

SB

182

SB 182 Clean Elections		
<u>Potential witnesses</u>	<u>Affiliation</u>	<u>Available for Qs</u>
Eric Ehst	Arizona Clean Elections Institute	
Brooke Mikes	APOC	x
Tim June	Alaskans for Clean Elections	
Alpheus Bullard	Leg Legal - drafter	x
Steve Cleary	AKPIRG	
Wally Hickel/Malcolm Roberts	Former Gov/assistant	
Dave Cuddy	US Senate candidate	
Terry Gardiner	Former Speaker of the House	
Joe McKinnon	Former legislator	

25-LS0840\O

Bullard

1/11/08

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 182

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY SENATORS WIELECHOWSKI, McGuire, Ellis

Introduced:

Referred:

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 system for
8 all primary and general elections would enhance democracy in the state in the following
9 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;

14 (3) it would enable voters and candidates to hear and to be heard in the

1 political process, and restore open and robust debate on issues of public concern;

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

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

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

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

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

12 **Chapter 70. Clean Elections.**

13 **Sec. 15.70.010. Clean elections fund.** (a) The clean elections fund is created
14 in the general fund. The administrator shall use the fund to finance the election
15 campaigns of candidates certified under this chapter who are running for the office of
16 governor, lieutenant governor, state senator, or state representative, and to pay the
17 administrative and enforcement costs of this chapter 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 regulation, 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 clean elections program may not solicit or
31 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 program."

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

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

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

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

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

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

31 (c) A certified candidate who violates the expenditure limits established under

1 this chapter by more than 10 percent is disqualified as a candidate and, if elected, shall
2 forfeit the office to which the candidate was elected.

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

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

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

13 (3) five 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 \$5,000 or more but less than \$10,000; or

16 (4) 10 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 \$10,000 or more.

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

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

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

29 (3) five 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 \$5,000 or more but
31 less than \$10,000; or

1 (4) 10 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 \$10,000 or more.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 27 (1) "administrator" means the administrator of the clean elections
28 program appointed in accordance with AS 15.13.030(11);
29 (2) "commission" means the Alaska Public Offices Commission;
30 (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 clean elections fund established in AS 15.70.010;

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

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

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

13 (11) "participating candidate" means

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

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

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

24 (A) rental payments;

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

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

28 (D) consulting services;

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

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

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

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

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

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

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

17 **Sec. 15.70.395. Short title.** This chapter may be known as the Clean Elections
18 Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (b) In conjunction with (a) of this section, the commission may compel the
29 attendance of witnesses and production of papers, books, records, accounts,
30 documents, and testimony, and may have the deposition of witnesses taken in a
31 manner prescribed by court rule or law for the taking of depositions in civil actions

1 when consistent with the powers and duties assigned to the commission by this chapter
2 and AS 15.70.

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

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

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

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

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

15 **APPLICABILITY.** This Act applies

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

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

LEGAL SERVICES

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Juneau, Alaska 99801-1182
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MEMORANDUM

January 11, 2008

SUBJECT: Sponsor Substitute for SB 182 - sectional summary
(Work Order No. 25-LS0840\O)

TO: Senator Bill Wielechowski
Attn: Michelle Sydeman

FROM: Alpheus Bullard *AB*
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.

Senator Bill Wielechowski
January 11, 2008
Page 4

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
08-007.ljw

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MEMORANDUM

January 21, 2008

SUBJECT: SB 182 and SSSB 182 Differences
(Work Order Nos. 25-LS0840\E and \O)

TO: Senator Bill Wielechowski
Attn: Michelle Sydeman

FROM: Alpheus Bullard *AB*
Legislative Counsel

You have requested a memorandum about the differences between SB 182 and SSSB 182 ("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 SB 182, 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 SSSB 182, the commission appoints an administrator to oversee administration of the chapter.

