

HB

261



February 5, 2008

Honorable Bob Lynn, Chair
House State Affairs Committee
Alaska State Capitol, Room 415
Juneau, AK 99801-1182

RE: HB 261 (LeDoux)--Support

Dear Chair Lynn:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House State Affairs Committee to support HB 261, authored by Representative Gabrielle LeDoux and co-sponsored by your Committee colleague Representative Andrea Doll as well as Representative Berta Gardner.

HB 261 is a "clean elections" bill. AARP shares a concern of many citizens and elected officials that money determines who runs for office, who wins elections, and who gains power in politics. The political agenda should be set by ordinary citizens and not major campaign contributors.

States like Arizona and Maine have passed "clean elections" laws that allow candidates to run for office using public funds rather than private money from special interest groups, PACs, or wealthy individuals. The results from those states have been extremely encouraging: the influence of big money has gone down while competitive races, voter turnout, and civic engagement have all gone up.

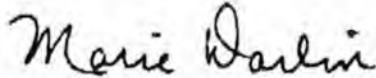
AARP believes that "clean elections" systems are proven ways to improve integrity in government and should be adopted.

AARP urges an "AYE" vote on HB 261.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,



Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Roscs
Representative Coghill
Representative Johansen
Representative Johnson
Representative Doll
Representative Gruenberg
Representative LeDoux

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SS HB 261
() Public Date: _____

Identifier (file name): HB261SS-DOA-APOC-2-14-08 Dept. Agency: Administration
Title: "An Act establishing a program of public funding for the financing of RDU Alaska Public Offices Commission election campaigns..." Component: Alaska Public Offices Commission
Sponsor: Representatives LeDoux, Gardner, Doll
Requester: House State Affairs Component Number: 70

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	572.5		572.5	572.5	572.5	572.5	572.5	572.5
Travel	21.5		21.5	21.5	21.5	21.5	21.5	21.5
Contractual	85.0		85.0	85.0	85.0	85.0	85.0	85.0
Supplies	35.0		2.0	2.0	2.0	2.0	2.0	2.0
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	714.0	0.0	681.0	681.0	681.0	681.0	681.0	681.0

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	714.0		681.0	681.0	681.0	681.0	681.0	681.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	714.0	0.0	681.0	681.0	681.0	681.0	681.0	681.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	7.0	3.0	7.0	7.0	7.0	7.0	7.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

This bill creates a clean elections section within APOC. Funding will be needed for a hearing officer, three accounting positions, two compliance officers, an administrative assistant and administrative support. Funding is also required for additional Commission meetings. Clean Election's staff is responsible for disseminating public funds to qualified candidates throughout the duration of their campaigns. Additionally, staff is responsible for certifying the qualifications of candidates eligible to receive public funding. During the course of the campaigns, clean election staff must monitor all campaign spending for compliance with the provisions of the clean elections act. The bill also provides state funding to candidates for Governor, Lieutenant Governor, State Senator, and State Representative. Several funding scenarios are presented below.

Prepared by: Brooke Miles, Executive Director Phone 465-5671
Division: Alaska Public Offices Commission Date/Time 2/14/08 3:02 PM
Approved by: Rachael Petro, Deputy Commissioner Date 2/14/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. SS HB 261

ANALYSIS CONTINUATION

It is difficult to accurately estimate the cost of providing public funds to candidates under this legislation. The cost will depend on the number of candidates that choose to participate in the public campaign financing program, and several other factors. Because public funding is optional, candidates cannot legally be mandated to use it, and some candidates are likely to not choose public funding, lowering the total cost of the program. Other scenarios could be analyzed in addition to the examples below.

The following cost analysis is based on 25%, 50%, 75%, and 100% participation. It was calculated using the number of primary and general election candidates in the 2006 election:

PRIMARY: (dollar amounts in thousands)

# of Candidates	Office	Amount	25%	50%	75%	100%
13	Gov	250.0	812.5	1,625.0	2,437.0	3,250.0
8	Lt Gov	150.0	300.0	600.0	900.0	1,200.0
23	Senate	24.0	130.5	261.0	391.5	522.0
92	House	16.0	368.0	736.0	1,104.0	1,472.0
Sub-Totals:			1,611.0	3,222.0	4,832.5	6,444.0

GENERAL: (dollar amounts in thousands)

# of Candidates	Office	Amount	25%	50%	75%	100%
6	Gov/Lt	500.0	750.0	1,500.0	2,250.0	3,000.0
20	Senate	36.0	180.0	360.0	540.0	720.0
72	House	16.0	432.0	864.0	1,296.0	1,728.0
Sub-Totals:			1,362.0	2,724.0	4,086.0	5,448.0
Grand Totals:			2,973.0	5,946.0	8,918.5	11,892.0

Alaska State Legislature

Chairman
State Affairs Committee

Member
Judiciary Committee
Economic Development, Trade & Tourism
Committee
Education Committee
Joint Armed Services Committee

Finance Subcommittees
Labor & Workforce Development
Community & Economic Development
Military & Veterans' Affairs



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us
"Bob Lynn's Alaska Blog" AlaskaDistrict31.blogspot.com

Session:
Alaska State Capitol
Juneau, AK 99801-1182

Phone: (907) 465-4931
Fax: (907) 465-4316
Toll Free: (800) 870-4391

Interim:
716 W 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207

HB261 House State Affairs Committee - Version E to Version M

This CS – Version M amends out all reference to "Clean Elections" because "Clean Elections" implies that the current elections are "not clean." "Publically Financed Elections" more accurately describes what the bill does.

Page 1 Lines 2 and 3 after the word "offices" *deleted*, **to be known as the Clean Elections Act**

Page 1 Line 7 after the word "voluntary" *deleted* "clean elections" and *inserted* **public financing**

Page 1 Line 8 after the word "general" *inserted* **state**

Page 2 Line 13 after "Chapter 70." *deleted* "clean" and *inserted* **public financing of**

Page 2 Line 14 and 15 after "Sec. 15.70.010" *deleted* "clean" and *inserted* **public financing of**
and after the word "The" *deleted* "clean" and *inserted* **public financing of**

Page 4 Line 1 after the word "the" *deleted* "clean" *inserted* **public financing of**

Page 17 Line 11 after the word "financing" *inserted* **of elections**

Page 20 Line 27 after the word "the" *deleted* "clean" *inserted* **public financing of**

Page 20 Line 30 after the word "the" *deleted* "clean" *inserted* **public financing of**

Page 21 Line 9 after the word "the" *deleted* "clean" *inserted* **public financing of**

Page 22 Line 20 after the word "the" *deleted* "clean" *inserted* **public financing of**

25-LS0929\EM

-Bullard
2/21/08**CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 261(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES LEDOUX, Gardner, Doll

Introduced BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:

Referred:

Sponsors): REPRESENTATIVES LEDOUX, Gardner, Doll**A BILL****FOR AN ACT ENTITLED**

1 "An Act establishing a program of public funding for the financing of election
2 campaigns of candidates for state elected offices, ~~to be known as the Clean Elections~~
3 Act."

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
6 to read:

7 FINDINGS. The legislature finds that providing a voluntary ~~clean elections~~ public
8 financing system for all primary and general state elections would enhance democracy in the
9 state in the following principal ways:

10 (1) it would affirm the principle of "one person, one vote," reduce the
11 disproportionate and deleterious influence of large contributors, and restore the rights of
12 citizens of all backgrounds to equal and meaningful participation in the democratic process;

13 (2) it would slow the escalating cost of elections;

1 (3) it would enable voters and candidates to hear and to be heard in the
2 political process, and restore open and robust debate on issues of public concern;

3 (4) it would diminish the public perception of corruption, strengthen public
4 confidence in democratic institutions and processes, and eliminate the danger of corruption
5 caused by the private financing of election campaigns;

6 (5) it would increase the accountability of elected officials to the constituents
7 who elect them;

8 (6) it would create genuine opportunities for qualified residents of the state to
9 run for state office and encourage more competitive elections; and

10 (7) it would free elected officials from the incessant rigors of fundraising and
11 allow them more time to carry out their official duties.

12 * Sec. 2. AS 15 is amended by adding a new chapter to read:

13 **Chapter 70. Clean Public Financing of Elections.**

14 **Sec. 15.70.010. Clean Public financing of elections fund.** (a) The clean
15 public financing of elections fund is created in the general fund. The administrator
16 shall use the fund to finance the election campaigns of candidates certified under this
17 chapter who are running for the office of governor, lieutenant governor, state senator,
18 or state representative, and to pay the administrative and enforcement costs of this
19 chapter incurred by the commission.

20 (b) The legislature may appropriate money from the following sources to the
21 fund:

22 (1) the amount of the qualifying contributions required to be tendered
23 by candidates applying for certification under AS 15.70.070;

24 (2) unspent funds returned by a participating candidate under this
25 chapter; and

26 (3) fines or monetary penalties levied by the commission against
27 candidates for violations of this chapter.

28 (c) Money appropriated to the fund may be spent without further
29 appropriation.

30 (d) Money in the fund does not lapse.

31 **Sec. 15.70.020. Limitations on participating candidates.** (a) During an

1 election cycle, a participating candidate may not accept, expend, or agree to expend
2 any contributions or funds other than

- 3 (1) seed money contributions allowed under AS 15.70.050;
- 4 (2) funds received under AS 15.70.090 - 15.70.130;
- 5 (3) contributions from a political party under AS 15.70.160; and
- 6 (4) private contributions allowed under AS 15.70.180(b).

7 (b) A participating candidate who receives funds under this chapter during the
8 primary election campaign period shall comply with the requirements of this chapter
9 during the subsequent general election campaign period.

10 (c) A participating candidate may only use contributions and funds received
11 under this chapter during an election cycle to pay expenses or expenditures incurred
12 during that election cycle.

13 (d) A participating candidate may not use funds received under this chapter for
14 costs or legal fees related to representation before the commission or for defense of
15 any enforcement action under this chapter.

16 (e) A participating candidate may not expend funds raised or received before
17 the election cycle.

18 (f) A participating candidate shall comply with the expenditure limits set out
19 in AS 15.70.080.

20 (g) A participating candidate shall continue to be bound by all other applicable
21 election and campaign finance statutes and regulations, except for provisions in
22 express or clear conflict with the provisions of this chapter.

23 (h) Nothing in this chapter prevents a participating candidate from having a
24 legal defense fund.

25 **Sec. 15.70.030. Declaration of intent.** (a) A candidate may become a
26 participating candidate under this chapter by filing a statement declaring the
27 candidate's intent to seek certification under AS 15.70.070 and to comply with the
28 requirements of this chapter. The candidate may file the candidate's declaration of
29 intent with the commission at any time before the end of the qualifying period under
30 AS 15.70.040 during the election cycle.

31 (b) Before submitting a declaration of intent under (a) of this section, a

1 candidate who intends to participate in the ~~election~~ public financing of elections program
2 may not solicit or collect

3 (1) seed money contributions; or

4 (2) qualifying contributions.

5 **Sec. 15.70.040. Qualifying period.** (a) A candidate for governor or lieutenant
6 governor may qualify between August 1 of the year preceding a year in which the
7 general election is held and June 1 of the year of the general election.

8 (b) A candidate for the office of state senator or state representative may
9 qualify between October 1 of the year preceding a year in which the general election is
10 held and June 1 of the year in which a general election is held.

11 **Sec. 15.70.050. Seed money contributions.** (a) A participating candidate may
12 accept a contribution not to exceed \$100 from an individual at any time during an
13 election cycle before filing an application for certification under AS 15.70.070. A
14 participating candidate may expend the seed money contributions for the purpose of
15 soliciting qualifying contributions under AS 15.70.060 and for any purpose authorized
16 by AS 15.13. A candidate may not accept or expend seed money contributions after
17 the candidate is certified under AS 15.70.070.

18 (b) Seed money contributions and expenditures made under this section must
19 be reported under AS 15.13.

20 (c) A participating candidate may not collect more than the following amounts
21 in seed money contributions:

22 (1) \$20,000 if the candidate is seeking the office of governor;

23 (2) \$10,000 if the candidate is seeking the office of lieutenant
24 governor;

25 (3) \$2,000 if the candidate is seeking the office of state senator; or

26 (4) \$1,000 if the candidate is seeking the office of state representative.

27 (d) A participating candidate who exceeds the applicable limit established in
28 (c) of this section shall return the excess funds to the contributors. The participating
29 candidate may return all or part of a seed money contribution, and the returned amount
30 is not counted as part of the contribution or counted toward the candidate's seed
31 money limit under (c) of this section. The participating candidate shall refund the

1 contribution within three days after the candidate discovers that the candidate's
2 applicable seed money limit has been exceeded. The candidate shall report to the
3 commission the receipt and return of all excess seed money contributions.

4 **Sec. 15.70.060. Qualifying contributions.** (a) Except as provided in (d) of this
5 section, to be certified under AS 15.70.070, a participating candidate shall obtain the
6 following number of contributions of exactly \$5:

7 (1) contributions from 3,000 or more registered voters in the state if
8 the candidate is seeking the office of governor;

9 (2) contributions from 1,500 or more registered voters in the state if
10 the candidate is seeking the office of lieutenant governor;

11 (3) contributions from 400 or more registered voters in the candidate's
12 state senate district if the candidate is seeking the office of state senator; and

13 (4) contributions from 200 or more registered voters in the candidate's
14 state house district if the candidate is seeking the office of state representative.

15 (b) A qualifying contribution may only be accepted if accompanied by a form
16 prescribed by the commission that includes

17 (1) the name and address of the contributor;

18 (2) a signed and dated statement by the contributor supporting the
19 candidate's participation in the program; and

20 (3) the amount of the qualifying contribution.

21 (c) A contribution under this section may be accepted only by the candidate,
22 the candidate's campaign treasurer, or a deputy treasurer of the candidate's campaign.
23 A payment, gift, or anything of value may not be given in exchange for a qualifying
24 contribution. A contribution received in violation of this subsection is not a qualifying
25 contribution and may not be reported or treated by the candidate as a qualifying
26 contribution.

27 (d) The commission shall adopt regulations providing for a qualifying
28 contribution of less than \$5 from a low-income registered voter, as defined by the
29 commission. The qualifying contribution form required under (b) of this section must
30 allow a registered voter to certify that the voter meets the requirements established
31 under this subsection. A statement supporting a candidate's participation in the

1 program that is made by a registered voter qualified under this subsection shall be
2 treated as a qualifying contribution under (a) of this section, notwithstanding that the
3 voter did not make a \$5 contribution to the candidate.

4 (e) In this section, "registered voter" means a person who is a registered voter
5 at the time the person provides a qualifying contribution to the candidate or who
6 becomes a registered voter at least five days before the participating candidate applies
7 to become a certified candidate under AS 15.70.070.

8 **Sec. 15.70.070. Certification of candidates.** (a) To become a certified
9 candidate, a participating candidate shall apply for certification on a form prescribed
10 by the commission. The form must

11 (1) be filed during the qualifying period under AS 15.70.040;

12 (2) be signed by the participating candidate and the participating
13 candidate's treasurer;

14 (3) identify the office the participating candidate is seeking;

15 (4) identify the participating candidate's party, if any;

16 (5) include the participating candidate's declaration that the candidate
17 has abided by and will continue to abide by the requirements of this chapter through
18 the election cycle; and

19 (6) be accompanied by

20 (A) a campaign finance report as provided in (c) of this section;

21 and

22 (B) the number of qualifying contributions and accompanying
23 voter statements required under AS 15.70.060.

