

**HB**

**347**

<TARGET><BILL>HB 347</BILL><SUBJECT>HB  
347</SUBJECT><COMM>HSTA27</COMM></TARGET>

# HOUSE COMMITTEE REPORT

(7)  
 Date Referred to Committee: February 22, 2012 FURTHER REFERRALS: Judiciary

Date of Committee Action: 3-22-2012

The STATE AFFAIRS Committee considered: HB 347

**HOUSE BILL NO. 347**

"An Act prohibiting the use of municipal funds to support or oppose an initiative proposal to circulate a petition for a ballot initiative, or to influence the outcome of an election concerning a ballot initiative, without approval by municipal voters at an election."

**HB 347-USE OF MUNICIPAL FUNDS FOR INITIATIVES**

Recommends it be replaced with  HCS or  CS for \_\_\_\_\_ (\_\_\_\_\_)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 DHS  
 LWF  
 LAW  
 LEG  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<b>NEW FISCAL NOTES</b>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	Commerce			X

<b>PREVIOUS FISCAL NOTES</b>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Kyle B. Johanson</i>	JOHANSEN	X			
<i>Richard Wilson</i>	WILSON			X	
<i>Walter Keller</i>	Keller	X			
<i>Pete Petersen</i>	PETERSEN		X		
<i>Paul Seaton</i>	Seaton		X		
Chair: <i>Bob Lynn</i>	LYNN	X			
Chair:					

# SAMPLE BALLOT FRONT

**INSTRUCTIONS TO VOTER:** To vote for the issue/candidate of your choice, fill in the oval next to the issue/candidate you want to vote for. Place your ballot inside the secrecy sleeve and then take your ballot to the ballot box.

If you make a mistake while voting, return the ballot to the election official for a new one. A vote which has been erased or changed will not be counted.



## State of Alaska Official Ballot Primary Election, August 24, 2010

Measures Only

**Instructions:** To vote, completely fill in the oval next to your choice, like this:

**Ballot Measure No. 1**  
**Initiative Prohibiting the Use of Public Funds to**  
**Lobby or Campaign; and Prohibiting Holders of**  
**Government Contracts and Family Members**  
**from Making Political Contributions**  
**07ANCO**

*Failed 61%*

Ballot Measure No. 1 - 07ANCO

This bill would ban the use of public funds for political campaigns and lobbying by state and local government agencies, and school districts. Public funds could not be used to support or oppose ballot measures, lobby to pass a law, or ask for public funding. Any entity that lobbies or campaigns would be barred from receiving public funds. It would ban political contributions by government contract holders and members of their families. It would ban legislators and their staff from being employed by government contract holders for two years after leaving state service. The bill has criminal and civil penalties.

Should this initiative become law?

YES

NO

Continue Voting on Next Side



## LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature  
Division of Legal and Research Services  
State Capitol, Juneau, AK 99801

(907) 465-3991 phone  
(907) 465-3908 fax  
research@legis.state.ak.us

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### Memorandum

TO: Representative Kurt Olson  
FROM: Tim Spengler, Legislative Analyst  
DATE: March 9, 2012  
RE: State Prohibitions on Spending Municipal Funds on Initiatives without Voter Approval  
*LRS Report 12.215*

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***You asked if any states prohibit the use of municipal funds to support or oppose an initiative proposal without voter approval.***

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Briefly, we identified no states with specific statutory provisions prohibiting the use of municipal funds to support or oppose an initiative (or other political or electoral matter) *without* voter approval.<sup>1</sup> Most of the states we reviewed, however, prohibit municipalities from expending funds for such purposes *regardless* of whether municipal voters approve of such actions or not.

Fourteen of the 20 states we reviewed prohibit the use of public funds to support or oppose an initiative.<sup>2</sup> Those states are Arizona; California; Georgia; Florida; Idaho; Massachusetts; Montana; Nevada; New Mexico; North Dakota; Oregon; Utah; Washington; and Wyoming.<sup>3</sup> It is interesting to note that none of the 11 Western States that we contacted (where initiatives are more commonly used) allow for the use of municipal funds to support or oppose an initiative. On the other hand, six of the nine states (excluding Florida, Georgia, and Massachusetts) that we contacted in the Northeast and South do not have such prohibitions.<sup>4</sup>

Below we provide an example of statutory language from the California Government Code 54964:

a) An officer, employee, or consultant of a local agency may not expend or authorize the expenditure of any of the funds of the local agency to support or oppose the approval or rejection of a ballot measure, or the election or defeat of a candidate, by the voters. . . "Ballot measure" means an initiative, referendum, or recall measure certified to appear on a regular or special election ballot of the local agency, or other measure submitted to the voters by the governing body at a regular or special election of the local agency.