Language. Throughout SSSB 182 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 SSSB 182, 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

Senator Bill Wielechowaki

January 21, 2008

Page 2

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
08-029.med

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

ALASKA STATE LEGISLATURE

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Co-chair
Joint Armed Services Committee

Member
Resources Committee
Judiciary Committee
Transportation Committee

Senator Bill_Wielechowski@legis.state.ak.us

SENATOR BILL WIELECHOWSKI

Sponsor Statement: SB 182

The Alaska Clean Elections Act

Many states are grappling with ways to increase public trust and confidence in the political process. One approach that is generating interest across the country is adoption of "Clean Elections." Under this system, candidates have the option of accepting limited public financing if they agree to forego all private fundraising. Primary goals are to:

- enable candidates to spend more time focusing on issues important to voters, rather than raising campaign funds; and
- provide the opportunity for serious candidates from a diversity of backgrounds to run for public office.

Clean Elections is law in seven states: Arizona, Connecticut, Maine, New Jersey, New Mexico, North Carolina and Vermont. Maine and Arizona have each gone through four statewide elections cycles using this system, and public support for the system is overwhelming.

In Alaska, sponsors of citizen's initiative to adopt of system of Clean Elections recently submitted more than 32,000 signatures to the Lt. Governor's Office to place a Clean Elections question on the 2008 ballot. In all likelihood, the initiative will qualify for the ballot, and polls indicate there will be strong support for it.

The Alaska Legislature has a limited amount of time to review and consider this alternative system of campaign financing. Given its success in other states and the need to rebuild Alaskans' confidence in our political system, I urge you to join me in supporting SB 182, the Alaska Clean Elections Act.

FISCAL NOTE

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Identifier (file name): SB182-DOA-APOC-2308 Dept. Affected: DOA
 Title An Act establishing a clean elections program in the state. RDU AK Public Offices Commission
 Component AK Public Offices Commission
 Sponsor Senator Wielechowski
 Requester Senate Community and Regional 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 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	480.0		480.0	480.0	480.0	480.0	480.0
Travel							
Contractual	85.0		85.0	85.0	85.0	85.0	85.0
Supplies	26.0		1.4	1.4	1.4	1.4	1.4
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	591.0	0.0	566.4	566.4	566.4	566.4	566.4

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES ()							
-------------------------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	591.0		566.4	566.4	566.4	566.4	566.4
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	591.0	0.0	566.4	566.4	566.4	566.4	566.4

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill creates a clean elections section within APOC. Funding will be needed for three accounting positions, two compliance officers, administrative assistant and administrative support. 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 for receiving 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.

Prepared by: Brooke Miles, Executive Director
 Division: APOC
 Approved by: Rachael Petro, Deputy Commissioner
Department of Administration

Phone 907-334-1726
 Date/Time 2/5/08 12:00 AM
 Date _____

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 102
 () Publish Date: _____

Identifier (file name) SB102-DOA-APOC-2-13-08 Dept. Affected: Administration
 Title "An Act establishing a clean elections program in the state." RDU Alaska Public Offices Commission
 Component Alaska Public Offices Commission
 Sponsor Senators Wielecnowski, McGuire, Ellis Component Number 70
 Requester _____

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
 Division: Alaska Public Offices Commission
 Approved by: Rachael Petro, Deputy Commissioner
Department of Administration

Phone 465-5871
 Date/Time 2/13/08 12:00 AM
 Date 2/13/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. SB 102

ANALYSIS CONTINUATION

It is difficult to accurately estimate the cost of providing public funds to candidates under this initiative. 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

**Statement of costs for ballot measure 07CASE
Prepared by the Alaska Public Offices Commission**

As required by AS 15.45.090(a)(4), the Alaska Public Offices Commission has prepared the following statement of costs to the State should the law proposed in Initiative 07CASE be approved by voters.

Costs

This initiative establishes public funding for state candidates who agree to limit their campaign spending. The Commission will be responsible for a new section which will administer the provisions of AS 15.14, for additional oversight of political campaigns.