24 (b) The administrator shall certify a candidate if the administrator determines
25 that the participating candidate has

26 (1) signed and filed a declaration of intent under AS 15.70.030;

27 (2) collected the required number of qualifying contributions under
28 AS 15.70.060;

29 (3) tendered the sum of the qualifying contributions to the
30 commission;

31 (4) met all other applicable requirements for participation established

1 under this chapter: and

2 (5) agreed to abide by all requirements for participating candidates.

3 (c) The campaign finance report required under (a)(6)(A) of this section must
4 be in the form required under AS 15.13.040. The report must account for a
5 participating candidate's seed money contributions received and expenditures incurred
6 since the last report filed under AS 15.13.110, or, if no prior report has been filed, the
7 report must account for all seed money contributions received and expenditures
8 incurred through the third day before the date that the report is filed.

9 (d) A candidate who the commission determines has fewer than the required
10 number of qualifying contributions under AS 15.70.050 may submit additional
11 qualifying contributions during the qualifying period.

12 (e) In an election year, the administrator shall certify a candidate who
13 complies with the requirements of this section not later than

14 (1) five business days after the candidate's submission of the form,
15 campaign finance report, and qualifying contributions required under (a) of this
16 section if the application is submitted before May 20; and

17 (2) 10 business days after the candidate's submission of the form,
18 campaign finance report, and qualifying contributions required under (a) of this
19 section if the application is submitted on or after May 20.

20 (f) A candidate who is denied certification by the administrator is no longer
21 bound by the provisions of this chapter pertaining to participating candidates. The
22 administrator shall return to the candidate the qualifying contributions submitted by a
23 candidate who is denied certification.

24 (g) The director of elections shall assist the administrator in carrying out the
25 commission's duties under this section by

26 (1) verifying, within the time periods set out in (e) of this section, that
27 the maker of a qualifying contribution is a registered voter in the election district of
28 the candidate who has submitted the qualifying contribution; and

29 (2) verifying that the candidate has properly filed for the office the
30 candidate is seeking.

31 **Sec. 15.70.080. Limits on expenditures by participating candidates.** (a) A

1 participating candidate shall comply with the limits on campaign expenditures set out
2 in this section, as adjusted in accordance with AS 15.70.130, 15.70.160, and
3 15.70.260.

4 (b) Total expenditures for participating candidates during the primary election
5 campaign period may not exceed the following amounts:

- 6 (1) \$275,000 for a candidate for the office of governor;
- 7 (2) \$165,000 for a candidate for the office of lieutenant governor;
- 8 (3) \$26,400 for a candidate for the office of a state senator; and
- 9 (4) \$17,600 for a candidate for the office of a state representative.

10 (c) Total expenditures for participating candidates during the general election
11 period may not exceed the following amounts:

- 12 (1) \$550,000 for candidates in a joint campaign for the offices of
13 governor and lieutenant governor;
- 14 (2) \$39,600 for a candidate for the office of state senator; and
- 15 (3) \$26,400 for a candidate for the office of state representative.

16 **Sec. 15.70.090. Distribution of program funds to certified candidates.** (a) A
17 candidate certified by the commission is eligible to receive distributions from the fund
18 established under this chapter of not more than the following amounts:

- 19 (1) funds for a certified candidate in the primary election are limited to
 - 20 (A) \$250,000 for a candidate for the office of governor;
 - 21 (B) \$150,000 for a candidate for the office of lieutenant
22 governor;
 - 23 (C) \$24,000 for a candidate for the office of state senator; and
 - 24 (D) \$16,000 for a candidate for the office of state
25 representative;
- 26 (2) funds for a certified candidate in the general election are limited to
 - 27 (A) \$500,000 for candidates in a joint campaign for the offices
28 of governor and lieutenant governor;
 - 29 (B) \$36,000 for a candidate for the office of state senator; and
 - 30 (C) \$24,000 for a candidate for the office of state
31 representative.

1 (b) The commission may by regulation establish procedures requiring the use
2 of debit cards by certified candidates for all or part of the funds disbursed under this
3 section. The commission may limit the use of debit cards to those election districts
4 where it determines their use is reasonable.

5 (c) A candidate who secures the nomination of a political party for an office in
6 a primary election is eligible for funds under this chapter for use in the general
7 election only if the combined votes of all of the party's candidates in the primary
8 election for that office is equal to at least 10 percent of the total number of votes cast
9 for the candidates of all parties in the primary election for that office.

10 **Sec. 15.70.100. Timing of distributions.** (a) The administrator shall make
11 distributions from the fund to certified candidates as follows:

12 (1) 25 percent of the applicable amount provided in
13 AS 15.70.090(a)(1) upon a candidate's certification under AS 15.70.070; and

14 (2) an additional 75 percent of the applicable amount provided in
15 AS 15.70.090(a)(1) to each certified candidate with an opponent who will appear on
16 the primary election ballot within two business days after the end of the qualifying
17 period under AS 15.70.040 or upon the candidate's certification, whichever is later.

18 (b) Within two business days after the director of elections certifies the results
19 of the primary election, the administrator shall distribute:

20 (1) 25 percent of the applicable amount provided in
21 AS 15.70.090(a)(2) to each certified candidate who will appear on the ballot in the
22 general election without an opponent; and

23 (2) 100 percent of the applicable amount provided in
24 AS 15.70.090(a)(2) to each certified candidate who will appear on the ballot in the
25 general election with an opponent.

26 (c) The administrator shall deduct from the amount distributed under (a) of
27 this section the amount of any unspent or unobligated seed money contributions under
28 AS 15.70.050 held by a participating candidate at the time the candidate files an
29 application for certification under AS 15.70.070. The administrator shall deduct from
30 the amounts distributed under (b) of this section the amount of any unspent or
31 unobligated primary election funds held by a certified candidate and the amount of any

1 prepaid general election expenses reported by the certified candidate.

2 (d) The administrator shall distribute any matching funds under AS 15.70.130
3 within two business days after the earlier of

4 (1) the receipt of a spending limit report by the commission under
5 AS 15.70.110 showing that a nonparticipating opposing candidate has exceeded
6 expenditure limits under AS 15.70.080; or

7 (2) a determination by the commission of excess spending on behalf of
8 or by a nonparticipating opposing candidate.

9 **Sec. 15.70.110. Spending limit reports by nonparticipating candidates.** (a)

10 If a nonparticipating candidate in a primary or general election campaign in which
11 there is at least one participating candidate makes an expenditure or incurs an
12 obligation that causes the nonparticipating candidate's total expenses to exceed 90
13 percent of the applicable expenditure limit for a participating candidate under
14 AS 15.70.080, the nonparticipating candidate shall, in addition to the reports required
15 under AS 15.13.040 and 15.13.110, within two days after exceeding that amount,
16 begin filing spending limit reports with the commission.

17 (b) If a nonparticipating candidate who is conducting a write-in campaign is
18 running against a certified candidate who does not have an opponent on the general
19 election ballot and the nonparticipating candidate makes an expenditure or incurs an
20 obligation that causes the nonparticipating candidate's total expenses to exceed 20
21 percent of the expenditure limit for the office under AS 15.70.080(c), the
22 nonparticipating candidate shall, in addition to the reports required under
23 AS 15.13.040 and 15.13.110, within two days after exceeding that amount, begin
24 filing spending limit reports with the commission.

25 (c) If the administrator determines under AS 15.70.120 that a nonparticipating
26 candidate has incurred expenses that exceed 90 percent of the applicable expenditure
27 limit for a participating candidate under AS 15.70.080, after notice, the
28 nonparticipating candidate shall, in addition to the reports required under
29 AS 15.13.040 and 15.13.110, begin filing spending limit reports with the commission.

30 (d) A nonparticipating candidate under (a), (b), or (c) of this section shall file a
31 spending limit report on the Monday of each succeeding week until 14 days before the

1 election and, beginning 14 days before the election, every two business days until the
2 day of the election.

3 (e) A spending limit report under this section must include a statement of the
4 total dollar amount of all expenses incurred through the day before the date of the
5 report.

6 (f) Spending limit reports shall be filed electronically with the commission.

7 **Sec. 15.70.120. Determination by the administrator of excess expenses**
8 **incurred by a nonparticipating candidate.** The administrator may, after notice to a
9 nonparticipating candidate and an opportunity for a hearing, make a determination that
10 the nonparticipating candidate has incurred excess expenses based on

11 (1) a nonparticipating candidate's report of expenditures;

12 (2) a determination regarding independent expenditures under
13 AS 15.70.140; or

14 (3) the administrator's own investigation.

15 **Sec. 15.70.130. Matching funds.** (a) If a nonparticipating candidate files a
16 spending limit report under AS 15.70.110(a) or if the administrator determines under
17 AS 15.70.120 that a nonparticipating candidate has incurred expenses that exceed the
18 expenditure limits for participating candidates set out under AS 15.70.080, the
19 administrator shall, within two business days, distribute to each certified candidate in
20 that election contest an amount equal to the amount of the nonparticipating candidate's
21 excess expenses. The expenditure limits set out in AS 15.70.080 for each participating
22 candidate in that election contest shall be increased by the amount distributed to each
23 certified candidate. The amounts distributed under this subsection are limited as
24 follows:

25 (1) the total amount of funds distributed to a certified candidate during
26 the primary election campaign period, including matching funds distributed under this
27 section, may not exceed three times the primary election expenditure limits under
28 AS 15.70.080(b);

29 (2) the total amount of funds distributed to a certified candidate during
30 the general election campaign period, including matching funds distributed under this
31 section, may not exceed three times the general election expenditure limits under

1 AS 15.70.080(c); and

2 (3) in an election contest with more than one nonparticipating
3 candidate, each certified candidate shall receive matching funds under this section
4 only up to the amount of the excess expenses incurred by the nonparticipating
5 candidate having the highest excess expenses.

6 (b) On receipt of a spending limit report from a nonparticipating candidate
7 under AS 15.70.110(b), the administrator shall disburse to each certified candidate 75
8 percent of the amount set out in AS 15.70.090(a)(2).

9 (c) An expenditure limit that is increased under this section is only increased
10 for the current election cycle.

11 **Sec. 15.70.140. Independent expenditures.** (a) A person or group that makes
12 an independent expenditure under AS 15.13.135 supporting or opposing a
13 participating candidate exceeding \$500 during an election cycle shall report the
14 expenditure to the commission as provided in (b) of this section. The report shall be
15 filed in addition to any reports required under AS 15.13.040 and 15.13.110. The report
16 must include a signed statement from the person or group making the independent
17 expenditure identifying the candidate or candidates that the independent expenditure is
18 intended to help elect or defeat, if any, and affirming that the expenditure is totally
19 independent and does not involve cooperation or coordination with a candidate or a
20 political party.

21 (b) If an independent expenditure is made 45 days or more before a primary or
22 general election, the report required under (a) of this section must be filed within
23 seven days. If the expenditure is made less than 45 days before a primary or general
24 election, the report required under (a) of this section must be filed within two days.

25 (c) A certified candidate may file a complaint with the commission that

26 (1) an independent expenditure has not been reported;

27 (2) the amount of an independent expenditure has been underreported;

28 or

29 (3) the report under (a) of this section does not correctly identify the
30 candidate the expenditure is intended to help elect or defeat.

31 (d) A complaint under (c) of this section must include a statement of facts

1 supporting the complaint, the name of the candidate the complainant believes the
2 expenditure is intended to help elect or defeat, and, if available to the complainant, a
3 copy of the communication alleged to have been funded by the independent
4 expenditure. The administrator shall give the person or group making the expenditure
5 an opportunity to be heard. Within seven days after the filing of the complaint, the
6 administrator shall decide whether the subject of the complaint is an independent
7 expenditure under this section and, if necessary, whom the expenditure is intended to
8 help elect or defeat. A decision of the administrator under this subsection is valid only
9 for the purpose of determining the appropriate treatment of the expenditure under (e)
10 of this section.

11 (e) If an independent expenditure is reported under (a) of this section or an
12 expenditure is determined to be an independent expenditure under (d) of this section,
13 the administrator, in determining whether a participating candidate is entitled to
14 matching funds under AS 15.70.130, shall

15 (1) treat an independent expenditure against a participating candidate
16 as the expenditure of the highest spending nonparticipating candidate in that election
17 contest;

18 (2) treat an independent expenditure made in support of a
19 nonparticipating candidate as if it were the expenditure of that candidate;

20 (3) in an election contest with more than one participating candidate,
21 treat an independent expenditure made in support of a participating candidate as if it
22 were an excess expenditure of a nonparticipating opposing candidate of any other
23 participating candidate in that election contest;

24 (4) in an election contest with more than one participating candidate,
25 treat an independent expenditure against a participating candidate as if it were an
26 excess expenditure of a nonparticipating opposing candidate of that participating
27 candidate.

28 **Sec. 15.70.150. Permitted use of funds.** (a) A participating candidate may use
29 contributions and funds received under this chapter only for the purposes set out in
30 AS 15.13.112.

31 (b) If the commission determines that a participating candidate used funds

1 received under this chapter in violation of AS 15.13.112, the commission shall notify
2 the participating candidate, and the candidate shall, after notice and opportunity for
3 hearing, reimburse the fund the amount determined by the commission.

4 **Sec. 15.70.160. Contributions by political parties.** A participating candidate
5 may accept contributions from a political party during the primary and general
6 election campaign periods if the total amount of contributions received by the
7 candidate from all political parties does not exceed 10 percent of the fund distribution
8 for the office the participating candidate seeks under AS 15.70.090(a)(1) for the
9 primary election or AS 15.70.090(a)(2) for the general election.

10 **Sec. 15.70.170. Repayment of unused funds.** (a) Within 14 days after the
11 director of elections certifies the results of the primary election, a certified candidate
12 who is not successful in the primary election shall return to the commission all funds
13 received by the candidate under this chapter that were not spent or obligated to be
14 spent during the primary election campaign period.

15 (b) Within 14 days after the certification of the results of the general election,
16 a certified candidate shall return to the commission all funds received by the candidate
17 under this chapter that were not spent or obligated to be spent during the general
18 election campaign period.

19 **Sec. 15.70.180. Candidates by petition.** (a) A candidate who is seeking to be
20 nominated by petition under AS 15.25.140 – 15.25.200 may become a certified
21 candidate by complying with the requirements of AS 15.70.020 – 15.70.070. The
22 administrator may not certify a candidate under this subsection until the director of
23 elections has verified that the candidate has qualified for the general election ballot. A
24 candidate nominated by petition is eligible only for funding under AS 15.70.090(a)(2).

25 (b) A certified candidate who has been nominated by petition may solicit and
26 accept private contributions and contributions from political parties for the general
27 election if the total amount of contributions received by the candidate does not exceed
28 10 percent of the fund distribution for the office the candidate seeks under
29 AS 15.70.090(a)(2).

30 **Sec. 15.70.190. Governor and lieutenant governor joined campaigns.** (a) If
31 a political party nominates candidates for governor and lieutenant governor who were

1 both participating candidates during the primary election campaign period, the
2 candidates shall form a joined campaign for the general election. The joined campaign
3 is a "participating candidate" under this chapter and is eligible to receive general
4 election funding under AS 15.70.090(a)(2).

