

**HB**

**333**

<TARGET><BILL>HB 333</BILL><SUBJECT>HB  
333</SUBJECT><COMM>HSTA27</COMM></TARGET>



**CS FOR HOUSE BILL NO. 333(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES HAWKER, Gruenberg

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the disposition of certain unused campaign contributions; and  
2 relating to public office expense term accounts and public office expense term account  
3 reserves."

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

5 \* **Section 1.** AS 15.13.116(a) is amended to read:

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

11 (1) pay bills incurred for expenditures reasonably related to the  
12 campaign and the winding up of the affairs of the campaign, including a victory or  
13 thank you party, thank you advertisements, and thank you gifts to campaign  
14 employees and volunteers, and to pay expenditures associated with post-election fund

1 raising that may be needed to raise funds to pay off campaign debts;

2 (2) make donations, without condition, to

3 (A) a political party;

4 (B) the state's general fund;

5 (C) a municipality of the state; or

6 (D) the federal government;

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

10 (4) repay loans from the candidate to the candidate's own campaign  
11 under AS 15.13.078(b);

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

15 (A) to all contributors;

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

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

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

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

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

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

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

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

1 (8) transfer all or a portion of the unused campaign contributions to a  
 2 public office expense term account [OR TO A PUBLIC OFFICE EXPENSE TERM  
 3 ACCOUNT RESERVE IN ACCORDANCE WITH (d) OF THIS SECTION]; a  
 4 transfer under this paragraph is subject to the following:

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

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

10 (C) all amounts expended from the public office expense term  
 11 account shall be annually accounted for under AS 15.13.110(a)(4); [AND]

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

15 **(E) unused campaign contributions transferred under this**  
 16 **paragraph must be disposed of as provided in (2), (3), or (5) of this**  
 17 **subsection at the end of the term of office immediately following the**  
 18 **campaign for which the contributions were received; and**

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

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

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

27 (C) all amounts expended from the municipal office account  
 28 shall be annually accounted for under AS 15.13.110(a)(4); [AND]

29 (D) a transfer under this paragraph is limited to \$5,000; **and**

30 **(E) unused campaign contributions transferred under this**  
 31 **paragraph must be disposed of as provided in (2), (3), or (5) of this**

1           subsection at the end of the term of office immediately following the  
2           campaign for which the contributions were received.

3       \* **Sec. 2.** AS 15.13.116(d) is repealed.

4       \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
5 read:

6           TRANSITIONAL PROVISION. A candidate for the state legislature who was elected  
7 to the state legislature before the effective date of this Act and who holds funds in a public  
8 office expense term account reserve shall transfer those funds to a public office expense term  
9 account before January 1, 2013.

# Alaska State Legislature



## Chairman

State Affairs Committee

## Member

Judiciary Committee  
Energy Committee  
Joint Armed Services Committee  
Military & Veterans Affairs Committee

## Finance Subcommittees

Administration  
Corrections  
Military and Veterans Affairs

*A Communication From*  
**REPRESENTATIVE BOB LYNN**  
**District 31 Anchorage**

**E-Mail:** Representative\_Bob\_Lynn@legis.state.ak.us

## Session:

Alaska State Capitol, #108  
Juneau, AK 99801-1182

Phone: (907) 465-4931

Fax: (907) 465-4316

Toll Free: (800) 870-4391

## Interim:

716 W. 4<sup>th</sup> Ave., #650  
Anchorage, AK 99501-2133

Phone: (907) 269-0205

Fax: (907) 269-0207

## FAX

To: Legal Services

Fax #: 465-2029

From: Nancy Manly 465-2794  
Alaska State Capitol, Room 108  
Juneau, AK 99801-1182

# of Pages (including cover): 2

Phone: 907-465-4931

Fax: 907-465-4316

Re CS for HB 333 - Draft Final 27-LS1289\B

3/15/2012

HB 333 Version B moved from the House State Affairs Committee this morning with one amendment. Please draft a final CS for HB 333 Version B as amended. Thanks.