Administrative Costs

Funding is required for 6 positions: an Accountant V, who will lead the section, an Accounting Technician III who will provide assistance to the manager and supervise the support staff; a Regulations Specialist/Compliance Auditor who will initially draft the regulations required to implement the act and then act as the chief auditor, two Administrative Assistants and an Administrative clerk.

Additional funding is needed to support the new positions, including supplies, equipment and support services. One-time funding is required to provide office space and work stations, with standard equipment, for the new employees.

The Alaska Public Offices Commission, Department of Administration, expects that general funds will be required for the following (dollar amounts are in thousands):

One-Time Costs: \$ 112.4

One-time costs include office space for six employees including parts, labor, chairs, computers, workstation, filing cabinets, etc.

Salary and Benefits Costs: \$ 409.7

Yearly Operations Costs: \$ 81.7

Total First Year Costs: \$ 603.8

Total Continuing Costs: \$ 491.4

The initiative would also require the State Department of Administration to implement a new debit card program for disbursing funds to candidates. The cost to implement such a program cannot be accurately estimated at this time without costly research.

The Division of Elections will provide access to the voter registration database, so that Commission staff can verify that makers of campaign contributions are registered voters in the appropriate election districts.

Campaign Financing Costs

It is difficult to accurately estimate the cost of providing public funds to candidates under this initiative. 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 analysis is based on the percentages of candidates who chose to enroll in a similar program in Maine. Maine, along with Arizona, has the longest history with this program (4 election cycles). Although the numbers of statewide and district offices differ from state to state, the following cost analysis assumes an identical percentage of participation in Alaska as in Maine during the first year of operation (33%). The following is calculated using the number of primary and general election candidates in the 2006 election:

Primary Election (dollar amounts are in thousands)

<u># Candidates</u>	<u># Participating Candidates</u>	<u>Office</u>	<u>Amount</u>	<u>Total</u>
13	4	Gov.	\$ 250.0	\$ 1,000.0
8	3	Lt. Gov.	\$ 150.0	\$ 450.0
23	8	Senate	\$ 24.0	\$ 192.0
92	31	House	\$ 16.0	\$ 496.0
TOTAL PUBLIC FUNDING FOR PRIMARY ELECTION BASED ON 33% PARTICIPATION				<u>\$ 2138.0</u>

General Election (Dollar amounts are in thousands)

<u># Candidates</u>	<u># Participating Candidates</u>	<u>Office</u>	<u>Amount</u>	<u>Total</u>
6	2	Gov./Lt..	\$ 500.0	\$ 1,000.0
20	7	Senate	\$ 36.0	\$ 252.0

TOTAL PUBLIC FUNDING FOR GENERAL ELECTION
BASED ON 33% PARTICIPATION \$ 1828.0

**TOTAL COSTS TO THE STATE
BASED ON 33% PARTICIPATION \$3966.0**

The following analysis is based on the number of primary and general election candidates in the 2006 election and a scenario in which every candidate qualifies for, and chooses public funding:

Primary Election (dollar amounts are in thousands)

<u># of Candidates</u>	<u>Office</u>	<u>Amount</u>	<u>Total</u>
13	Gov.	\$ 250.0	\$ 3,250.0
8	Lt. Gov.	\$ 150.0	\$ 1,200.0
23	Senate	\$ 24.0	\$ 522.0
92	House	\$ 16.0	\$ 1,472.0

TOTAL PUBLIC FUNDING FOR PRIMARY ELECTION: \$ 6,474.0

General Election (Dollar amounts are in thousands)

<u># of Candidates</u>	<u>Office</u>	<u>Amount</u>	<u>Total</u>
6	Gov./Lt..	\$ 500.0	\$ 3,000.0
20	Senate	\$ 36.0	\$ 720.0
72	House	\$ 24.0	\$ 1,728.0

TOTAL PUBLIC FUNDING FOR GENERAL ELECTION: \$ 5,448.0

TOTAL POTENTIAL COSTS TO THE STATE: \$11,922.0

The proposal also contains additional funding mechanisms for different situations, which could increase the cost of the program.