5 (b) If a political party nominates candidates for governor and lieutenant
6 governor and only one of the candidates was a certified candidate under this chapter
7 during the primary election campaign period, the candidates may form a joined
8 campaign that is eligible to receive general election funding under AS 15.70.090(a)(2)
9 if the nonparticipating candidate complies with the requirements of (c) or (d) of this
10 section.

11 (c) If a nonparticipating candidate declines to form a joined campaign with a
12 participating candidate subject to this chapter, the candidates shall maintain separate
13 campaign accounts and may not coordinate campaign expenditures. The participating
14 candidate is eligible to receive the amount authorized for a joined campaign under
15 AS 15.70.090(a)(2). An expenditure by the nonparticipating candidate during the
16 general election campaign period shall be treated as an expenditure of the participating
17 candidate under AS 15.70.140.

18 (d) If, from the beginning of the election cycle through the end of the primary
19 election campaign period, a nonparticipating candidate who has declined to form a
20 joined campaign with a participating candidate spent less than the amount set out in
21 AS 15.70.080(b)(1) or (2), the nonparticipating candidate may transfer unspent
22 contributions to the joined campaign up to the amount set out in AS 15.70.080(b)(1) or
23 (2) less the amount spent by the participating candidate and amount of general election
24 expenses prepaid by the participating candidate. Any remaining unspent or
25 unobligated private contributions held by the nonparticipating candidate shall be
26 disbursed in accordance with AS 15.13.116.

27 (e) If, from the beginning of the election cycle through the end of the primary
28 election campaign period, the nonparticipating candidate spent more than the amount
29 set out in AS 15.70.080(b)(1) or (2), the joined campaign is eligible to receive the
30 amount set out in AS 15.70.090(a)(2) less the amount the candidates spent on prepaid
31 general election expenses.

1 (f) If a political party nominates candidates for governor and lieutenant
2 governor and neither candidate was a participating candidate during the primary
3 election period, a joined campaign formed by the two nonparticipating candidates is
4 not eligible for funding under this chapter.

5 **Sec. 15.70.200. Write-in candidates.** (a) A candidate who is conducting a
6 write-in campaign is not eligible for funds authorized to be distributed under this
7 chapter and shall be treated as a nonparticipating candidate under this chapter.

8 (b) If a candidate who is conducting a write-in campaign is running against a
9 certified candidate who has an opponent on the general election ballot, the write-in
10 candidate shall comply with the reporting requirements of AS 15.70.110.

11 **Sec. 15.70.210. Withdrawal by participating candidate.** (a) A candidate may
12 withdraw from participation as a participating candidate at any time within 10 days
13 after the end of the qualifying period under AS 15.70.040 by delivering to the
14 commission a notice of the candidate's intent to withdraw. The candidate may not
15 accept any private contributions until three days after the notice of the candidate's
16 intent to withdraw is received by the commission. A candidate who has submitted a
17 notice of the candidate's intent to withdraw may not receive any further funds
18 authorized to be distributed under this chapter.

19 (b) A participating candidate who withdraws before submitting qualifying
20 contributions to the commission shall use the candidate's best efforts to return all
21 qualifying contributions the candidate has collected to the contributors within 30 days
22 after the candidate's withdrawal. If a contributor cannot be located, the qualifying
23 contributions collected by the candidate shall be remitted to the fund. Any qualifying
24 contributions already submitted by a participating candidate who withdraws shall
25 remain in the fund.

26 (c) A certified candidate who has already received funds authorized to be
27 distributed under this chapter before filing a notice of an intent to withdraw shall
28 immediately stop spending the funds on submission of the notice. The candidate shall
29 return all the unspent funds to the commission within five days after submitting the
30 notice of the candidate's intent to withdraw. The candidate shall repay to the
31 commission all the funds received and spent by the candidate within 30 days after

1 submitting the notice of the candidate's intent to withdraw. A candidate who has not
2 repaid all the funds distributed to the candidate under this chapter within 30 days after
3 withdrawing may not spend private contributions for any purpose until the funds have
4 been repaid.

5 (d) The commission shall adopt regulations governing the form of a notice of
6 a candidate's intent to withdraw.

7 **Sec. 15.70.220. Ballot identification.** The director of elections shall inform
8 voters of which candidates on the ballot are participating in the program established
9 under this chapter by placing the following sentence below the name of each
10 participating candidate on the ballot in the primary and general elections: "This
11 candidate is participating in the state's voluntary public financing of elections
12 program."

13 **Sec. 15.70.230. Insufficient funding.** If, during the election year, the
14 commission determines that there is not enough money appropriated to fully fund all
15 participating candidates, the commission shall issue a declaration of insufficient
16 funding and authorize participating candidates to solicit and accept private
17 contributions permitted under AS 15.13. If the commission issues a declaration of
18 insufficient funding, a participating candidate may not accept more in private
19 contributions than is authorized under the candidate's spending limit under this
20 chapter.

21 **Sec. 15.70.240. Civil penalties.** (a) Except as provided in (b) of this section, a
22 person who violates a provision of this chapter or a regulation adopted under this
23 chapter is subject to a civil penalty not to exceed \$5,000.

24 (b) In addition to any other penalty imposed by law, a certified candidate who
25 exceeds the expenditure limits established under this chapter shall pay as a civil
26 penalty to the fund an amount equal to

27 (1) the amount by which the certified candidate exceeded the limit if
28 the limit is exceeded by more than one percent but not more than three percent;

29 (2) three times the amount by which the certified candidate exceeded
30 the limit if the limit is exceeded by more than three percent but not more than five
31 percent; or

1 (3) five times the amount by which the certified candidate exceeded
2 the limit if the limit is exceeded by more than five percent.

3 (c) A certified candidate who violates the expenditure limits established under
4 this chapter by more than 10 percent is disqualified as a candidate and, if elected, shall
5 forfeit the office to which the candidate was elected.

6 (d) In addition to any other penalty imposed by law, if a nonparticipating
7 candidate fails to file a timely and accurate report under AS 15.70.110 and the failure
8 to do so results in the late payment or nonpayment of matching funds, the
9 nonparticipating candidate shall pay as a civil penalty an amount equal to

10 (1) the amount of matching funds not paid or paid late to a single
11 certified candidate running for the same office, if the amount of the matching funds is
12 \$2,000 or less;

13 (2) three times the amount of matching funds not paid or paid late to a
14 single certified candidate running for the same office, if the amount of the matching
15 funds is more than \$2,000 but less than \$5,000;

16 (3) five times the amount of matching funds not paid or paid late to a
17 single certified candidate running for the same office, if the amount of the matching
18 funds is \$5,000 or more but less than \$10,000; or

19 (4) 10 times the amount of matching funds not paid or paid late to a
20 single certified candidate running for the same office, if the amount of the matching
21 funds is \$10,000 or more.

22 (e) In addition to any other penalty imposed by law, a person or group who
23 makes an independent expenditure under AS 15.70.140(a) and does not file a timely
24 and accurate report under AS 15.70.140 resulting in the late payment or nonpayment
25 of matching funds to a certified candidate, the person or group making the
26 independent expenditure shall pay as a civil penalty an amount equal to

27 (1) the amount of matching funds not paid or paid late to a single
28 certified candidate, if the amount of the matching funds is \$2,000 or less;

29 (2) three times the amount of matching funds not paid or paid late to a
30 single certified candidate, if the amount of the matching funds is more than \$2,000 but
31 less than \$5,000;

1 (3) five times the amount of matching funds not paid or paid late to a
2 single certified candidate, if the amount of the matching funds is \$5,000 or more but
3 less than \$10,000; or

4 (4) 10 times the amount of matching funds not paid or paid late to a
5 single certified candidate, if the amount of the matching funds is \$10,000 or more.

6 (f) In addition to a civil penalty, the commission may require a certified
7 candidate found to be in violation of this chapter or a regulation adopted under this
8 chapter to repay to the fund all or part of the funds distributed to the candidate.

9 (g) The legislature may appropriate money received as civil penalties under
10 this section to the fund.

11 **Sec. 15.70.250. Administrative procedure and appeals.** (a) A candidate who
12 has been denied certification under AS 15.70.070, the opponent of a candidate who
13 has been granted certification under AS 15.70.070, or a registered voter residing in the
14 house district, senate district, or area in which the certified candidate is running for
15 office may challenge a certification decision under this chapter.

16 (b) A certification decision may be appealed to the commission within seven
17 days after the certification decision. The appeal must be in writing and must set out the
18 reasons for the appeal.

19 (c) Within five days after an appeal is properly made and notice is given to the
20 appellant and any candidate in the house district, senate district, or area in which the
21 candidate is running for office, the commission shall hold a hearing. The appellant has
22 the burden of demonstrating that the administrator's decision was improper. The
23 commission shall rule on the appeal within three days after the completion of the
24 hearing.

25 (d) A candidate whose certification is revoked on appeal shall return any
26 unspent distributions from the fund.

27 (e) A decision of the administrator to disburse matching funds under
28 AS 15.70.130 may be appealed to the commission by a candidate opposed to the
29 distribution or by a person or group making an independent expenditure under
30 AS 15.70.140. A decision by the administrator to disburse matching funds shall be
31 implemented, notwithstanding the filing of an appeal, unless the commission issues a

1 stay of the administrator's decision.

2 (f) Any other decision of the administrator may be appealed to the
3 commission. The commission shall adopt regulations establishing appeal procedures.

4 (g) A person or group who believes that a violation of this chapter or a
5 regulation adopted under this chapter has occurred or is occurring may file an
6 administrative complaint with the commission within one year after the date of the
7 alleged violation. The commission may consider a complaint on an expedited basis or
8 a regular basis. The complaint shall be considered in accordance with the procedures
9 set out at AS 15.13.380(b) - (h).

10 (h) A decision of the commission under (c) of this section may be appealed to
11 the superior court. The court may consider the appeal on an expedited basis.

12 **Sec. 15.70.260. Adjustment for inflation.** Beginning in January 2011 and
13 every four years thereafter, the commission shall modify the dollar values specified in
14 AS 15.70.050, 15.70.080, and 15.70.090 to account for inflation. The commission
15 shall adopt by regulation a method to determine and publicly report the amount of the
16 adjustment.

17 **Sec. 15.70.270. Regulations.** The commission shall adopt regulations to
18 ensure effective administration of this chapter. The regulations must include
19 procedures for obtaining qualifying contributions, certification of candidates, recounts,
20 withdrawal or replacement of candidates, distribution of funds authorized by this
21 chapter, reporting of prepaid general election expenses, return of unspent fund
22 distributions, processing complaints alleging violations of this chapter, recordkeeping,
23 and compliance with this chapter.

24 **Sec. 15.70.280. Report to the legislature.** By January 30, 2010, and every
25 four years after that date, the commission shall submit a report to the legislature
26 documenting, evaluating, and making recommendations relating to the administration,
27 implementation, and enforcement of this chapter and of the cleanpublic financing of
28 elections fund established in AS 15.70.010.

29 **Sec. 15.70.390. Definitions.** In this chapter,

30 (1) "administrator" means the administrator of the cleanpublic
31 financing of elections program appointed in accordance with AS 15.13.030(11);

- 1 (2) "commission" means the Alaska Public Offices Commission;
- 2 (3) "contribution" has the meaning given in AS 15.13.400;
- 3 (4) "election cycle," as applied to a candidate for state office, is the
- 4 period beginning on the 31st day following a general election for that office and
- 5 ending on the 30th day following the next general election for that office;
- 6 (5) "election year" means the calendar year during which a state
- 7 general election for a particular office is held;
- 8 (6) "expenditure" has the meaning given in AS 15.13.400;
- 9 (7) "fund" means the cleanpublic financing of elections fund
- 10 established in AS 15.70.010;
- 11 (8) "general election campaign period" means the period beginning the
- 12 day following the primary election and ending on the day of the general election;
- 13 (9) "independent expenditure" has the meaning given in AS 15.13.400;
- 14 (10) "nonparticipating candidate" means a candidate, as that term is
- 15 defined in AS 15.13.400, who has not been certified under AS 15.70.070;
- 16 (11) "participating candidate" means
- 17 (A) a candidate, as that term is defined in AS 15.13.400, who
- 18 has agreed to participate in the program authorized by this chapter, who has
- 19 submitted and not withdrawn a declaration of intent, and who has not been
- 20 denied certification by the commission; and
- 21 (B) the joined campaign of the candidates for governor and
- 22 lieutenant governor under AS 15.70.190(b);
- 23 (12) "prepaid general election expenses" means payments made by a
- 24 candidate before the end of the primary election campaign period for goods or services
- 25 that will be delivered or provided during the general election campaign period and
- 26 includes
- 27 (A) rental payments;
- 28 (B) radio, television, newspaper, and other forms of
- 29 advertising;
- 30 (C) wages, salaries, and personnel costs;
- 31 (D) consulting services;

1 (E) other payments defined by the commission by regulation;

2 (13) "primary election campaign period" means the period beginning
3 the day following the qualifying period and ending the day of the primary election;

4 (14) "program" means the program authorized by this chapter;

5 (15) "qualifying contribution" means an allowable contribution under
6 AS 15.70.060 to a participating candidate that is made after the candidate submits a
7 declaration of intent and before the end of the qualifying period;

8 (16) "qualifying period" means the period during which a candidate
9 may collect qualifying contributions for the purpose of becoming a certified candidate;
10 for a candidate for statewide office, the period begins on August 1 of the year
11 preceding a year in which a general election is held and ends on June 1 of the general
12 election year; for a candidate for the legislature, the period begins on October 1 of the
13 year preceding a year in which a general election is held and ends on June 1 of the
14 general election year;

15 (17) "seed money contribution" means a contribution of not more than
16 \$100 from each individual made to a candidate, including a contribution from the
17 candidate or the candidate's relative;

18 (18) "statewide office" means the office of governor or lieutenant
19 governor.

20 **Sec. 15.70.395. Short title.** This chapter may be known as the ~~Clean~~Public
21 Financing of Elections Act.

22 * **Sec. 3.** AS 15.13.010 is amended by adding a new subsection to read:

23 (e) This chapter does not limit the application of AS 15.70 to contributions,
24 expenditures, and communications made for the purpose of influencing the nomination
25 or election of a candidate for governor, lieutenant governor, or a member of the state
26 legislature.

27 * **Sec. 4.** AS 15.13.030 is amended to read:

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

29 (1) develop and provide all forms for the reports and statements
30 required to be made under this chapter. AS 15.70, AS 24.45, and AS 39.50;

31 (2) prepare and publish a manual setting out uniform methods of

1 bookkeeping and reporting for use by persons required to make reports and statements
2 under this chapter and AS 15.70, and otherwise assist candidates, groups, and
3 individuals in complying with the requirements of this chapter and AS 15.70;

4 (3) receive and hold open for public inspection reports and statements
5 required to be made under this chapter and AS 15.70, and, upon request, furnish
6 copies at cost to interested persons;

7 (4) compile and maintain a current list of all filed reports and
8 statements;

9 (5) prepare a summary of each report filed under AS 15.13.110 and
10 AS 15.70 and make copies of this summary available to interested persons at their
11 actual cost;

12 (6) notify, by registered or certified mail, all persons who are
13 delinquent in filing reports and statements required to be made under this chapter and
14 AS 15.70;

15 (7) examine, investigate, and compare all reports, statements, and
16 actions required by this chapter, AS 15.70, AS 24.45, and AS 39.50;

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

21 (9) adopt regulations necessary to implement and clarify the provisions
22 of AS 15.70, AS 24.45, AS 39.50, and this chapter, subject to the provisions of
23 AS 44.62 (Administrative Procedure Act); [AND]

24 (10) consider a written request for an advisory opinion concerning the
25 application of this chapter, AS 15.70, AS 24.45, AS 24.60.200 - 24.60.200, or
26 AS 39.50; and

27 (11) appoint an administrator to oversee AS 15.70 and to make
28 decisions authorized by that chapter or decisions under that chapter that are
29 delegated to the administrator by the commission.