As previously noted, such state laws do not allow for the use of municipal funds for *any* political advocacy, not just advocacy pertaining to initiatives. Also, it appears that most or all of these states *do* allow municipalities to expend funds to provide *informational or educational* background materials regarding an initiative.

A few years ago, a wide-ranging effort was made in Alaska to prohibit public spending on political advocacy. The "Alaska Anti-Corruption Act," Ballot Measure 1, was on the primary election ballot in August of 2010. The initiative would have banned the

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<sup>1</sup> For this report, we reviewed numerous state statutes and election websites, communicated with personnel from the National Conference of State Legislatures, the Initiative and Referendum Institute, the Council of State Governments, Ballot Access News, National League of Cities, and spoke with officials from many state municipal leagues.

<sup>2</sup> It is likely that a number of other states also have provisions prohibiting the use of municipal funds to advocate for or against a ballot initiative.

<sup>3</sup> In Idaho, Massachusetts and New Mexico, the prohibition is not codified in law but rather, pursuant to court rulings. (We were unable to identify the court case particulars in New Mexico.) Relevant statutory citations (or case law) are as follows: Arizona (ARS 9-500.14), California (CAL. Gov. Code 54964), Georgia (OCGA 21-5-30.2 and 21-5-3), Florida (FS 106.113), Idaho (pursuant to *Ameritel vs. Greater Boise Auditorium District*, 141 Idaho 849), Massachusetts (pursuant to *Anderson vs. City of Boston*, 367 Mass. 178), Montana (MCSA 2-2-121), Nevada (NRS 281A.520), New Mexico (pursuant to court decision), North Dakota (NDCC 16.1-10), Oregon (ORS 260.432), Utah (UCA 20A-11-1203), Washington (RCW 42.17A.555), and Wyoming (WSA 9-13-105(b) and 22-26-116).

<sup>4</sup> The states we identified that do not have laws prohibiting the spending of municipal funds for such purposes are Alabama, Connecticut, Maine, New Hampshire, Rhode Island, and Virginia. Again, there were numerous states that we did not contact and likely a number of those also do not prohibit municipalities from expending funds on initiatives.

use of public funds for political campaigns and lobbying by state and local government agencies and school districts to support or oppose ballot measures, lobby to pass a law, or request public funding. The measure failed as nearly 61 percent of voters cast their ballots against it.

While Ballot Measure 1 had the support of a number of groups such as Alaskans for Open Government and the Committee to Stop Corruption, it was opposed by such entities as the Alaska Chamber of Commerce, the Resource Development Council, the Alaska Municipal League, the Anchorage School Board and Assembly, and the Alaska Democratic Party.

The *Fairbanks Daily News-Miner*, which also opposed the measure, stated the following in their editorial published on August 20, 2010:

Proponents of the measure say average voters should bring such troubles to the attention of legislators. The average voter might do so, but why cut out an authoritative source? We elect mayors, assembly members and school board members to represent us. And our local government officers shouldn't have to wait for a call from Juneau before they do that job. Alaskans should vote "no" on Ballot Measure 1.

We hope this is helpful. If you have questions or need additional information, please let us know.

# ALASKA STATE LEGISLATURE

## REPRESENTATIVE KURT OLSON

- Chair: Labor and Commerce
- Vice Chair: Rules, Administrative Regulation Review  
Economic Development Trade & Tourism
- Member: Energy, Legislative Budget & Audit

Session: January - April  
State Capitol, Room 24  
Juneau, AK 99801-1182  
Phone: 907-465-2693  
Fax: 907-465-3835



Official Business

Interim: May - December  
145 Main Street Loop, Ste 221  
Kenai, AK 99611  
Phone: 907-283-2690  
Fax: 907-283-2763

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### Sectional Analysis House Bill 347

*"An Act prohibiting the use of municipal funds to support or oppose an initiative proposal to circulate a petition for a ballot initiative, or to influence the outcome of an election concerning a ballot initiative, without approval by municipal voters at an election."*

**Section 1.** Amends AS 15.13.145 (d) to include expenditures that have been authorized by municipal voters.

**Section 2.** Adds a new subsection to AS 15.13.145 to include funds that have been approved by municipal voters at an election.

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### House Bill 347 Sponsor Statement

“An Act prohibiting the use of municipal funds to support or oppose an initiative proposal to circulate a petition for a ballot initiative, or to influence the outcome of an election concerning a ballot initiative, without approval by municipal voters at an election.”