**Amendment #1** (Seaton)  
27-LS1289\B.2

*Passed*

**AMENDMENT # 1**

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 333( ), Draft Version "B"

*lynne objects removed*

1 Page 1, line 1, following "Act":

2 Insert "relating to the disposition of certain unused campaign contributions; and"

3

4 Page 3, line 27:

5 Delete "and"

6 Insert "[AND]"

7

8 Page 3, line 28, following "\$5,000":

9 Insert "and

10 (E) unused campaign contributions transferred under this  
11 paragraph must be disposed of as provided in (2), (3), or (5) of this  
12 subsection at the end of the term of office immediately following the  
13 campaign for which the contributions were received"

**Ted Madsen**

---

**From:** Dauphinais, Paul R (DOA) <paul.dauphinais@alaska.gov>  
**Sent:** Wednesday, March 14, 2012 4:02 PM  
**To:** Ted Madsen  
**Cc:** Wilson, Kimberley (DOA)  
**Subject:** 2013 LFD question

Mr. Madsen,

Earlier this afternoon you asked about next year's LFD. Specifically, you asked about next year's from automatically repopulating fields filed in this year. I have been assured by our programmer that will be the case. You will only need to press "start a new form" and the fields should automatically repopulate with the existing data. You will need to verify that the numbers are correct and that all the activities are the same. Any new activities will need to be entered manually.

Hopefully this answers your question. Should you have other questions please feel free to contact me.

Paul Dauphinais

"Practical men, who believe themselves to be quite exempt from any intellectual influences, are normally the slaves to some defunct economist." John Maynard Keynes

Paul Dauphinais  
Executive Director  
Alaska Public Offices Commission  
2221 E. Northern Lights, 128  
Anchorage, AK 99508  
907-276-4176 Voice  
907-276-7018 FAX

[www.doa.alaska.gov/apoc/](http://www.doa.alaska.gov/apoc/)

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 333( ), Draft Version "B"

1 Page 1, line 1, following "Act":

2 Insert "relating to the disposition of certain unused campaign contributions; and"

3

4 Page 3, line 27:

5 Delete "and"

6 Insert "[AND]"

7

8 Page 3, line 28, following "\$5,000":

9 Insert "and

10 (E) unused campaign contributions transferred under this  
11 paragraph must be disposed of as provided in (2), (3), or (5) of this  
12 subsection at the end of the term of office immediately following the  
13 campaign for which the contributions were received"

27-LS1289\B  
Bullard  
2/24/12

**CS FOR HOUSE BILL NO. 333( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES HAWKER, Gruenberg**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to public office expense term accounts and public office expense term**  
2 **account reserves."**

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

4 **\* Section 1. AS 15.13.116(a) is amended to read:**

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

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

- 1 (2) make donations, without condition, to  
2 (A) a political party;  
3 (B) the state's general fund;  
4 (C) a municipality of the state; or  
5 (D) the federal government;
- 6 (3) make donations, without condition, to organizations qualified as  
7 charitable organizations under 26 U.S.C. 501(c)(3) if the organization is not controlled  
8 by the candidate or a member of the candidate's immediate family;
- 9 (4) repay loans from the candidate to the candidate's own campaign  
10 under AS 15.13.078(b);
- 11 (5) repay contributions to contributors, but only if repayment of the  
12 contribution is made pro rata in approximate proportion to the contributions made  
13 using one of the following, as the candidate determines:
- 14 (A) to all contributors;  
15 (B) to contributors who have contributed most recently; or  
16 (C) to contributors who have made larger contributions;
- 17 (6) establish a fund for, and from that fund to pay, attorney fees or  
18 costs incurred in the prosecution or defense of an administrative or civil judicial action  
19 that directly concerns a challenge to the victory or defeat of the candidate in the  
20 election;
- 21 (7) transfer all or a portion of the unused campaign contributions to an  
22 account for a future election campaign; a transfer under this paragraph is limited to
- 23 (A) \$50,000, if the transfer is made by a candidate for governor  
24 or lieutenant governor;  
25 (B) \$10,000, if the transfer is made by a candidate for the state  
26 senate;  
27 (C) \$5,000, if the transfer is made by a candidate for the state  
28 house of representatives; and  
29 (D) \$5,000, if the transfer is made by a candidate for an office  
30 not described in (A) - (C) of this paragraph;
- 31 (8) transfer all or a portion of the unused campaign contributions to a