30 * Sec. 5. AS 15.13.045(b) is amended to read:

31 (b) In conjunction with (a) of this section, the commission may compel the

1 attendance of witnesses and production of papers, books, records, accounts,
2 documents, and testimony, and may have the deposition of witnesses taken in a
3 manner prescribed by court rule or law for the taking of depositions in civil actions
4 when consistent with the powers and duties assigned to the commission by this chapter
5 and AS 15.70.

6 * Sec. 6. AS 15.13.045(c) is amended to read:

7 (c) The commission may examine the papers, books, records, accounts, and
8 documents of any person subject to this chapter and AS 15.70 to ascertain the
9 correctness of a report filed with the commission, or in conjunction with an
10 investigation or inspection conducted under (a) of this section.

11 * Sec. 7. AS 15.56.012(a) is amended to read:

12 (a) Except as provided in AS 15.56.014 and 15.56.016, a person commits the
13 crime of campaign misconduct in the first degree if the person knowingly engages in
14 conduct that violates a provision of AS 15.13 or AS 15.70, or a regulation adopted
15 under authority of AS 15.13 or AS 15.70.

16 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 APPLICABILITY. This Act applies

19 (1) after December 31, 2008, for the election cycles, as that term is defined by
20 AS 15.70.390, enacted by sec. 2 of this Act, for the offices of state senator and state
21 representative; and

22 (2) after December 31, 2010, for the election cycle, as that term is defined by
23 AS 15.70.390, enacted by sec. 2 of this Act, for the offices of governor and lieutenant
24 governor.

25-LS0929\M
Bullard
2/21/08

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 261(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES LEDOUX, Gardner, Doll

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a program of public funding for the financing of election
2 campaigns of candidates for state elected offices."

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 FINDINGS. The legislature finds that providing a voluntary public financing system
7 for all primary and general state elections would enhance democracy in the state in the
8 following principal ways:

9 (1) it would affirm the principle of "one person, one vote," reduce the
10 disproportionate and deleterious influence of large contributors, and restore the rights of
11 citizens of all backgrounds to equal and meaningful participation in the democratic process;

12 (2) it would slow the escalating cost of elections;

13 (3) it would enable voters and candidates to hear and to be heard in the
14 political process, and restore open and robust debate on issues of public concern;

1 (4) it would diminish the public perception of corruption, strengthen public
2 confidence in democratic institutions and processes, and eliminate the danger of corruption
3 caused by the private financing of election campaigns;

4 (5) it would increase the accountability of elected officials to the constituents
5 who elect them;

6 (6) it would create genuine opportunities for qualified residents of the state to
7 run for state office and encourage more competitive elections; and

8 (7) it would free elected officials from the incessant rigors of fundraising and
9 allow them more time to carry out their official duties.

10 * **Sec. 2.** AS 15 is amended by adding a new chapter to read:

11 **Chapter 70. Public Financing of Elections.**

12 **Sec. 15.70.010. Public financing of elections fund.** (a) The public financing
13 of elections fund is created in the general fund. The administrator shall use the fund to
14 finance the election campaigns of candidates certified under this chapter who are
15 running for the office of governor, lieutenant governor, state senator, or state
16 representative, and to pay the administrative and enforcement costs of this chapter
17 incurred by the commission.

18 (b) The legislature may appropriate money from the following sources to the
19 fund:

20 (1) the amount of the qualifying contributions required to be tendered
21 by candidates applying for certification under AS 15.70.070;

22 (2) unspent funds returned by a participating candidate under this
23 chapter; and

24 (3) fines or monetary penalties levied by the commission against
25 candidates for violations of this chapter.

26 (c) Money appropriated to the fund may be spent without further
27 appropriation.

28 (d) Money in the fund does not lapse.

29 **Sec. 15.70.020. Limitations on participating candidates.** (a) During an
30 election cycle, a participating candidate may not accept, expend, or agree to expend
31 any contributions or funds other than

- 1 (1) seed money contributions allowed under AS 15.70.050;
- 2 (2) funds received under AS 15.70.090 - 15.70.130;
- 3 (3) contributions from a political party under AS 15.70.160; and
- 4 (4) private contributions allowed under AS 15.70.180(b).

5 (b) A participating candidate who receives funds under this chapter during the
6 primary election campaign period shall comply with the requirements of this chapter
7 during the subsequent general election campaign period.

8 (c) A participating candidate may only use contributions and funds received
9 under this chapter during an election cycle to pay expenses or expenditures incurred
10 during that election cycle.

11 (d) A participating candidate may not use funds received under this chapter for
12 costs or legal fees related to representation before the commission or for defense of
13 any enforcement action under this chapter.

14 (e) A participating candidate may not expend funds raised or received before
15 the election cycle.

16 (f) A participating candidate shall comply with the expenditure limits set out
17 in AS 15.70.080.

18 (g) A participating candidate shall continue to be bound by all other applicable
19 election and campaign finance statutes and regulations, except for provisions in
20 express or clear conflict with the provisions of this chapter.

21 (h) Nothing in this chapter prevents a participating candidate from having a
22 legal defense fund.

23 **Sec. 15.70.030. Declaration of intent.** (a) A candidate may become a
24 participating candidate under this chapter by filing a statement declaring the
25 candidate's intent to seek certification under AS 15.70.070 and to comply with the
26 requirements of this chapter. The candidate may file the candidate's declaration of
27 intent with the commission at any time before the end of the qualifying period under
28 AS 15.70.040 during the election cycle.

29 (b) Before submitting a declaration of intent under (a) of this section, a
30 candidate who intends to participate in the public financing of elections program may
31 not solicit or collect

1 (1) seed money contributions; or

2 (2) qualifying contributions.

3 **Sec. 15.70.040. Qualifying period.** (a) A candidate for governor or lieutenant
4 governor may qualify between August 1 of the year preceding a year in which the
5 general election is held and June 1 of the year of the general election.

6 (b) A candidate for the office of state senator or state representative may
7 qualify between October 1 of the year preceding a year in which the general election is
8 held and June 1 of the year in which a general election is held.

9 **Sec. 15.70.050. Seed money contributions.** (a) A participating candidate may
10 accept a contribution not to exceed \$100 from an individual at any time during an
11 election cycle before filing an application for certification under AS 15.70.070. A
12 participating candidate may expend the seed money contributions for the purpose of
13 soliciting qualifying contributions under AS 15.70.060 and for any purpose authorized
14 by AS 15.13. A candidate may not accept or expend seed money contributions after
15 the candidate is certified under AS 15.70.070.

16 (b) Seed money contributions and expenditures made under this section must
17 be reported under AS 15.13.

18 (c) A participating candidate may not collect more than the following amounts
19 in seed money contributions:

20 (1) \$20,000 if the candidate is seeking the office of governor;

21 (2) \$10,000 if the candidate is seeking the office of lieutenant
22 governor;

23 (3) \$2,000 if the candidate is seeking the office of state senator; or

24 (4) \$1,000 if the candidate is seeking the office of state representative.

25 (d) A participating candidate who exceeds the applicable limit established in
26 (c) of this section shall return the excess funds to the contributors. The participating
27 candidate may return all or part of a seed money contribution, and the returned amount
28 is not counted as part of the contribution or counted toward the candidate's seed
29 money limit under (c) of this section. The participating candidate shall refund the
30 contribution within three days after the candidate discovers that the candidate's
31 applicable seed money limit has been exceeded. The candidate shall report to the

1 commission the receipt and return of all excess seed money contributions.

2 **Sec. 15.70.060. Qualifying contributions.** (a) Except as provided in (d) of this
3 section, to be certified under AS 15.70.070, a participating candidate shall obtain the
4 following number of contributions of exactly \$5:

5 (1) contributions from 3,000 or more registered voters in the state if
6 the candidate is seeking the office of governor;

7 (2) contributions from 1,500 or more registered voters in the state if
8 the candidate is seeking the office of lieutenant governor;

9 (3) contributions from 400 or more registered voters in the candidate's
10 state senate district if the candidate is seeking the office of state senator; and

11 (4) contributions from 200 or more registered voters in the candidate's
12 state house district if the candidate is seeking the office of state representative.

13 (b) A qualifying contribution may only be accepted if accompanied by a form
14 prescribed by the commission that includes

15 (1) the name and address of the contributor;

16 (2) a signed and dated statement by the contributor supporting the
17 candidate's participation in the program; and

18 (3) the amount of the qualifying contribution.

19 (c) A contribution under this section may be accepted only by the candidate,
20 the candidate's campaign treasurer, or a deputy treasurer of the candidate's campaign.
21 A payment, gift, or anything of value may not be given in exchange for a qualifying
22 contribution. A contribution received in violation of this subsection is not a qualifying
23 contribution and may not be reported or treated by the candidate as a qualifying
24 contribution.

25 (d) The commission shall adopt regulations providing for a qualifying
26 contribution of less than \$5 from a low-income registered voter, as defined by the
27 commission. The qualifying contribution form required under (b) of this section must
28 allow a registered voter to certify that the voter meets the requirements established
29 under this subsection. A statement supporting a candidate's participation in the
30 program that is made by a registered voter qualified under this subsection shall be
31 treated as a qualifying contribution under (a) of this section, notwithstanding that the

1 voter did not make a \$5 contribution to the candidate.

2 (e) In this section, "registered voter" means a person who is a registered voter
3 at the time the person provides a qualifying contribution to the candidate or who
4 becomes a registered voter at least five days before the participating candidate applies
5 to become a certified candidate under AS 15.70.070.

6 **Sec. 15.70.070. Certification of candidates.** (a) To become a certified
7 candidate, a participating candidate shall apply for certification on a form prescribed
8 by the commission. The form must

9 (1) be filed during the qualifying period under AS 15.70.040;

10 (2) be signed by the participating candidate and the participating
11 candidate's treasurer;

12 (3) identify the office the participating candidate is seeking;

13 (4) identify the participating candidate's party, if any;

14 (5) include the participating candidate's declaration that the candidate
15 has abided by and will continue to abide by the requirements of this chapter through
16 the election cycle; and

17 (6) be accompanied by

18 (A) a campaign finance report as provided in (c) of this section;

19 and

20 (B) the number of qualifying contributions and accompanying
21 voter statements required under AS 15.70.060.

22 (b) The administrator shall certify a candidate if the administrator determines
23 that the participating candidate has

24 (1) signed and filed a declaration of intent under AS 15.70.030;

25 (2) collected the required number of qualifying contributions under
26 AS 15.70.060;

27 (3) tendered the sum of the qualifying contributions to the
28 commission;

29 (4) met all other applicable requirements for participation established
30 under this chapter; and

31 (5) agreed to abide by all requirements for participating candidates.

1 (c) The campaign finance report required under (a)(6)(A) of this section must
2 be in the form required under AS 15.13.040. The report must account for a
3 participating candidate's seed money contributions received and expenditures incurred
4 since the last report filed under AS 15.13.110, or, if no prior report has been filed, the
5 report must account for all seed money contributions received and expenditures
6 incurred through the third day before the date that the report is filed.

7 (d) A candidate who the commission determines has fewer than the required
8 number of qualifying contributions under AS 15.70.050 may submit additional
9 qualifying contributions during the qualifying period.

10 (e) In an election year, the administrator shall certify a candidate who
11 complies with the requirements of this section not later than

12 (1) five business days after the candidate's submission of the form,
13 campaign finance report, and qualifying contributions required under (a) of this
14 section if the application is submitted before May 20; and

15 (2) 10 business days after the candidate's submission of the form,
16 campaign finance report, and qualifying contributions required under (a) of this
17 section if the application is submitted on or after May 20.

18 (f) A candidate who is denied certification by the administrator is no longer
19 bound by the provisions of this chapter pertaining to participating candidates. The
20 administrator shall return to the candidate the qualifying contributions submitted by a
21 candidate who is denied certification.

22 (g) The director of elections shall assist the administrator in carrying out the
23 commission's duties under this section by

24 (1) verifying, within the time periods set out in (e) of this section, that
25 the maker of a qualifying contribution is a registered voter in the election district of
26 the candidate who has submitted the qualifying contribution; and

27 (2) verifying that the candidate has properly filed for the office the
28 candidate is seeking.

29 **Sec. 15.70.080. Limits on expenditures by participating candidates.** (a) A
30 participating candidate shall comply with the limits on campaign expenditures set out
31 in this section, as adjusted in accordance with AS 15.70.130, 15.70.160, and

1 15.70.260.

2 (b) Total expenditures for participating candidates during the primary election
3 campaign period may not exceed the following amounts:

- 4 (1) \$275,000 for a candidate for the office of governor;
5 (2) \$165,000 for a candidate for the office of lieutenant governor;
6 (3) \$26,400 for a candidate for the office of a state senator; and
7 (4) \$17,600 for a candidate for the office of a state representative.

8 (c) Total expenditures for participating candidates during the general election
9 period may not exceed the following amounts:

- 10 (1) \$550,000 for candidates in a joint campaign for the offices of
11 governor and lieutenant governor;
12 (2) \$39,600 for a candidate for the office of state senator; and
13 (3) \$26,400 for a candidate for the office of state representative.

14 **Sec. 15.70.090. Distribution of program funds to certified candidates.** (a) A
15 candidate certified by the commission is eligible to receive distributions from the fund
16 established under this chapter of not more than the following amounts:

- 17 (1) funds for a certified candidate in the primary election are limited to
18 (A) \$250,000 for a candidate for the office of governor;
19 (B) \$150,000 for a candidate for the office of lieutenant
20 governor;
21 (C) \$24,000 for a candidate for the office of state senator; and
22 (D) \$16,000 for a candidate for the office of state
23 representative;
- 24 (2) funds for a certified candidate in the general election are limited to
25 (A) \$500,000 for candidates in a joint campaign for the offices
26 of governor and lieutenant governor;
27 (B) \$36,000 for a candidate for the office of state senator; and
28 (C) \$24,000 for a candidate for the office of state
29 representative.

30 (b) The commission may by regulation establish procedures requiring the use
31 of debit cards by certified candidates for all or part of the funds disbursed under this

1 section. The commission may limit the use of debit cards to those election districts
2 where it determines their use is reasonable.

3 (c) A candidate who secures the nomination of a political party for an office in
4 a primary election is eligible for funds under this chapter for use in the general
5 election only if the combined votes of all of the party's candidates in the primary
6 election for that office is equal to at least 10 percent of the total number of votes cast
7 for the candidates of all parties in the primary election for that office.

8 **Sec. 15.70.100. Timing of distributions.** (a) The administrator shall make
9 distributions from the fund to certified candidates as follows:

10 (1) 25 percent of the applicable amount provided in
11 AS 15.70.090(a)(1) upon a candidate's certification under AS 15.70.070; and

12 (2) an additional 75 percent of the applicable amount provided in
13 AS 15.70.090(a)(1) to each certified candidate with an opponent who will appear on
14 the primary election ballot within two business days after the end of the qualifying
15 period under AS 15.70.040 or upon the candidate's certification, whichever is later.