Currently municipalities can spend thousands of dollars on consultants and paid signature collectors to influence the outcome of a ballot initiative. Requiring voters to approve the use of funds for special interests keeps the agenda of the municipality aligned with its voters, and prohibits municipalities from spending copious amounts of money to advance their own agendas.

This legislation empowers all citizens of a municipality by giving them the chance to weigh in on important issues. Giving citizens the opportunity to approve or disapprove of spending for a ballot initiative makes them acutely aware of exactly how municipal funds are being spent.

The intent of HB 347 is to keep the ballot initiative process fair, and to ensure that the priorities of the municipality are the same as the priorities of its citizens.

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version HB 347  
 Fiscal Note Number \_\_\_\_\_  
 () Publish Date \_\_\_\_\_

Identifier (file name) HB347-DCCED-DCRA-02-24-12 Dept. Affected Commerce  
 Title USE OF MUNICIPAL FUNDS FOR INITIATIVES Appropriation Community and Regional Affairs  
 Allocation Community and Regional Affairs  
 Sponsor Representative Olson  
 Requester House State Affairs OMB Component Number 2879

**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>

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)**

Initial Version

Prepared by Scott Ruby  
 Division Community and Regional Affairs  
 Approved by JoEllen Hanrahan, Director Administrative Services  
Commerce, Community and Economic Development

Phone (907) 269-4569  
 Date/Time 2/23/2012 2:30pm  
 Date 2/24/2012

**FISCAL NOTE**

**STATE OF ALASKA  
2012 LEGISLATIVE SESSION**

**BILL NO.** HB 347

**Analysis**

This bill authorizes municipalities to expend funds to influence the outcome of a statewide ballot initiative, if the expenditure is approved by voters. It also adds a requirement that if a municipality authorizes funds to be spent to influence the outcome of a ballot initiative election, the expenditures must be reported to the Alaska Public Offices Commission.

There is no anticipated fiscal impact to the Division of Community and Regional Affairs.

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### MEMORANDUM

TO: Representative Bob Lynn, Chair  
House State Affairs Committee

FROM: Representative Kurt Olson

DATE: March 15, 2012

RE: Scheduling of HB 347

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At your earliest convenience, I respectfully request a hearing on House Bill 347 "An Act prohibiting the use of municipal funds to support or oppose an initiative proposal to circulate a petition for a ballot initiative, or to influence the outcome of an election concerning a ballot initiative, without approval by municipal voters at an election".

HB 347 is one of my highest priorities this session. Please do not hesitate to contact my staff, Anna Latham at 465-4530 with any questions or concerns about this legislation. I look forward to hearing from you and discussing this bill in further detail.

Thank you for your consideration.

## Nancy Manly

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**From:** Terry Harvey  
**Sent:** Wednesday, March 21, 2012 4:55 PM  
**To:** Nancy Manly  
**Subject:** RE: offnet for (H)STA

Also, fyi, Rachel Kallander of our office and the Bush Caucus will be presenting.

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**From:** Nancy Manly  
**Sent:** Wednesday, March 21, 2012 4:54 PM  
**To:** Terry Harvey  
**Subject:** RE: offnet for (H)STA

Oh good, thanks Terry.

Nancy Manly, Chief of Staff and  
House State Affairs Committee Aide *for*  
**Representative Bob Lynn**  
**House District 31**  
907-465-2794 Fax: 907-465-4316

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**From:** Terry Harvey  
**Sent:** Wednesday, March 21, 2012 4:54 PM  
**To:** Nancy Manly  
**Subject:** RE: offnet for (H)STA

Thanks, she will be in Fairbanks and I gave her 855 463 5009

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**From:** Nancy Manly  
**Sent:** Wednesday, March 21, 2012 4:43 PM  
**To:** Terry Harvey  
**Subject:** RE: offnet for (H)STA

Sure – have her call 463-5009

Nancy Manly, Chief of Staff and  
House State Affairs Committee Aide *for*  
**Representative Bob Lynn**  
**House District 31**  
907-465-2794 Fax: 907-465-4316

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**From:** Terry Harvey  
**Sent:** Wednesday, March 21, 2012 2:36 PM  
**To:** Ryan Wilson; Nancy Manly  
**Subject:** offnet for (H)STA

Ryan, Lauree Morton needs to use offnet to call in to (H)STA in the morning for HCR 28. She is Executive Director for Council on Domestic Violence.

Terry Harvey, Committee Aide  
House Community & Regional Affairs  
Rep. Cathy Munoz, Chair  
(907)465 5392