1 public office expense term account [OR TO A PUBLIC OFFICE EXPENSE TERM  
 2 ACCOUNT RESERVE IN ACCORDANCE WITH (d) OF THIS SECTION]; a  
 3 transfer under this paragraph is subject to the following:

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

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

9 (C) all amounts expended from the public office expense term  
 10 account shall be annually accounted for under AS 15.13.110(a)(4); [AND]

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

14 **(E) unused campaign contributions transferred under this**  
 15 **paragraph must be disposed of as provided in (2), (3), or (5) of this**  
 16 **subsection at the end of the term of office immediately following the**  
 17 **campaign for which the contributions were received; and**

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

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

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

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

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

29 \* Sec. 2. AS 15.13.116(d) is repealed.

30 \* Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to  
 31 read:

1           TRANSITIONAL PROVISION. A candidate for the state legislature who was elected  
2 to the state legislature before the effective date of this Act and who holds funds in a public  
3 office expense term account reserve shall transfer those funds to a public office expense term  
4 account before January 1, 2013.

# Representative Mike Hawker

## Alaska State Legislature



### House Bill 333

#### Sponsor Statement

**"An Act relating to public office expense term accounts and public office expense term account reserves."**

House Bill 333 eliminates the reserve account for a legislator's Public Office Expense Term (POET) account, streamlining recordkeeping and removing barriers to when POET funds may be spent. Statutory limitations on POET funds, themselves, are unchanged, including how much can be transferred from a campaign account, how the funds can be spent and how any unused funds are disposed at the end of a legislator's term of office. There would also be no change to the accounting or reporting requirements.

The process in current statute is cumbersome, requiring the legislator to transfer anything more than \$5,000 as a lump sum from the campaign account to a POET *reserve* account, then annually transfer a limited amount to the POET account. Since expenditures from the POET account are restricted to office expenses and publicly reported each year, repealing the POET *reserve* removes an unnecessary hurdle and duplicate accounting without compromising accountability to the public for the legitimate use of those funds.

*Session:*

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

*Interim:*

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

*House District 32:*

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

**House Bill 333**  
**Public Office Expense Term Accounts**  
**Sectional Analysis**

- Section 1:** Removes a reference to the Public Office Expense Term (POET) account reserve, which is repealed in section 2 of this bill. Also, outlines the accepted uses of any funds remaining in the POET account at the end of a legislator's term of office, which are currently outlined in language repealed by section 2 of this bill.
- Section 2:** Repeals AS 15.13.116(d), which codifies the POET account reserve.
- Section 3:** Transitional provision for legislators who have funds in a POET account reserve, which is repealed by section 2 if this bill.

## House Bill 333

### Background: Referenced Statutes

#### Sec. 15.13.116. Disbursement of campaign assets after election.

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

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

(2) make donations, without condition, to

- (A) a political party;
- (B) the state's general fund;
- (C) a municipality of the state; or
- (D) the federal government;

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

(4) repay loans from the candidate to the candidate's own campaign under AS 15.13.078(b);

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

- (A) to all contributors;
- (B) to contributors who have contributed most recently; or
- (C) to contributors who have made larger contributions;

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

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

- (A) \$50,000, if the transfer is made by a candidate for governor or lieutenant governor;
- (B) \$10,000, if the transfer is made by a candidate for the state senate;
- (C) \$5,000, if the transfer is made by a candidate for the state house of representatives; and
- (D) \$5,000, if the transfer is made by a candidate for an office not described in (A) - (C) of this paragraph;