16 (b) Within two business days after the director of elections certifies the results
17 of the primary election, the administrator shall distribute:

18 (1) 25 percent of the applicable amount provided in
19 AS 15.70.090(a)(2) to each certified candidate who will appear on the ballot in the
20 general election without an opponent; and

21 (2) 100 percent of the applicable amount provided in
22 AS 15.70.090(a)(2) to each certified candidate who will appear on the ballot in the
23 general election with an opponent.

24 (c) The administrator shall deduct from the amount distributed under (a) of
25 this section the amount of any unspent or unobligated seed money contributions under
26 AS 15.70.050 held by a participating candidate at the time the candidate files an
27 application for certification under AS 15.70.070. The administrator shall deduct from
28 the amounts distributed under (b) of this section the amount of any unspent or
29 unobligated primary election funds held by a certified candidate and the amount of any
30 prepaid general election expenses reported by the certified candidate.

31 (d) The administrator shall distribute any matching funds under AS 15.70.130

1 within two business days after the earlier of

2 (1) the receipt of a spending limit report by the commission under
3 AS 15.70.110 showing that a nonparticipating opposing candidate has exceeded
4 expenditure limits under AS 15.70.080; or

5 (2) a determination by the commission of excess spending on behalf of
6 or by a nonparticipating opposing candidate.

7 **Sec. 15.70.110. Spending limit reports by nonparticipating candidates.** (a)

8 If a nonparticipating candidate in a primary or general election campaign in which
9 there is at least one participating candidate makes an expenditure or incurs an
10 obligation that causes the nonparticipating candidate's total expenses to exceed 90
11 percent of the applicable expenditure limit for a participating candidate under
12 AS 15.70.080, the nonparticipating candidate shall, in addition to the reports required
13 under AS 15.13.040 and 15.13.110, within two days after exceeding that amount,
14 begin filing spending limit reports with the commission.

15 (b) If a nonparticipating candidate who is conducting a write-in campaign is
16 running against a certified candidate who does not have an opponent on the general
17 election ballot and the nonparticipating candidate makes an expenditure or incurs an
18 obligation that causes the nonparticipating candidate's total expenses to exceed 20
19 percent of the expenditure limit for the office under AS 15.70.080(c), the
20 nonparticipating candidate shall, in addition to the reports required under
21 AS 15.13.040 and 15.13.110, within two days after exceeding that amount, begin
22 filing spending limit reports with the commission.

23 (c) If the administrator determines under AS 15.70.120 that a nonparticipating
24 candidate has incurred expenses that exceed 90 percent of the applicable expenditure
25 limit for a participating candidate under AS 15.70.080, after notice, the
26 nonparticipating candidate shall, in addition to the reports required under
27 AS 15.13.040 and 15.13.110, begin filing spending limit reports with the commission.

28 (d) A nonparticipating candidate under (a), (b), or (c) of this section shall file a
29 spending limit report on the Monday of each succeeding week until 14 days before the
30 election and, beginning 14 days before the election, every two business days until the
31 day of the election.

1 (e) A spending limit report under this section must include a statement of the
2 total dollar amount of all expenses incurred through the day before the date of the
3 report.

4 (f) Spending limit reports shall be filed electronically with the commission.

5 **Sec. 15.70.120. Determination by the administrator of excess expenses**
6 **incurred by a nonparticipating candidate.** The administrator may, after notice to a
7 nonparticipating candidate and an opportunity for a hearing, make a determination that
8 the nonparticipating candidate has incurred excess expenses based on

9 (1) a nonparticipating candidate's report of expenditures;

10 (2) a determination regarding independent expenditures under
11 AS 15.70.140; or

12 (3) the administrator's own investigation.

13 **Sec. 15.70.130. Matching funds.** (a) If a nonparticipating candidate files a
14 spending limit report under AS 15.70.110(a) or if the administrator determines under
15 AS 15.70.120 that a nonparticipating candidate has incurred expenses that exceed the
16 expenditure limits for participating candidates set out under AS 15.70.080, the
17 administrator shall, within two business days, distribute to each certified candidate in
18 that election contest an amount equal to the amount of the nonparticipating candidate's
19 excess expenses. The expenditure limits set out in AS 15.70.080 for each participating
20 candidate in that election contest shall be increased by the amount distributed to each
21 certified candidate. The amounts distributed under this subsection are limited as
22 follows:

23 (1) the total amount of funds distributed to a certified candidate during
24 the primary election campaign period, including matching funds distributed under this
25 section, may not exceed three times the primary election expenditure limits under
26 AS 15.70.080(b);

27 (2) the total amount of funds distributed to a certified candidate during
28 the general election campaign period, including matching funds distributed under this
29 section, may not exceed three times the general election expenditure limits under
30 AS 15.70.080(c); and

31 (3) in an election contest with more than one nonparticipating

1 candidate, each certified candidate shall receive matching funds under this section
2 only up to the amount of the excess expenses incurred by the nonparticipating
3 candidate having the highest excess expenses.

4 (b) On receipt of a spending limit report from a nonparticipating candidate
5 under AS 15.70.110(b), the administrator shall disburse to each certified candidate 75
6 percent of the amount set out in AS 15.70.090(a)(2).

7 (c) An expenditure limit that is increased under this section is only increased
8 for the current election cycle.

9 **Sec. 15.70.140. Independent expenditures.** (a) A person or group that makes
10 an independent expenditure under AS 15.13.135 supporting or opposing a
11 participating candidate exceeding \$500 during an election cycle shall report the
12 expenditure to the commission as provided in (b) of this section. The report shall be
13 filed in addition to any reports required under AS 15.13.040 and 15.13.110. The report
14 must include a signed statement from the person or group making the independent
15 expenditure identifying the candidate or candidates that the independent expenditure is
16 intended to help elect or defeat, if any, and affirming that the expenditure is totally
17 independent and does not involve cooperation or coordination with a candidate or a
18 political party.

19 (b) If an independent expenditure is made 45 days or more before a primary or
20 general election, the report required under (a) of this section must be filed within
21 seven days. If the expenditure is made less than 45 days before a primary or general
22 election, the report required under (a) of this section must be filed within two days.

23 (c) A certified candidate may file a complaint with the commission that

24 (1) an independent expenditure has not been reported;

25 (2) the amount of an independent expenditure has been underreported;

26 or

27 (3) the report under (a) of this section does not correctly identify the
28 candidate the expenditure is intended to help elect or defeat.

29 (d) A complaint under (c) of this section must include a statement of facts
30 supporting the complaint, the name of the candidate the complainant believes the
31 expenditure is intended to help elect or defeat, and, if available to the complainant, a

1 copy of the communication alleged to have been funded by the independent
2 expenditure. The administrator shall give the person or group making the expenditure
3 an opportunity to be heard. Within seven days after the filing of the complaint, the
4 administrator shall decide whether the subject of the complaint is an independent
5 expenditure under this section and, if necessary, whom the expenditure is intended to
6 help elect or defeat. A decision of the administrator under this subsection is valid only
7 for the purpose of determining the appropriate treatment of the expenditure under (e)
8 of this section.

9 (e) If an independent expenditure is reported under (a) of this section or an
10 expenditure is determined to be an independent expenditure under (d) of this section,
11 the administrator, in determining whether a participating candidate is entitled to
12 matching funds under AS 15.70.130, shall

13 (1) treat an independent expenditure against a participating candidate
14 as the expenditure of the highest spending nonparticipating candidate in that election
15 contest;

16 (2) treat an independent expenditure made in support of a
17 nonparticipating candidate as if it were the expenditure of that candidate;

18 (3) in an election contest with more than one participating candidate,
19 treat an independent expenditure made in support of a participating candidate as if it
20 were an excess expenditure of a nonparticipating opposing candidate of any other
21 participating candidate in that election contest;

22 (4) in an election contest with more than one participating candidate,
23 treat an independent expenditure against a participating candidate as if it were an
24 excess expenditure of a nonparticipating opposing candidate of that participating
25 candidate.

26 **Sec. 15.70.150. Permitted use of funds.** (a) A participating candidate may use
27 contributions and funds received under this chapter only for the purposes set out in
28 AS 15.13.112.

29 (b) If the commission determines that a participating candidate used funds
30 received under this chapter in violation of AS 15.13.112, the commission shall notify
31 the participating candidate, and the candidate shall, after notice and opportunity for

1 hearing, reimburse the fund the amount determined by the commission.

2 **Sec. 15.70.160. Contributions by political parties.** A participating candidate
3 may accept contributions from a political party during the primary and general
4 election campaign periods if the total amount of contributions received by the
5 candidate from all political parties does not exceed 10 percent of the fund distribution
6 for the office the participating candidate seeks under AS 15.70.090(a)(1) for the
7 primary election or AS 15.70.090(a)(2) for the general election.

8 **Sec. 15.70.170. Repayment of unused funds.** (a) Within 14 days after the
9 director of elections certifies the results of the primary election, a certified candidate
10 who is not successful in the primary election shall return to the commission all funds
11 received by the candidate under this chapter that were not spent or obligated to be
12 spent during the primary election campaign period.

13 (b) Within 14 days after the certification of the results of the general election,
14 a certified candidate shall return to the commission all funds received by the candidate
15 under this chapter that were not spent or obligated to be spent during the general
16 election campaign period.

17 **Sec. 15.70.180. Candidates by petition.** (a) A candidate who is seeking to be
18 nominated by petition under AS 15.25.140 - 15.25.200 may become a certified
19 candidate by complying with the requirements of AS 15.70.020 - 15.70.070. The
20 administrator may not certify a candidate under this subsection until the director of
21 elections has verified that the candidate has qualified for the general election ballot. A
22 candidate nominated by petition is eligible only for funding under AS 15.70.090(a)(2).

23 (b) A certified candidate who has been nominated by petition may solicit and
24 accept private contributions and contributions from political parties for the general
25 election if the total amount of contributions received by the candidate does not exceed
26 10 percent of the fund distribution for the office the candidate seeks under
27 AS 15.70.090(a)(2).

28 **Sec. 15.70.190. Governor and lieutenant governor joined campaigns.** (a) If
29 a political party nominates candidates for governor and lieutenant governor who were
30 both participating candidates during the primary election campaign period, the
31 candidates shall form a joined campaign for the general election. The joined campaign

1 is a "participating candidate" under this chapter and is eligible to receive general
2 election funding under AS 15.70.090(a)(2).

3 (b) If a political party nominates candidates for governor and lieutenant
4 governor and only one of the candidates was a certified candidate under this chapter
5 during the primary election campaign period, the candidates may form a joined
6 campaign that is eligible to receive general election funding under AS 15.70.090(a)(2)
7 if the nonparticipating candidate complies with the requirements of (c) or (d) of this
8 section.

9 (c) If a nonparticipating candidate declines to form a joined campaign with a
10 participating candidate subject to this chapter, the candidates shall maintain separate
11 campaign accounts and may not coordinate campaign expenditures. The participating
12 candidate is eligible to receive the amount authorized for a joined campaign under
13 AS 15.70.090(a)(2). An expenditure by the nonparticipating candidate during the
14 general election campaign period shall be treated as an expenditure of the participating
15 candidate under AS 15.70.140.

16 (d) If, from the beginning of the election cycle through the end of the primary
17 election campaign period, a nonparticipating candidate who has declined to form a
18 joined campaign with a participating candidate spent less than the amount set out in
19 AS 15.70.080(b)(1) or (2), the nonparticipating candidate may transfer unspent
20 contributions to the joined campaign up to the amount set out in AS 15.70.080(b)(1) or
21 (2) less the amount spent by the participating candidate and amount of general election
22 expenses prepaid by the participating candidate. Any remaining unspent or
23 unobligated private contributions held by the nonparticipating candidate shall be
24 disbursed in accordance with AS 15.13.116.

25 (e) If, from the beginning of the election cycle through the end of the primary
26 election campaign period, the nonparticipating candidate spent more than the amount
27 set out in AS 15.70.080(b)(1) or (2), the joined campaign is eligible to receive the
28 amount set out in AS 15.70.090(a)(2) less the amount the candidates spent on prepaid
29 general election expenses.

30 (f) If a political party nominates candidates for governor and lieutenant
31 governor and neither candidate was a participating candidate during the primary

1 election period, a joined campaign formed by the two nonparticipating candidates is
2 not eligible for funding under this chapter.

3 **Sec. 15.70.200. Write-in candidates.** (a) A candidate who is conducting a
4 write-in campaign is not eligible for funds authorized to be distributed under this
5 chapter and shall be treated as a nonparticipating candidate under this chapter.

6 (b) If a candidate who is conducting a write-in campaign is running against a
7 certified candidate who has an opponent on the general election ballot, the write-in
8 candidate shall comply with the reporting requirements of AS 15.70.110.

9 **Sec. 15.70.210. Withdrawal by participating candidate.** (a) A candidate may
10 withdraw from participation as a participating candidate at any time within 10 days
11 after the end of the qualifying period under AS 15.70.040 by delivering to the
12 commission a notice of the candidate's intent to withdraw. The candidate may not
13 accept any private contributions until three days after the notice of the candidate's
14 intent to withdraw is received by the commission. A candidate who has submitted a
15 notice of the candidate's intent to withdraw may not receive any further funds
16 authorized to be distributed under this chapter.

17 (b) A participating candidate who withdraws before submitting qualifying
18 contributions to the commission shall use the candidate's best efforts to return all
19 qualifying contributions the candidate has collected to the contributors within 30 days
20 after the candidate's withdrawal. If a contributor cannot be located, the qualifying
21 contributions collected by the candidate shall be remitted to the fund. Any qualifying
22 contributions already submitted by a participating candidate who withdraws shall
23 remain in the fund.

24 (c) A certified candidate who has already received funds authorized to be
25 distributed under this chapter before filing a notice of an intent to withdraw shall
26 immediately stop spending the funds on submission of the notice. The candidate shall
27 return all the unspent funds to the commission within five days after submitting the
28 notice of the candidate's intent to withdraw. The candidate shall repay to the
29 commission all the funds received and spent by the candidate within 30 days after
30 submitting the notice of the candidate's intent to withdraw. A candidate who has not
31 repaid all the funds distributed to the candidate under this chapter within 30 days after

1 withdrawing may not spend private contributions for any purpose until the funds have
2 been repaid.

3 (d) The commission shall adopt regulations governing the form of a notice of
4 a candidate's intent to withdraw.

5 **Sec. 15.70.220. Ballot identification.** The director of elections shall inform
6 voters of which candidates on the ballot are participating in the program established
7 under this chapter by placing the following sentence below the name of each
8 participating candidate on the ballot in the primary and general elections: "This
9 candidate is participating in the state's voluntary public financing of elections
10 program."

11 **Sec. 15.70.230. Insufficient funding.** If, during the election year, the
12 commission determines that there is not enough money appropriated to fully fund all
13 participating candidates, the commission shall issue a declaration of insufficient
14 funding and authorize participating candidates to solicit and accept private
15 contributions permitted under AS 15.13. If the commission issues a declaration of
16 insufficient funding, a participating candidate may not accept more in private
17 contributions than is authorized under the candidate's spending limit under this
18 chapter.

19 **Sec. 15.70.240. Civil penalties.** (a) Except as provided in (b) of this section, a
20 person who violates a provision of this chapter or a regulation adopted under this
21 chapter is subject to a civil penalty not to exceed \$5,000.