For example, if a qualified participating candidate is outspent by her or his opponent, who has not opted for public funding, the state will match the opponent's spending by giving the like amount of funds to the qualified candidate. These costs may be very large. For example, if a qualified candidate is outspent by a nonparticipating opponent during the primary election, the state may provide additional funding up to three times the amount provided above.

Because this program involves many interacting factors, it is difficult to accurately predict program costs. We have analyzed administrative costs, potential program costs based on a similar program in Maine, potential program costs if every Alaskan candidate chooses to enroll, and a discussion of the factors that interact in determining the costs of the program.

ALASKA STATE LEGISLATURE

Co-chair, Joint Armed Services
Committee

•
Resources Committee

•
Judiciary Committee

•
Transportation Committee



State Capitol, Rm. 115
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SENATOR BILL WIELECHOWSKI

January 21, 2008

Senator Donny Olson, Chair
Senate Community & Regional Affairs Committee
Room 514, State Capitol
Juneau, Alaska 99801

I respectfully request a hearing on SB 182, the Alaska Clean Elections Act.

Under Clean Elections systems, candidates have the option of accepting limited public financing for their campaigns if they agree to forego all private fundraising. Goals are to:

- ensure that candidates are not beholden to or unduly influenced by campaign donors or special interests once elected;
- provide the opportunity for serious candidates from a diversity of backgrounds to run for public office; and
- strengthen public trust and confidence in government.

Clean Elections is law in seven states: Arizona, Connecticut, Maine, New Jersey, New Mexico, North Carolina and Vermont. Maine and Arizona have each gone through four statewide elections cycles using this system and an overwhelming majority of their residents enthusiastically support it.

In Alaska, sponsors of citizen's initiative to adopt of system of Clean Elections recently submitted more than 32,000 signatures to the Lt. Governor's Office to place a Clean Elections question on the 2008 ballot. In all likelihood, the initiative will qualify for the ballot, and polls indicate there will be strong support for it.

The Alaska State Legislature has a short period in which to review and consider this alternative system of campaign financing. I therefore request that a hearing on this proposal be scheduled as soon as feasible.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Wielechowski".

Senator Bill Wielechowski



February 5, 2008

Honorable Donald Olson, Chair
Senate Community and Regional Affairs Committee
Alaska State Capitol, Room 514
Juneau, AK 99801-1182

RE: SB 182 (Wielechowski)—Support

Dear Chair Olson:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Community and Regional Affairs Committee to support SB 182, authored by Senator Bill Wielechowski and co-sponsored by Senators Leil McGuire and Johnny Ellis.

SB 182 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 SB 182.

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

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 Kookesh
Senator Stevens
Senator Thomas
Senator Wagoner
Senator Wielechowski

Ginny Austerman

From: Michelle Sydeman
Sent: Tuesday, February 05, 2008 5:13 PM
To: Ginny Austerman
Cc: Sen. Bill Wielechowski; mindy.rowland@alaska.gov; Miles, Brooke (DOA); chris.ellingson@alaska.gov
Subject: Clean Elections costs from the Lt. Gov's Office
Attachments: Statement of Costs 07CASE--FINAL.doc

Hi Ginny,

This is the cost information that was included in all Clean Elections initiative booklets. It estimates that the cost of Clean Elections would be about \$4.4 million if 33% of candidates participated up to \$12.4 million if all candidates participated. I will work with Mindy, Jason and Brooke to get this turned into a fiscal note as soon as possible.

I am terribly sorry for the confusion today. Please extend our apologies to Sen. Olson. We anticipated that a complete fiscal note would be available.

Michelle

From: Hooley, Jason M (GOV) [mailto:jason.hooley@alaska.gov]
Sent: Tuesday, February 05, 2008 4:58 PM
To: Michelle Sydeman
Subject: 07CASE statement of cost

Is attached.

Tomorrow morning, I'll work to get Elections and APOC on the same page regarding costs/potential costs.

JASON HOOLEY
OFFICE OF LIEUTENANT GOVERNOR SEAN PARNELL
907 . 465 . 3520