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

- (A) the authority to transfer is limited to candidates who are elected to the state legislature;
- (B) the public office expense term account established under this paragraph may be used only for expenses associated with the candidate's serving as a member of the legislature;
- (C) all amounts expended from the public office expense term account shall be annually accounted for under AS 15.13.110(a)(4); and

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

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

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

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

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

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

(b) After a general, special, municipal, or municipal runoff election, a candidate may retain the ownership of one computer and one printer and of personal property, except money, that was acquired by and for use in the campaign. The current fair market value of the property retained, exclusive of the computer and printer, may not exceed \$5,000. All other property shall be disposed of, or sold and the sale proceeds disposed of, in accordance with (a) or (c) of this section. Notwithstanding any other provision of this chapter,

(1) a candidate may (A) retain a bulk mailing permit that was paid for with campaign funds, and (B) use personal funds, campaign funds, or unused campaign contributions transferred to a public office expense term account under (a)(8) of this section to pay the continuing charges for the permit after the election; money used to continue the life of the permit is not considered to be a contribution under this chapter; in addition to any other use permitted under this chapter, during the candidate's term of office, the candidate may use the bulk mailing permit for mailings associated with service in the office to which the candidate was elected; during the candidate's term of office, if the candidate files a declaration of candidacy or the document necessary to permit the candidate to incur election-related expenses under AS 15.13.100 for the same or a different elective office, the candidate may also use the bulk mailing permit in that election campaign;

(2) a candidate may retain campaign photographs and use the photographs for any purpose associated with service in the office to which the candidate was elected;

(3) a candidate may retain seasonal greeting cards purchased with campaign funds; and

(4) campaign signs prepared for an election that has already taken place have no monetary value and may be retained or disposed of at the candidate's discretion.

(c) Property remaining after disbursements are made under (a) - (b) of this section is forfeited to the state. Within 30 days, the candidate shall deliver the property to the Department of Revenue. The Department of Revenue shall deposit any money received into the general fund and dispose of any other property in accordance with law.

(d)\*\* After a general or special election, a candidate for the state legislature who has been elected to the state legislature in that election may, from the amount retained in the public office expense term account reserve under this subsection, transfer to a public office expense term account not more than \$5,000 each calendar year for use only for expenses associated with the candidate's serving as a member of the legislature, except that a senator serving a two-year term may transfer not more than \$10,000 each calendar year. A candidate for the senate may transfer up to \$20,000 from unused campaign contributions to a public office expense term account reserve. A candidate for the house of representatives may transfer up to \$10,000 from unused campaign contributions to a public office expense term account reserve. The public office expense term account reserve may only be used to make transfers to the public office expense term account. At the end of the candidate's term of office, a balance in the public office expense term account reserve must be disposed of as provided in (a) of this section but may not be disposed of as provided in (a)(1), (4), or (6) - (9) of this section. All amounts expended under this subsection shall be annually accounted for under AS 15.13.110 (a)(4).

**\*\*House Bill 333 repeals AS 15.13.116(d)**

# MEMORANDUM

State of Alaska  
DEPARTMENT OF ADMINISTRATION  
ALASKA PUBLIC OFFICES COMMISSION

**TO:** Representative Max Gruenberg  
**FROM:** Martha Tansik, Associate Attorney II  
**CC:** Representative Mike Hawker  
Paul Dauphinais, Executive Director  
Jerry Anderson, Associate Director  
Heather Hebdon, Paralegal II  
**DATE:** February 24, 2012  
**SUBJECT:** Public Office Expense Term Accounts and HB 333

The following memorandum responds to questions regarding the Public Office Expense Term accounts and HB 333. It was drafted at the request of Representative Gruenberg.

### **Purpose of POET Accounts**

The POET account is intended to provide an opportunity to legislators to use excess campaign funds to cover costs reasonably associated with their service as a legislator. It appears that the POET reserve was created to avoid tax liability.