22 (b) In addition to any other penalty imposed by law, a certified candidate who
23 exceeds the expenditure limits established under this chapter shall pay as a civil
24 penalty to the fund an amount equal to

25 (1) the amount by which the certified candidate exceeded the limit if
26 the limit is exceeded by more than one percent but not more than three percent;

27 (2) three times the amount by which the certified candidate exceeded
28 the limit if the limit is exceeded by more than three percent but not more than five
29 percent; or

30 (3) five times the amount by which the certified candidate exceeded
31 the limit if the limit is exceeded by more than five percent.

1 (c) A certified candidate who violates the expenditure limits established under
2 this chapter by more than 10 percent is disqualified as a candidate and, if elected, shall
3 forfeit the office to which the candidate was elected.

4 (d) In addition to any other penalty imposed by law, if a nonparticipating
5 candidate fails to file a timely and accurate report under AS 15.70.110 and the failure
6 to do so results in the late payment or nonpayment of matching funds, the
7 nonparticipating candidate shall pay as a civil penalty an amount equal to

8 (1) the amount of matching funds not paid or paid late to a single
9 certified candidate running for the same office, if the amount of the matching funds is
10 \$2,000 or less;

11 (2) three times the amount of matching funds not paid or paid late to a
12 single certified candidate running for the same office, if the amount of the matching
13 funds is more than \$2,000 but less than \$5,000;

14 (3) five times the amount of matching funds not paid or paid late to a
15 single certified candidate running for the same office, if the amount of the matching
16 funds is \$5,000 or more but less than \$10,000; or

17 (4) 10 times the amount of matching funds not paid or paid late to a
18 single certified candidate running for the same office, if the amount of the matching
19 funds is \$10,000 or more.

20 (e) In addition to any other penalty imposed by law, a person or group who
21 makes an independent expenditure under AS 15.70.140(a) and does not file a timely
22 and accurate report under AS 15.70.140 resulting in the late payment or nonpayment
23 of matching funds to a certified candidate, the person or group making the
24 independent expenditure shall pay as a civil penalty an amount equal to

25 (1) the amount of matching funds not paid or paid late to a single
26 certified candidate, if the amount of the matching funds is \$2,000 or less;

27 (2) three times the amount of matching funds not paid or paid late to a
28 single certified candidate, if the amount of the matching funds is more than \$2,000 but
29 less than \$5,000;

30 (3) five times the amount of matching funds not paid or paid late to a
31 single certified candidate, if the amount of the matching funds is \$5,000 or more but

1 less than \$10,000; or

2 (4) 10 times the amount of matching funds not paid or paid late to a
3 single certified candidate, if the amount of the matching funds is \$10,000 or more.

4 (f) In addition to a civil penalty, the commission may require a certified
5 candidate found to be in violation of this chapter or a regulation adopted under this
6 chapter to repay to the fund all or part of the funds distributed to the candidate.

7 (g) The legislature may appropriate money received as civil penalties under
8 this section to the fund.

9 **Sec. 15.70.250. Administrative procedure and appeals.** (a) A candidate who
10 has been denied certification under AS 15.70.070, the opponent of a candidate who
11 has been granted certification under AS 15.70.070, or a registered voter residing in the
12 house district, senate district, or area in which the certified candidate is running for
13 office may challenge a certification decision under this chapter.

14 (b) A certification decision may be appealed to the commission within seven
15 days after the certification decision. The appeal must be in writing and must set out the
16 reasons for the appeal.

17 (c) Within five days after an appeal is properly made and notice is given to the
18 appellant and any candidate in the house district, senate district, or area in which the
19 candidate is running for office, the commission shall hold a hearing. The appellant has
20 the burden of demonstrating that the administrator's decision was improper. The
21 commission shall rule on the appeal within three days after the completion of the
22 hearing.

23 (d) A candidate whose certification is revoked on appeal shall return any
24 unspent distributions from the fund.

25 (e) A decision of the administrator to disburse matching funds under
26 AS 15.70.130 may be appealed to the commission by a candidate opposed to the
27 distribution or by a person or group making an independent expenditure under
28 AS 15.70.140. A decision by the administrator to disburse matching funds shall be
29 implemented, notwithstanding the filing of an appeal, unless the commission issues a
30 stay of the administrator's decision.

31 (f) Any other decision of the administrator may be appealed to the

1 commission. The commission shall adopt regulations establishing appeal procedures.

2 (g) A person or group who believes that a violation of this chapter or a
3 regulation adopted under this chapter has occurred or is occurring may file an
4 administrative complaint with the commission within one year after the date of the
5 alleged violation. The commission may consider a complaint on an expedited basis or
6 a regular basis. The complaint shall be considered in accordance with the procedures
7 set out at AS 15.13.380(b) - (h).

8 (h) A decision of the commission under (c) of this section may be appealed to
9 the superior court. The court may consider the appeal on an expedited basis.

10 **Sec. 15.70.260. Adjustment for inflation.** Beginning in January 2011 and
11 every four years thereafter, the commission shall modify the dollar values specified in
12 AS 15.70.050, 15.70.080, and 15.70.090 to account for inflation. The commission
13 shall adopt by regulation a method to determine and publicly report the amount of the
14 adjustment.

15 **Sec. 15.70.270. Regulations.** The commission shall adopt regulations to
16 ensure effective administration of this chapter. The regulations must include
17 procedures for obtaining qualifying contributions, certification of candidates, recounts,
18 withdrawal or replacement of candidates, distribution of funds authorized by this
19 chapter, reporting of prepaid general election expenses, return of unspent fund
20 distributions, processing complaints alleging violations of this chapter, recordkeeping,
21 and compliance with this chapter.

22 **Sec. 15.70.280. Report to the legislature.** By January 30, 2010, and every
23 four years after that date, the commission shall submit a report to the legislature
24 documenting, evaluating, and making recommendations relating to the administration,
25 implementation and enforcement of this chapter and of the public financing of
26 elections fund established in AS 15.70.010.

27 **Sec. 15.70.390. Definitions.** In this chapter,

28 (1) "administrator" means the administrator of the public financing of
29 elections program appointed in accordance with AS 15.13.030(11);

30 (2) "commission" means the Alaska Public Offices Commission;

31 (3) "contribution" has the meaning given in AS 15.13.400;

1 (4) "election cycle," as applied to a candidate for state office, is the
2 period beginning on the 31st day following a general election for that office and
3 ending on the 30th day following the next general election for that office;

4 (5) "election year" means the calendar year during which a state
5 general election for a particular office is held;

6 (6) "expenditure" has the meaning given in AS 15.13.400;

7 (7) "fund" means the public financing of elections fund established in
8 AS 15.70.010;

9 (8) "general election campaign period" means the period beginning the
10 day following the primary election and ending on the day of the general election;

11 (9) "independent expenditure" has the meaning given in AS 15.13.400;

12 (10) "nonparticipating candidate" means a candidate, as that term is
13 defined in AS 15.13.400, who has not been certified under AS 15.70.070;

14 (11) "participating candidate" means

15 (A) a candidate, as that term is defined in AS 15.13.400, who
16 has agreed to participate in the program authorized by this chapter, who has
17 submitted and not withdrawn a declaration of intent, and who has not been
18 denied certification by the commission; and

19 (B) the joined campaign of the candidates for governor and
20 lieutenant governor under AS 15.70.190(b);

21 (12) "prepaid general election expenses" means payments made by a
22 candidate before the end of the primary election campaign period for goods or services
23 that will be delivered or provided during the general election campaign period and
24 includes

25 (A) rental payments;

26 (B) radio, television, newspaper, and other forms of
27 advertising;

28 (C) wages, salaries, and personnel costs;

29 (D) consulting services;

30 (E) other payments defined by the commission by regulation;

31 (13) "primary election campaign period" means the period beginning

1 the day following the qualifying period and ending the day of the primary election;

2 (14) "program" means the program authorized by this chapter;

3 (15) "qualifying contribution" means an allowable contribution under
4 AS 15.70.060 to a participating candidate that is made after the candidate submits a
5 declaration of intent and before the end of the qualifying period;

6 (16) "qualifying period" means the period during which a candidate
7 may collect qualifying contributions for the purpose of becoming a certified candidate;
8 for a candidate for statewide office, the period begins on August 1 of the year
9 preceding a year in which a general election is held and ends on June 1 of the general
10 election year; for a candidate for the legislature, the period begins on October 1 of the
11 year preceding a year in which a general election is held and ends on June 1 of the
12 general election year;

13 (17) "seed money contribution" means a contribution of not more than
14 \$100 from each individual made to a candidate, including a contribution from the
15 candidate or the candidate's relative;

16 (18) "statewide office" means the office of governor or lieutenant
17 governor.

18 **Sec. 15.70.395. Short title.** This chapter may be known as the Public
19 Financing of Elections Act.

20 * **Sec. 3.** AS 15.13.010 is amended by adding a new subsection to read:

21 (c) This chapter does not limit the application of AS 15.70 to contributions,
22 expenditures, and communications made for the purpose of influencing the nomination
23 or election of a candidate for governor, lieutenant governor, or a member of the state
24 legislature.

25 * **Sec. 4.** AS 15.13.030 is amended to read:

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

27 (1) develop and provide all forms for the reports and statements
28 required to be made under this chapter, AS 15.70, AS 24.45, and AS 39.50;

29 (2) prepare and publish a manual setting out uniform methods of
30 bookkeeping and reporting for use by persons required to make reports and statements
31 under this chapter and AS 15.70, and otherwise assist candidates, groups, and

1 individuals in complying with the requirements of this chapter and AS 15.70:

2 (3) receive and hold open for public inspection reports and statements
3 required to be made under this chapter and AS 15.70, and, upon request, furnish
4 copies at cost to interested persons;

5 (4) compile and maintain a current list of all filed reports and
6 statements;

7 (5) prepare a summary of each report filed under AS 15.13.110 and
8 AS 15.70 and make copies of this summary available to interested persons at their
9 actual cost;

10 (6) notify, by registered or certified mail, all persons who are
11 delinquent in filing reports and statements required to be made under this chapter and
12 AS 15.70;

13 (7) examine, investigate, and compare all reports, statements, and
14 actions required by this chapter, AS 15.70, AS 24.45, and AS 39.50;

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

19 (9) adopt regulations necessary to implement and clarify the provisions
20 of AS 15.70, AS 24.45, AS 39.50, and this chapter, subject to the provisions of
21 AS 44.62 (Administrative Procedure Act); [AND]

22 (10) consider a written request for an advisory opinion concerning the
23 application of this chapter, AS 15.70, AS 24.45, AS 24.60.200 - 24.60.260, or
24 AS 39.50; and

25 (11) appoint an administrator to oversee AS 15.70 and to make
26 decisions authorized by that chapter or decisions under that chapter that are
27 delegated to the administrator by the commission

28 * Sec. 5. AS 15.13.045(b) is amended to read:

29 (b) In conjunction with (a) of this section, the commission may compel the
30 attendance of witnesses and production of papers, books, records, accounts,
31 documents, and testimony, and may have the deposition of witnesses taken in a

1 manner prescribed by court rule or law for the taking of depositions in civil actions
2 when consistent with the powers and duties assigned to the commission by this chapter
3 and AS 15.70.

4 * Sec. 6. AS 15.13.045(c) is amended to read:

5 (c) The commission may examine the papers, books, records, accounts, and
6 documents of any person subject to this chapter and AS 15.70 to ascertain the
7 correctness of a report filed with the commission, or in conjunction with an
8 investigation or inspection conducted under (a) of this section.

9 * Sec. 7. AS 15.56.012(a) is amended to read:

10 (a) Except as provided in AS 15.56.014 and 15.56.016, a person commits the
11 crime of campaign misconduct in the first degree if the person knowingly engages in
12 conduct that violates a provision of AS 15.13 or AS 15.70, or a regulation adopted
13 under authority of AS 15.13 or AS 15.70.

14 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 APPLICABILITY. This Act applies

17 (1) after December 31, 2008, for the election cycles, as that term is defined by
18 AS 15.70.390, enacted by sec. 2 of this Act, for the offices of state senator and state
19 representative; and

20 (2) after December 31, 2010, for the election cycle, as that term is defined by
21 AS 15.70.390, enacted by sec. 2 of this Act, for the offices of governor and lieutenant
22 governor.

Alaska State Legislature

Chairman
State Affairs Committee

Vice-Chairman
Economic Development, Trade & Tourism
Committee

Member
Judiciary Committee
Joint Armed Services Committee

Finance Subcommittees
Corrections
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us
"Bob Lynn's Alaska Blog" RepBobLynnBlog.com

Session:
Alaska State Capitol
Juneau, AK 99801-1182

Phone: (907) 465-4931
Fax: (907) 465-4316
Toll Free: (800) 870-4391

Interim:
716 W 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207

FAX

To: Legal Services

Fax #: 2029

From: Nancy Manly x2794
Alaska State Capitol, room 104
Juneau, AK 99801-1182

of Pages (including cover): 1

Phone: 907-465-4931
Fax: 907-465-4316

Re: HB 261

Please draft a State Affairs Committee Substitute for HB 261 removing all reference to "Clean Elections". For example, can you replace "Clean Elections" with "Publically Financed Elections Fund." Our concern is that the term "Clean Elections" infers that the current elections are "not clean". "Publically Financed Elections Fund" more accurately describes the intent of the bill.

*
* TRANSACTION REPORT *
* FEB-21-2008 01:09 AM *
* FOR: REP LYNN 4654316 *
*
* SEND *
*
* DATE START RECEIVER PAGES TIME NOTE *
* FEB-21 01:09 AM 2029 1 27" OK *
*

Nancy Manly

From: Fenumiai, Gail M (GOV) [gail.fenumiai@alaska.gov]

Sent: Thursday, February 21, 2008 10:59 AM

To: Nancy Manly

Subject: Thank you

Good morning Nancy,

Please extend my thanks to Rep. Lynn regarding his request of the sponsor to remove the terminology "clean elections" from HB261. The division of elections greatly appreciates this.

Gail

Rec'd 4-7-08

Issue Analysis

No. 1, MARCH 2008



CENTER for COMPETITIVE POLITICS

Congress shall make no law

Do "Clean Elections" Reduce Lobbyist and Special Interest Influence?

by Laura Renz & Sean Parnell

Maine and Arizona are currently the only two states that have statewide programs of taxpayer-funded political campaigns for state legislative campaigns, sometimes called "clean election" programs. Seeking to replace voluntary, private contributions from citizens to candidates of their choice, taxpayer-funded political campaigns programs instead provide government grants to candidates who qualify.

Candidates typically must obtain several hundred signatures and small contributions of \$5 or \$10 each from registered voters in the district in which they are running. Other than these small contributions and a limited amount of "seed money" candidates are allowed to raise at the beginning of their campaign, they are prohibited from raising or spending funds outside of their government grant¹.

Proponents of such programs claim that one of the benefits of replacing private contributions with taxpayer dollars is a decrease in the influence and effectiveness of lobbyists and so-called "special interests."

