; or

15 (ii) more than the candidate's or group's pro rata
16 share of the activity expense; and

17 (B) receives, ~~within 48 hours~~ after payment of the expense,
18 complete reimbursement of the amount of campaign contributions used
19 for payments made on behalf of another candidate or group participating
20 in the activity.

Amend #1 line 17 page 2 - insert "within" - carries
Amend #2 line 17 strike "from" insert "substantive"
line 18 strike "and" insert "the"
R.A
G.Y
G-up - fails
G-y-1
Elk. No
Sum

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Lynn Rice
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