### **Legislative History of the POET Account**

Since the 1996 Campaign Finance Reform, creating the account, the POET account portion of the disbursement statute (AS 15.13.116) has been amended twice: 1998, and 2002.

In 1996, (19 ch 48 SLA 1996) an option was added to campaign disbursement options to allow successful candidates to transfer a portion of leftover campaign assets into a single account to help provide for their legislative duties.

In 1998, SB 275 (8-10 ch 14 SLA 1988) SB 273 changed the name of the account presently known as the "POET" account from its original name "Legislative Office Account." This change was intended to clarify the confusion between this account created as part of Campaign Finance Reform and the account controlled by Legislative Affairs. February 12, 1998, an amendment was presented to the House State Affairs Committee (having been entered by Senator Donley) and the account was split into the POET Account and the POET Reserve Account. This was later clarified as being "to prevent negative tax consequences...can create a public office expense term reserve and then transfer [the funds] in there..."<sup>1</sup> and "to allow funding to be transferred at \$5 thousand dollars a year to minimize the tax debt."<sup>2</sup>

---

<sup>1</sup> Minutes, AK House State Affairs Committee Hearing on SB275, 20<sup>th</sup> Legislature Reg. Session (Apr. 04, 1998) (Number 0229.)

<sup>2</sup> Minutes, AK House Finance Committee Hearing on SB275, 20<sup>th</sup> Legislature Reg. Session (Apr. 24, 1998)

At the same time, language within the bill was changing to ensure that money could not be funneled back into one's campaign if it was not spent on costs reasonably related to one's service in office.<sup>3</sup> "...the bill closes that loophole, and any money that was sitting in my public office expense term reserve at the end of my term can only be used for charitable donations or to repay contributors."<sup>4</sup>

In 2001, the Legislature again considered the POET account and its reserve. There was considerable discussion about the purpose and nature of the two accounts. At that time, APOC Staff reaffirmed that the creation of the two accounts was not at the suggestion of the Commission and that it was Staff's understanding that it was created for tax liability purposes. APOC Staff reaffirmed that there appeared to be no reason to have the double accounts.<sup>5</sup> At the next reading the accounts had been unified and remained so until the bill reached the House Rules Committee on April 19, 2001. However, upon leaving the House Rules Committee and going to Conference Committee on May 6, 2001, the language had reverted to the split accounts. POET funds have remained bifurcated ever since.

#### **APOC Staff position on HB 333**

APOC staff takes no position on this proposed legislation. However, there has long been concern regarding the ability to roll POET account funds back into one's campaign. For this reason, the excess funds in POET reserve (and POET account per APOC Advisory Opinion 12-01-CD) are only permitted to be distributed to a subset of the options of campaign funds (AS 15.13.116 (2), (3), and (5)) and can only be dispersed at the end of a legislator's term. The legislative term ends after the General election and this disbursement caveat prevents unintentional rolling of funds from the POET account into the election.

HB 333, as currently written, appears to allow distribution of POET funds at any point until the end of the Legislator's term. This may allow money to be donated from a POET account to a political party, interest group, or former contributor, only to have it returned immediately as a campaign contribution or in some way be perceived as a benefit to the candidate. However, preventing the disbursement of the POET funds until the end of a Legislator's term, after the election, maintains the policy of preventing POET funds from potentially becoming campaign contributions

APOC Staff respectfully recommends that the word "by" be reverted to "at" in order to close the potential loophole.

---

<sup>3</sup> Minutes, AK House State Affairs Committee Hearing on SB275, 20<sup>th</sup> Legislature Reg. Session (Feb. 12, 1998) (Number 0622.)

<sup>4</sup> Minutes, AK House State Affairs Committee Hearing on SB275, 20<sup>th</sup> Legislature Reg. Session (Apr. 04, 1998) (Number 0229.)

<sup>5</sup> Minutes, AK Senate State Affairs Committee Hearing on SB275, 22<sup>th</sup> Legislature Reg. Session (Feb. 22, 2001) (Number 0359.)

# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

Bill Version HB333  
Fiscal Note Number \_\_\_\_\_  
( ) Publish Date \_\_\_\_\_

Identifier (file name) HB333-DOA-APOC-3-10-12 Dept. Affected Administration  
Title Public Office Expense Term Accounts Appropriation Alaska Public Offices Commission  
Allocation Alaska Public Offices Commission  
Sponsor Representative Hawker and Gruenberg  
Requester House State Affairs OMB Component Number 70

**Expenditures/Revenues** (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS**

Full-time							
Part-time							
Temporary							

**CHANGE IN REVENUES**

--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

Prepared by Paul Dauphinais  
Division Alaska Public Offices Commission  
Approved by John Cramer, Deputy Commissioner  
Department of Administration

Phone 907-276-4176  
Date/Time 3/10/12 1:23 PM  
Date 3/10/2012

**FISCAL NOTE**

**STATE OF ALASKA  
2012 LEGISLATIVE SESSION**

**BILL NO. HB333**

**Analysis**

**Analysis**

HB 333 describes how to deal with POET account funds at the end of a state legislator's term.

**Assumptions**

As written it applies only to state legislators and not to municipal office holders who also have POET accounts.

**Program Summary**

This bill has no fiscal impact on APOC.

## Nancy Manly

---

**From:** Juli Lucky  
**Sent:** Thursday, March 01, 2012 12:02 PM  
**To:** Nancy Manly  
**Subject:** House Bill 333 Hearing Request  
**Attachments:** HB 333 Hearing Request H STA.pdf; HB0333A.pdf; HB 333 Sponsor Statement.pdf; HB 333 Sectional Analysis.pdf; HB 333 Background Materials.pdf; HB 333 CS v. B.pdf

Nancy,

Please find attached the following documents relating to House Bill 333:

- Hearing Request
- Bill Text
- Sponsor Statement
- Sectional Analysis
- Background Materials

I have also included a blank CS incorporating the change recommended by APOC in their memo (see background materials for details). To be perfectly honest, this was a drafting error that I didn't understand the significance of – I sent over a request for language identical to what is in statute (which uses “at”), legal rewrote the section to be more clear and changed it to “by” for some reason. I requested a CS to fix it and have had APOC review the draft to ensure that it is correct. If you'd prefer an amendment to a CS, please let me know and I can get that drafted. If you'd like a clean copy of the CS or a hard copy of any of the attached materials, please let me know and I'll have them delivered to you.

Thanks!

--  
Juli Lucky  
Office of Rep. Mike Hawker  
716 W. 4th Ave., Ste. 610  
Anchorage, Alaska 99501  
(907) 269-0244; fax: 269-0248  
Juneau extension: (907) 465-3733

# Representative Mike Hawker

## Alaska State Legislature



*Session:*

State Capitol  
Juneau, AK 99801  
907 465-4949 office  
907 465-4979 fax

*Interim:*

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

*House District 32:*

Eagle River  
Anchorage  
Glen Alps  
Rainbow  
Indian  
Bird  
Girdwood  
Portage  
Whittier  
Sunrise  
Hope

**TO:** Representative Bob Lynn, Chairman  
House State Affairs Committee

**FROM:** Representative Mike Hawker

A handwritten signature in black ink, appearing to read "M. Hawker".

**DATE:** February 29, 2012

**RE:** House Bill 333

---

I request that House Bill 333, which would eliminate the *reserve* for the Public Office Expense Term (POET) account, be scheduled for a hearing at your earliest convenience.

I have attached a Sponsor Statement, copy of the bill, sectional analysis, and background information.

The Alaska Public Offices Commission has requested an amendment to ensure that the disbursement timeline for any unused POET funds conforms to current statute and regulation. I do not oppose the change.

Please feel free to contact me if you need any additional information. You can also call my legislative aide Juli Lucky at 465-3733.