

HB

183

Representative Mike Hawker

Alaska State Legislature



Session:

State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:

716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

Member:

House Finance Committee
Legislative Budget
& Audit Committee

House District 32:

Eagle River
Anchorage
Rainbow
Indian
Bird
Gridwood
Portage
Whittier
Sunrise
Hope

To: Senator Gene Therriault
Chairman, Senate State Affairs Committee

From: Representative Mike Hawker

Date: April 21, 2005

Re: House Bill 183

I request that House Bill 183, which would make two changes to our campaign finance reporting statutes, be scheduled at your earliest convenience. The bill would allow one candidate to reimburse another candidate for a shared expense and also allow a candidate or political party to give a fundraising list to another candidate or political party.

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 business owners 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.

The second change, to allow the sharing of fundraising lists, was an amendment added on the House Floor.

I have one amendment, proposed by the Alaska Public Offices Commission, to change "five working days" to "seven days" to conform to existing statutory language. Please feel free to contact me if you need any additional information. You may also contact my legislative aide, Juli Lucky.

Representative Mike Hawker

Alaska State Legislature



Session:

State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Inform:

716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0218 fax

Member:

House Finance Committee
Legislative Budget
& Audit Committee

Home District 52:

Eagle River
Anchorage
Rimulov
Indian
Bird
Cinderwood
Portage
Whomoe
Sumner
Hoye

CS for House Bill 183 (JUD) am Sponsor Statement

“An Act relating to the use of campaign contributions for shared campaign activity expenses and to reimbursement of those expenses; and amending the definition of 'contribution' in regard to sharing fundraising lists between candidates and political parties without compensation.”

House Bill 183 allows a candidate to reimburse another candidate for costs incurred in a shared campaign expense within five working days 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 five working days. If the complete reimbursement were 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.

Staff Contact: Juli Lucky 465-4949

Revised 4/21/2005

Representative Mike Hawker

Alaska State Legislature



House Bill 183

Changes between original and committee substitutes

House Bill 183 allows a candidate to reimburse another candidate for costs incurred in a shared campaign expense within a certain period of time from the date of the expenditure.

The original bill specified that the payment must be received within 48 hours.

The House State Affairs Committee extended the repayment period to three working days.

The House Judiciary Committee further extended the repayment period to five working days.

A House Floor amendment allows a candidate and political party to share a fundraising list.

The Senate State Affairs Committee changed "five working days" to "seven days" at the request of the Alaska Public Offices Commission to conform to existing statute.

Session

State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim

716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

Member

*House Finance Committee
Legislative Budget
& Audit Committee*

House District 32:

*Eagle River
Anchorage
Rainbow
Indian
Bird
Gardwood
Portage
Whittier
Sunrise
Hope*

Staff Contact: Juli Lucky 465-4949

Revised 3/17/2005

Representative Mike Hawker

Alaska State Legislature



Session:

State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:

716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

Members:

House Finance Committee
Legislative Budget
& Audit Committee

Home District:

Lyell River
Anchorage
Kenai
Delaware
Barrow
Cordova
Fairbanks
Whittier
Sitka
Homer

Fact Sheet for House Bill 183

Short Title: Campaign Finance: Shared Expenses

Current Version: CS HB 183 (JUD) am

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 five working days is not an illegal campaign-to-campaign contribution.
- Allows a candidate and political party to share a fundraising list.

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.
- Removes a prohibition against sharing a list of nominal value.

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 five working days, thereby reducing the burden on businesses.

Revised 4/21/2005

AMENDMENT

TO: CS HB 183 (JUD) am

- 1 Page 2, line 20, following "within"
- 2 Delete "five working"
- 3 Insert "seven"