The Web site of Public Campaign, a leading advocate of taxpayer-funded political campaigns, states on its home page that such programs make "... elections about voters

and not lobbyists and campaign donors."² Maine Senate President Beth Edmonds states that "When I'm walking the halls of the legislature and I see lobbyists from major corporations or even small organizations, I know that I get to make decisions that think about all the people in my constituencies, all the people in my district and not just specific interest groups."³

This research examines the reality of these claims by analyzing the number of lobbyist registrations in these states since the adoption of taxpayer-funded political campaigns. If such programs do indeed diminish the influence and effectiveness of lobbyists (thereby reducing their value to those who hire lobbyists), then we would expect to see either a reduction in or a stable number of lobbyist registrations in both states since the implementation of taxpayer-funded political campaigns.

Analysis

The two states with taxpayer-funded political campaigns have had strikingly different experiences with regard to the number of lobbyist registrations. In Maine, the number of registered lobbyists increased, while Arizona saw a decline.

1 ME. REV. STAT. ANN. Title 21-A, § 1125 available at: <http://janus.state.me.us/legis/statutes/21-a/title21-Ach14.pdf>

2 Public Campaign, <http://www.publiccampaign.org/> on January 17, 2008

3 Public Campaign, <http://www.publiccampaign.org/node/39242>, quoted from The Road To Clean Elections video, on January 17, 2008.



Since Maine's program of taxpayer-funded political campaigns began, the number of lobbyist registrations had grown to 477, an increase of 20%

In Maine, the number of registrations over time shows a significant increase in the number of lobbyist registrations after implementation of the Maine Clean Elections Act (MCEA).

In 1991, there were 351 lobbyist registrations in Maine⁴. In 2000, the last legislative session before the MCEA began doling out taxpayer funds to

candidates, there were 398 lobbyist registrations⁵.

Between 1991 and 2000, lobbyist registrations grew by 13%, with an average of 359 lobbyist registrations each year⁶.

Since Maine's program of taxpayer-funded political campaigns began, the number of lobbyist registrations had grown to 477⁷, an increase of 20% since 2000. The average number of registrations each year was 417, an increase of 16% over pre-MCEA registrations⁸.

Arizona's Clean Election Act went into ef-

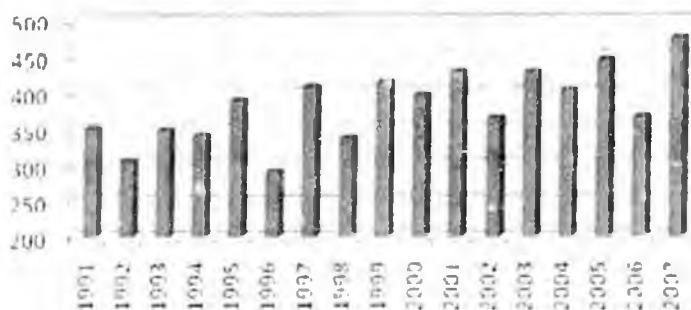
fect in the 2000 election cycle. Information available on the number of individual lobbyist registrations in Arizona is incomplete, but shows a clear decline in the number of registrations.

In 1995, the number of lobbyist registrations was 752, rising to 898 registrations by 2000⁹. Accurate information was not available for 1997-98, but for the available years

between 1995 and 2000 the average number of registered lobbyists was 864¹⁰.

By 2007, the number of registered lobbyists had declined to 691, a 30% decrease¹¹. The average number of registrations between 2001 and 2007 was 767, representing a drop of approximately 13%¹² from the period before adoption of taxpayer-funded political campaigns.

Figure 1: Lobbyist Registrations in Maine



9 Compiled from Arizona Secretary of State Annual Reports, 1995-2007, available at http://www.azsos.gov/public_services/annual_report/sos_annual_reports.htm, and The Impact of State Legislative Term Limits on Lobbyists and Interest Groups, presented at the 5th Annual State Politics and Policy Conference on May 5, 2005 by Christopher Mooney, Director of the Illinois Legislative Studies Center at the University of Illinois at Springfield.

10 See id., based on author's calculations.

11 See id., based on author's calculations.

12 See id., based on author's calculations.

4 The yearly totals for registered lobbyists in Maine were obtained from the Maine Ethics Commission, and are available for public inspection if requested.

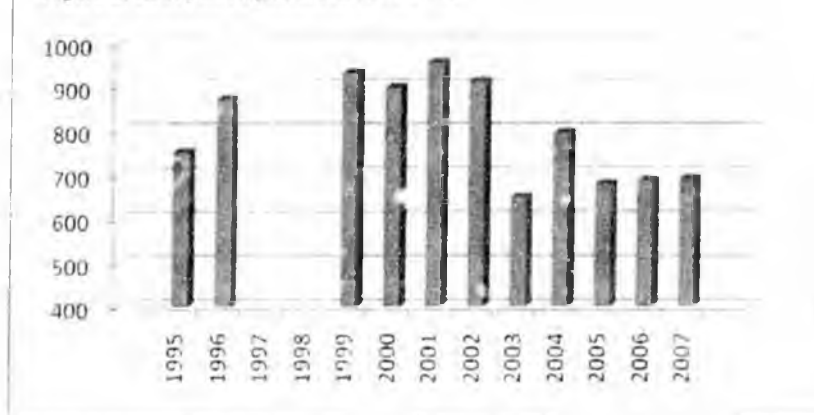
5 See id.

6 See id., based on author's calculations.

7 See id.

8 See id., based on author's calculations.

Figure 2: Lobbyist Registrations in Arizona



Conclusion

At this point several legislative sessions have passed since Arizona and Maine enacted their system of taxpayer-funded political campaigns. Presumably, if the influence and effectiveness of lobbyists were somehow diminished by these programs, we would by now be able to see some evidence of this.

Because the Arizona and Maine results are so dramatically different, with one state experiencing significant growth in the number of lobbyist registrations while the other saw significant declines, there appears to be no relationship between taxpayer-funded political campaigns and changes in the number of lobbyists.

Using the number of lobbyist registrations as a proxy for the effectiveness and influence of lobbyists and interest groups, the evidence presented here does not support claims that taxpayer-funded political campaigns have reduced the influence and effectiveness of lobbyists and "special interests" in Arizona or Maine.

This reality has apparently not diminished belief in the ability of taxpayer-funded political campaigns to reduce the influence and effectiveness of lobbyists and interests groups.

The Maine Commission on Governmental Ethics and Elections Practices published a study in 2007 explor-

ing the impact of their system of taxpayer funded political campaigns. Candidates and legislators who have participated in this program consistently reported their reason for doing so as a way to "reduce the influence of lobbyists" and not be " beholden to anyone."

These conclusions are doubtful at best when contrasted with the continually rising number of state lobbyists in Maine since the adoption of taxpayer-funded political campaigns in 2000. The increase of state lobbyists in Maine makes it clear that despite implementation of MCEA, there is still an abundance of work for lobbyists within the Maine legislature.

Taxpayer-funded political campaigns have failed to reduce the effectiveness and influence of lobbyists in Arizona or Maine, and elected officials and policymakers seeking to curb their effectiveness and influence should not consider such programs as a remedy.

There is no evidence to suggest taxpayer-funded political campaigns have had any impact on the influence and effectiveness of lobbyists in Arizona or Maine



.....

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The Center guarantees that all original factual data are true and correct and that information attributed to other sources is accurately represented.

The Center encourages rigorous critique of its research. If the accuracy of any material fact or reference to an independent source is questioned and brought to the Center's attention with supporting evidence, the Center will respond in writing. If an error exists, it will be corrected in subsequent printings and distributions. This will constitute the complete and final remedy under this guarantee.

.....

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The Center for Competitive Politics (CCP) is a 501(c)(3) nonprofit organization based in Alexandria, VA. CCP's mission, through legal briefs, studies, historical and constitutional analyses, and media communication is to promote and defend citizens' First Amendment political rights of speech, assembly, and petition, and to educate the public on the actual effects of money in politics and the benefits of a more free and competitive election and political process. Contributions to CCP are tax deductible to the extent allowed by law.

2008 Center for Competitive Politics

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124 S. West Street
Suite 201
Alexandria, VA 22314
(703) 894-6800
<http://www.campaignfreedom.org>



CENTER *for*
COMPETITIVE
POLITICS

March 31, 2008

The Honorable Bob Lynn
State Capitol #415
Juneau, AK 99801-1182

Dear Representative Lynn:

Across the country, campaign finance "reformers" are pushing forward so-called "clean elections" programs and promising legislators and constituents alike that these programs will deliver more competitive elections, restore citizens' confidence in government, eliminate the influence of "special interests," and a host of other presumptive benefits.

The Center for Competitive Politics (CCP), a nonpartisan nonprofit organization dedicated to defending the First Amendment political rights of speech, assembly, and petition, is systematically exploring the claimed benefits of taxpayer-funded political campaigns in an effort to determine whether such programs live up to their promises.

Issue Analysis #1 explores the claim that "clean elections" reduce lobbyist and special interest influence. After researching the number of lobbyist registrations in Arizona and Maine, the only two states that have statewide programs of taxpayer-funded political campaigns, CCP concludes that there appears to be no relationship between "clean election" programs and ability of lobbyists and interest groups to influence legislators. I have attached a copy of *Issue Analysis #1* for your review and hope that you will consider this information as this issue is discussed and debated in your state.

We expect to release several more *Issue Analysis* and other research over the next several months examining topics like electoral competitiveness, changes in the composition of the legislature, savings to taxpayers, and other issues related to taxpayer-funded political campaigns. Most of the research on these issues is still being conducted, but early results seem to indicate that on almost all measures, taxpayer-funded political campaigns fail to deliver the promised benefits.

If you have any questions or would like to request additional information concerning the Center for Competitive Politics or the results of a more free and competitive electoral process, please do not hesitate to contact Trevor Summerfield, CCP's Government and Coalition Relations Director, at (703) 894-6800 or T.Summerfield@campaignfreedom.org.

Sincerely,

Sean Parnell
President

ALASKA STATE LEGISLATURE



SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-2487
Fax (907) 465-4956

INTERIM ADDRESS
112 Mill Bay Road
Kodiak, AK 99615
(907) 486-8872
Fax (907) 486-5264

Representative Gabrielle LeDoux

SPONSOR STATEMENT FOR HB 261

"An Act establishing a clean election program in the state."

Clean Elections will benefit Alaska in the many ways. It affirms the principle of "one person, one vote" by reducing the disproportionate influence of large contributors on elections and enabling citizens of all backgrounds to participate equally in the democratic process.

This act strengthens public confidence in government and eliminates the danger and perception of corruption caused by the private financing of election campaigns. It increases the accountability of elected officials to the voters.

The act creates genuine opportunities for qualified individuals to run for state office and encourages more competitive elections. It frees elected officials from the incessant demands of fundraising, enabling them to spend more time interacting with their constituents and carrying out their official duties and it slows the escalating cost of elections.

The act enables voters and candidates to hear and be heard on a more level playing field, and provides for more open and robust debate on issues of public concern.

Clean Elections is a system of public financing of political campaigns. Under Clean Elections, candidates who demonstrate they have a strong base of public support and agree to forego private fundraising are eligible for government financing of their campaigns. Once elected, these candidates are not beholden to large campaign donors or special interests. They are free to represent the needs of their constituents.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SS HB 261
() Publish Date: _____

Identifier (file name): HB261SS-DOA-APOC-2-14-08 Dept. Affected: Administration
Title: "An Act establishing a program of public funding for the financing of RDU election campaigns..." Component: Alaska Public Offices Commission
Sponsor: Representatives LeDoux, Gardner, Doll
Requester: House State Affairs Component Number: 70

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

	Appropriation Required		Information				
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	572.5		572.5	572.5	572.5	572.5	572.5
Travel	21.5		21.5	21.5	21.5	21.5	21.5
Contractual	85.0		85.0	85.0	85.0	85.0	85.0
Supplies	35.0		2.0	2.0	2.0	2.0	2.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous
TOTAL OPERATING	714.0	0.0	681.0	681.0	681.0	681.0	681.0

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	714.0		681.0	681.0	681.0	681.0	681.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	714.0	0.0	681.0	681.0	681.0	681.0	681.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	7.0	0.0	7.0	7.0	7.0	7.0	7.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

This bill creates a clean elections section within APOC. Funding will be needed for a hearing officer, three accounting positions, two compliance officers, an administrative assistant and administrative support. Funding is also required for additional Commission meetings. Clean Election's staff is responsible for disseminating public funds to qualified candidates throughout the duration of their campaigns. Additionally, staff is responsible for certifying the qualifications of candidates eligible to receive public funding. During the course of the campaigns, clean election staff must monitor all campaign spending for compliance with the provisions of the clean elections act. The bill also provides state funding to candidates for Governor, Lieutenant Governor, State Senator, and State Representative. Several funding scenarios are presented below.

Prepared by: Brooke Miles, Executive Director Phone 465-5671
Division: Alaska Public Offices Commission Date/Time 2/14/08 3:02 PM
Approved by: Rachael Petro, Deputy Commissioner Date 2/14/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. SS HB 261

ANALYSIS CONTINUATION

It is difficult to accurately estimate the cost of providing public funds to candidates under this legislation. The cost will depend on the number of candidates that choose to participate in the public campaign financing program, and several other factors. Because public funding is optional, candidates cannot legally be mandated to use it, and some candidates are likely to not choose public funding, lowering the total cost of the program. Other scenarios could be analyzed in addition to the examples below.

The following cost analysis is based on 25%, 50%, 75%, and 100% participation. It was calculated using the number of primary and general election candidates in the 2006 election:

PRIMARY: (dollar amounts in thousands)

# of Candidates	Office	Amount	25%	50%	75%	100%
13	Gov	250.0	812.5	1,625.0	2,437.0	3,250.0
8	Lt Gov	150.0	300.0	600.0	900.0	1,200.0
23	Senate	24.0	130.5	261.0	391.5	522.0
92	House	16.0	368.0	736.0	1,104.0	1,472.0
Sub-Totals:			1,611.0	3,222.0	4,832.5	6,444.0

GENERAL: (dollar amounts in thousands)

# of Candidates	Office	Amount	25%	50%	75%	100%
6	Gov/Lt	500.0	750.0	1,500.0	2,250.0	3,000.0
20	Senate	36.0	180.0	360.0	540.0	720.0
72	House	16.0	432.0	864.0	1,296.0	1,728.0
Sub-Totals:			1,362.0	2,724.0	4,086.0	5,448.0
Grand Totals:			2,973.0	5,946.0	8,918.5	11,892.0

ALASKA STATE LEGISLATURE



SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-2487
Fax (907) 465-4956

INTERIM ADDRESS
112 Mill Bay Road
Kodiak, AK 99615
(907) 486-8872
Fax (907) 486-5264

Representative Gabrielle LeDoux

Clean Elections laws have been adopted in Maine, Arizona, North Carolina, New Mexico, Vermont, New Jersey, and Connecticut. Maine and Arizona have the longest history with Clean Elections, and voters in these two states enthusiastically support the system.

To qualify for public financing, candidates must agree not to accept any private contributions except a limited amount of startup or "seed" money. They also must collect a certain number of \$5 "qualifying contributions" from registered voters in their districts to demonstrate they have a solid base of public support. There are different numbers for various offices from Governor to Representative.

The purpose of these funds is to enable candidates to collect the required number of qualifying contributions from voters in their district. Seed money contributions are limited to \$100 or less and cannot exceed specific amounts for specific offices. The amounts are based on what it takes to run a viable campaign in Alaska. Clean Elections candidates can receive up to three times the specified limit to match an opponent's spending dollar-for-dollar. The purpose of this provision is to ensure that Clean Elections candidates are not buried by an opponent's spending and to provide an incentive for all candidates to participate in this system.

The cost to the State depends on the number of candidates who participate in the system. It could cost several million dollars a year if participation is widespread, as expected. The cost, however, may be offset by reductions in appropriations for pet projects proposed by special interests and policy changes stemming from Clean Elections. It's also important to keep in mind that even if Clean Elections were to cost \$5 million annually, this amount is less than half of a percent of a percent of the state's current budget.

Clean Elections is an idea whose time has come in Alaska.

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

January 16, 2008

SUBJECT: HB 261 and SSHB 261 Differences
(Work Order Nos. 25-LS0929\C and \E)

TO: Representative Gabrielle LeDoux
Attn: Suzanne Hancock

FROM: Alpheus Bullard *AKB*
Legislative Counsel

You have requested a memorandum about the differences between HB 261 and SSHB 261 ("Clean elections"). The following is a summary of changes made between the two bill versions.

Title. The title has been amended to better express the subject and contents of the bill.

Placement in title AS 15, bill organization, and section headings. The "clean elections" program has been moved from chapter 14 to chapter 70, sections are organized differently, and a few heading titles have been amended. These are drafting choices and have no bearing on the bill's substantive provisions.

Clean elections administrator. In HB 261, a commissioner of the Alaska Public Offices Commission ("commission") was responsible for overseeing administration of the new chapter and for making decisions authorized by the chapter. In SSHB 261, the commission appoints an administrator to oversee administration of the chapter.

Language. Throughout SSHB 261 the statutory language has been modified to be clearer and more exact, i.e. "*the qualifying contributions required of candidates . . .*" has been changed to "*the amount of the qualifying contributions required to be tendered by candidates . . .*"

Effective date. In SSHB 261, the applicability provision has been amended so that the bill would not become effective in the midst of election campaigns for the offices of state senator and state representative. The bill's provisions are now effective for campaigns for these offices in "election cycles" (as defined in the AS 15.70.390(4)) after December 31, 2008.

Independent expenditures. The language in sec. 15.70.140 (independent expenditures) has been changed from "[a] person or group that makes an independent expenditure under

Representative Gabrielle LeDoux

January 16, 2008

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AS 15.13.135 ... *involving* a participating candidate shall report ..." to read "... *supporting or opposing* a participating candidate ..." (emphasis added). The "supporting or opposing" language mirrors that employed in AS 15.13.135 and is probably less constitutionally objectionable.¹

If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

TLAB:med

08-016.med

¹ For my previous comments on this provision, please reference my May 12, 2007, memorandum to your office.



HAINES BOROUGH, ALASKA
P.O. BOX 1209 • HAINES, ALASKA 99827
Administration 907.766.2231 • (fax) 907.766.2716
Tourism 907.766.2234 • (fax) 907.766.3155
Police Dept. 907.766.2121 • (fax) 907.766.2128
Fire Dept. 907.766.2155 • (fax) 907.766.3373

December 28, 2007

Rep. Gabrielle LeDoux
112 Mill Bay Rd
Kodiak AK 99615

Dear Rep. LeDoux:

On December 11, the Haines Borough Assembly adopted the attached resolution in support of a Clean Elections system in Alaska. They asked me to send a copy to you.

Please let me know if I may provide additional information. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Julie Cozzi".

Julie Cozzi
Haines Borough Clerk

Attachments (1)

HAINES BOROUGH

RESOLUTION 07-12-119

AdoptedA RESOLUTION OF THE HAINES BOROUGH ASSEMBLY SUPPORTING
ADOPTION OF A CLEAN ELECTIONS SYSTEM IN ALASKA.

WHEREAS, several former and current legislators have recently been convicted for accepting money in exchange for votes; and

WHEREAS, this illegal activity has undermined public confidence in the integrity of Alaska's elected officials; and

WHEREAS, votes taken by these individuals during the 2006 legislative session cost the State an estimated \$1 billion in unrealized oil revenue, thus reducing available revenues critical to supporting our local governments; and

WHEREAS, the presence of corruption in Alaska politics has resulted in a withdrawal of business interest (i.e. the gas pipeline) in Alaska; and

WHEREAS, adoption of a Clean Elections system can help restore public trust in government, eliminate the potential for and perception of corruption, and promote greater accountability to voters; and

WHEREAS, under Clean Elections, candidates who demonstrate broad public support and agree to forego private contributions can voluntarily qualify for public financing of their campaigns; and

WHEREAS, Clean Elections affirms the principle of "one person, one vote" by curtailing the influence of special interest money; and

WHEREAS, Clean Elections allows for a greater diversity of candidates who will represent the public interest; and

WHEREAS, adoption of a Clean Elections system would relieve candidates of the need to raise campaign funds thus allowing more focus on issues of voters; and

WHEREAS, Clean Elections systems saves money by elimination funding for pet projects advocated by special interests; and

WHEREAS, Clean Election systems have been enacted in seven states and have proven popular with voters as well as candidates,

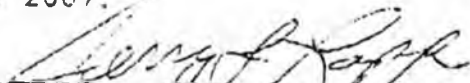
IN WITNESS WHEREOF
I, the Mayor, have hereunto set my hand and the seal of the Borough of Haines, Alaska, this 11th day of December, 2007.

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly:

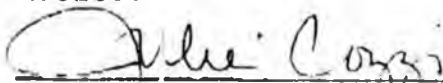
Section 1: Supports the objectives of a Clean Elections system and urges Governor Sarah Palin and the Alaska State Legislature to implement a Clean Elections system in Alaska without delay; and

Section 2: Declares that copies of this resolution will be sent to Governor Sarah Palin and all members of the Alaska State Legislature.

ADOPTED by a duly constituted quorum of the Haines Borough Assembly on the 11th day of December, 2007.


Jerry Lapp, Deputy Mayor

ATTEST:


Julie Cozzi, Borough Clerk



P.O. Box 189
WAKNEK, ALASKA 99633

www.theborough.com



TELEPHONE
(907) 246-4224
FAX
(907) 246-6633

Bristol Bay Borough

RESOLUTION 2007-11

BRISTOL BAY BOROUGH SUPPORTS ADOPTION OF A CLEAN ELECTIONS SYSTEM IN ALASKA.

WHEREAS several former and current legislators have recently been indicted for accepting money in exchange for votes; and

WHEREAS votes taken by these individuals have cost the state more than \$1 billion annually in unrealized oil tax revenues, revenue that is critical to supporting the operations of our local governments; and

WHEREAS this scandal has undermined public confidence in the integrity of Alaska's elected officials; and

WHEREAS adoption of a Clean Elections system can help restore public trust in government, eliminate the potential for and perception of corruption, and promote greater accountability to voters; and

WHEREAS under Clean Elections, candidates who demonstrate broad public support and agree to forego private contributions can qualify for public financing of their campaigns; and

WHEREAS Clean Elections is law in seven states and is extremely popular with voters as well as candidates; and

WHEREAS Clean Elections affirms the principle of "one person, one vote" by curtailing the influence of special interest money and enabling citizens of all backgrounds to participate equally in the democratic process; and

WHEREAS Clean Elections opens the door to a greater diversity of candidates who will represent the public interest; and

Resolution No. 2007-11

Page Two

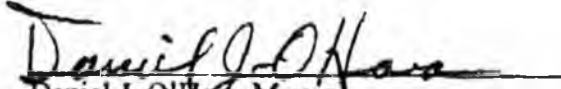
WHEREAS Clean Elections systems save money by eliminating funding for pet projects advocated by special interests; and

WHEREAS the time has come for Clean Elections in Alaska.


BE IT RESOLVED that the Bristol Bay Borough urges Governor Sarah Palin and the Alaska State Legislature to expeditiously implement a Clean Elections system in Alaska.

BE IT FURTHER RESOLVED THAT COPIES of this resolution shall be sent to Governor Sarah Palin and all members of the Alaska State Legislature.

PASSED THIS 6TH **DAY OF** AUGUST , 2007.


Daniel J. O'Hara, Mayor

ATTEST:


Betty J. Bohm, CMC, Borough Clerk

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MEMORANDUM

January 11, 2008

SUBJECT: Sponsor Substitute for HB 261 - sectional summary
(Work Order No. 25-LS0929\A)

TO: Representative Gabrielle LeDoux
Attn: Suzanne Hancock

FROM: Alpheus Bullard 
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. Adds a provision in uncodified law that provides legislative findings for the establishment of a program of public funding for the financing of election campaigns for the offices of governor, lieutenant governor, state senator, or state representative.

Section 2. Adds chapter 70 to AS 15 (Elections), establishing a program of public funding for the financing of election campaigns of candidates for offices of governor, lieutenant governor, state senator, or state representative, entitled "Clean Elections."

Sec. 15.70.010. Establishes a separate fund in the general fund for the financing of election campaigns of candidates who are certified under the chapter and for the payment of the chapter's administrative and enforcement costs incurred by the Alaska Public Offices Commission.

Sec. 15.70.020. Provides limitations on the use, collection, and expenditure of program funds and other campaign contributions by candidates participating in the public financing of election campaigns program.

Sec. 15.70.030. Establishes how a candidate becomes a participating candidate in the public financing of election campaigns program.

Sec. 15.70.040. Establishes when a candidate may qualify for inclusion in the public financing of election campaigns program.

Sec. 15.70.050. Sets terms for the acceptance and use of "seed money" contributions by a candidate before the candidate files for certification under sec. 15.70.070.

Sec. 15.70.060. Provides conditions for the collection and acceptance of the "qualifying contributions" a candidate running for governor, lieutenant governor, state senator, or state representative must receive in order to become a certified candidate under sec. 15.70.070.

Sec. 15.70.070. Provides how a candidate participating in the public financing of election campaigns program may become a certified candidate eligible for receipt of program funds.

Sec. 15.70.080. Provides expenditure limits for participating candidates during the primary and general election campaign periods.

Sec. 15.70.090. Establishes the monetary amounts that certified candidates are eligible to receive as distributions from the program, allows the commission to establish procedures requiring the use of debit cards by the candidates for the funds disbursed, and limits eligibility for the receipt of program funds for certain candidates.

Sec. 15.70.100. Provides for the timing of distribution of program funds and how the amounts distributed are affected by unspent or unobligated seed money contributions or primary election funds held by a certified candidate.

Sec. 15.70.110. Requires certain candidates who are not participating in the program to file spending limit reports with the commission.

Sec. 15.70.120. Allows the administrator appointed by the Alaska Public Offices Commission to make a determination that a nonparticipating candidate has incurred expenses in excess of the limits established for participating candidates under sec. 15.70.080.

Sec. 15.70.130. Provides for the distribution of certain "matching funds" to participating candidates if nonparticipating candidates running for the same office incur expenses in excess of the limits established under sec. 15.70.080 for participating candidates.

Sec. 15.70.140. Provides for the reporting, investigation, and treatment of independent expenditures made by a person or group supporting or opposing a participating candidate that exceed \$500.

Sec. 15.70.150. Establishes that funds under the chapter must be used only for the purposes set out in AS 15.13.112.

Sec. 15.70.160. Governs contributions from political parties to candidates participating in the public financing of election campaigns program.

Sec. 15.70.170. Requires (1) certified candidates who are unsuccessful in the primary election and (2) all candidates after the general election to return to the commission all funds received under the chapter that have not been spent or otherwise obligated.

Sec. 15.70.180. Provides that a candidate who is seeking to be nominated by petition under AS 15.25.140 - 15.25.200 is eligible to take part in the public financing of election campaigns program if the candidate complies with the requirements of secs. 15.70.020 - 15.70.070 and that such a candidate may accept certain campaign contributions.

Sec. 15.70.190. Provides how the public funding of election campaigns program is applied to governor and lieutenant governor joined campaigns.

Sec. 15.70.200. Establishes that write-in candidates are not eligible to participate in the public funding of election campaigns program and must comply with the reporting requirements of sec. 15.70.110.

Sec. 15.70.210. Establishes how a candidate may withdraw from participation in the public financing of election campaigns program.

Sec. 15.70.220. Provides that the director of elections shall inform voters of which candidates on the ballot are participating in the program.

Sec. 15.70.230. Provides that if during an election year the commission determines that there is insufficient funding for the public financing program that the participating candidates will be authorized to solicit and accept private contributions permitted under AS 15.13 up to the limits established under AS 15.70 for certified candidates.

Sec. 15.70.240. Provides penalties for persons violating the provisions of AS 15.70. Penalties include monetary fines, disqualification as a candidate, and office forfeiture.

Sec. 15.70.250. Establishes administrative procedures for appealing decisions made by the commission or administrator under the chapter.

Sec. 15.70.260. Provides that the commission will modify the dollar values specified in AS 15.70, 15.70.080, and 15.70.090 to account for inflation.

Sec. 15.70.270. Directs the commission to adopt regulations to ensure effective administration of AS 15.70.

Sec. 15.70.280. Establishes that by January 30, 2010, and every four years after that date, that the commission will submit a report to the legislature evaluating the program and making recommendations.

Representative Gabrielle LeDoux

January 11, 2008

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Sec. 15.70.390. Contains the chapter's definitions.

Sec. 15.70.395. Provides the chapter with a short title: "This chapter may be known as the Clean Elections Act."

Section 3. Establishes that the application of AS 15.13 (state election campaigns) does not limit the application of AS 15.70 (Clean Elections Act) added by sec. 2 of the bill.

Section 4. Amends the duties of the Alaska Public Offices Commission to require that the commission appoint an administrator to administer AS 15.70 and adds administration and enforcement of the provisions of AS 15.70 to the duties of the commission.

Sections 5 and 6. Allows the commission to issue subpoenas, hold hearings, and investigate matters consistent with the powers and duties assigned the commission by AS 15.70.

Section 7. Makes the knowing violation of a provision of AS 15.70, or a regulation adopted under that chapter, a crime of campaign misconduct in the first degree.

Section 8. Adds a provision in uncodified law that the Act is effective December 31, 2008 for the election cycles, as that term is defined in sec. 15.70.390, for the offices of state senator and state representative, and after December 31, 2010, for the offices of governor and lieutenant governor.

If you have any questions, or if I can be of further assistance, please advise.

TLAB:ljw
08-011.ljw

ALASKA STATE LEGISLATURE



SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-2487
Fax (907) 465-4956

INTERIM ADDRESS
112 Mill Bay Road
Kodiak, AK 99615
(907) 486-8872
Fax (907) 486-5264

Representative Gabrielle LeDoux

MEMO

DATE: 1/25/2008
TO: HOUSE STATE AFFAIRS
REPRESENTATIVE BOB LYNN
FROM: REPRESENTATIVE GABRIELLE LEDOUX *GL*
RE: HEARING REQUEST FOR SSB 261, "AN ACT ESTABLISHING A PROGRAM OF PUBLIC FUNDING FOR THE FINANCING OF ELECTION CAMPAIGNS OF CANDIDATES FOR STATE ELECTED OFFICES, TO BE KNOWN AS THE CLEAN ELECTIONS ACT."

I respectfully request that the Sponsor Substitute House Bill 261 be scheduled for a hearing in the House State Affairs.

Attached you will find:

- Sponsor Substitute for HB 261
- Sponsor Statement
- Additional documentation relating to the bill
- Sectional Analysis for SSB 261
- My staff member assigned to this legislation is Suzanne Hancock, direct line 465-4230.