

ALASKA LEGISLATURE COMMITTEES 1983-1984

3052 SSA SB 415 - SB 425 8672

$$\$69.36 + \$850 = \$919.36$$

The employee works for four years after becoming reemployed at a monthly salary of \$3,350 in August of 1982 and then reapplies for normal retirement in 1986 with 21 total years of credited service and an average monthly compensation of \$3,350.

$$\text{New Formula Benefit} = \$3,350 \times 2\% \times 21.0 \text{ years} = \$1,407$$

New Formula Benefit - Old Formula Benefit

(including PRPA's) + Adjustment (if appropriate) = Additional  
Benefit

$$\$1,407 - \$919.36 = \$487.64$$

Original Actual Benefit + Additional Benefit = New Total Benefit

$$\$919.36 + \$487.64 = \$1,407$$

Example No. 2: Make the same assumptions as in the first example except that the employee selected a 75% joint and survivor option upon initial appointment to retirement (employee and spouse both 55 years old). The formula benefits are the same as in the first example; however, the actual original benefit was reduced using the reduction factor for the joint and survivor option,

$$\$850 \times .86898 = \$738.63$$

Adding the PRPA's on as before,

$$\$738.63 \times .0816 = \$60.27$$

$$\$60.27 + \$738.63 = \$798.90$$

gives the actual original benefit.

The employee selected a normal retirement for the second segment of employment; the 75% joint and survivor remains in effect for the first segment since retirement options are irrevocable.

Because the formula benefits are the same as in the first example, the additional pension is the same and the new, actual benefit is

Original Actual Benefit + Additional Benefit = New Total Benefit

$$\$798.90 + \$487.64 = \$1,286.54$$

Example No. 3: Assume that an employee is appointed to early retirement on September 1, 1982, at age 53 with 13 years of PERS service and an average monthly compensation of \$3000. The formula benefit for this person is \$780.

$$\$3000 \times 2\% \times 13.0 \text{ years} = \$780$$

The actual benefit would be reduced using the reduction factor for early retirement,

$$\$780 \times .849567 = \$662.66$$

This is the actual original benefit since a PRPA was not granted in 1983. The employee receives benefits for one year and is then reemployed at a

monthly salary of \$3,500 for one year. The employee is retired again at age 55 with an average monthly compensation of \$3,167 (one year @ \$3,500 per month and two years @ \$3,000 per month).

An actuarial adjustment is appropriate since the employee retired early and then was reemployed prior to normal retirement age; unlike under the current law, the employee is compensated for the fact that benefits were not received during the full early retirement period.

$$\text{New Formula Benefit} = \$3,167 \times 2\% \times 14.0 \text{ years} = \$886.76$$

$$\text{New Formula Benefit} - \text{Old Formula Benefit} + \text{Adjustment} = \text{Additional Benefit}$$

$$\$886.76 - \$780 + \$45.06 = \$151.82$$

$$\text{Original Actual Benefit} + \text{Additional Benefit} = \text{New Total Benefit}$$

$$\$662.66 + \$151.82 = \$814.48$$

# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

POUCH CR

JUNEAU, ALASKA 99811

Public Employees' Retirement System  
Teachers' Retirement System  
Judicial Retirement System  
Elected Public Officers Retirement System  
National Guard Retirement System  
Territorial Retirement System  
Retirees' Voluntary Dental-Vision-Audio Plan  
Supplemental Benefits System  
Group Health/Life Insurance Benefits  
Deferred Compensation Plan  
Public Employers Social Security Contributions

ST

Bill Sheffield, Governor

(907) 465-4460

February 27, 1984

Honorable Vic Fischer  
Chairman  
State Affairs Committee  
Pouch V  
Juneau, AK 99811

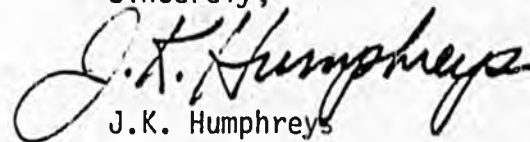
Dear Mr. Chairman:

This letter is to supply you with an estimate of the fiscal impact of including Teachers' Retirement System (TRS) members under the provisions of SB 415. These figures are tentative pending receipt draft substitute bill for review.

As in our current fiscal note to SB 415, we have estimated that approximately 2½% of all retirees in both PERS and TRS would exercise this option and that it would result in an average increase of 20% of their benefit. This is estimated to result in a .07% increase in the PERS employer contribution rate for an FY 85 cost of \$328,900.00 based on an estimated FY 85 PERS salary of \$469,878,512.00. The TRS employer contribution rate would increase by approximately .1% of FY 85 TRS estimated State salaries of \$379,349,180.00, yielding an FY 85 TRS cost of approximately \$443,000.00. The total FY 85 estimated state cost would be \$771,900.00.

If we can be of any further assistance, please contact me.

Sincerely,



J.K. Humphreys  
Director

JKH/sf

cc: Commissioner Lisa Rudd  
Eleanor Andrews  
Rebecca Burch

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

2/7/84

Date

2/28/84

Mr. President

The Committee on STATE AFFAIRS considered SB 415

employee benefits under the Alaska Employees' Retirement System; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 415
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

[Signature]  
Chairman

do pass  
Chairman recommendation

S B

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SENATE STATE AFFAIRS COMMITTEE

Date received \_\_\_\_\_

Bill Number \_\_\_\_\_ Title \_\_\_\_\_

Fiscal Note	Position Paper	Date requested	From	Amount	Date Rec'd	
					Note	Paper
		2/23	DNP			

CONTACTS

Backup list

*Carol Torres*  
 - Monday by 3:00  
 - Tuesday at 3:00 to answer questions.

*memo SB 419*

*3/7/84 - Carol Wilson*

HEARING INFORMATION

*Carol Wilson assured me it would be here Monday 2400  
 include amendment.*

NOTES:

FINAL ACTION \_\_\_\_\_ DATE \_\_\_\_\_

# MEMORANDUM

# State of Alaska

TO: Senate State Affairs  
Committee

DATE: February 27, 1984

FILE NO:

TELEPHONE NO:

*R. D. Arnold*  
FROM: Robert D. Arnold  
Deputy Commissioner  
Department of Natural Resources

SUBJECT: SB 419

You have requested that we provide a position statement on this bill. The Department believes that current law is adequate to protect the historical character of the Governor's Mansion and the proposed legislation is not needed. We would be happy to work with the sponsor of this bill to provide additional information about current state historical building protection.

cc: Senator Jan Faiks  
Senator Pappy Moss  
Senator Don Gilman  
Senator Paul Fischer  
Neil Johannsen, Director  
Division of Parks



Official Business

# Alaska State Legislature

## Senate Committee on State Affairs

Vic Fischer, Chair • Pouch V  
Juneau, Alaska 99811  
(907) 465-4954

### MEMORANDUM

TO: Senate State Affairs Committee  
FROM: Senate State Affairs Committee Staff  
RE: SB 419 Historical preservation of the Governor's Mansion  
DATE: February 28, 1984

SB 419 would require approval from the state historical architect on maintenance, repair, remodeling, or renovation of the Governor's mansion. This bill also states that the department shall adopt regulations and standards ensuring historical integrity of the Governor's mansion, and outlining daily maintenance and limited repairs that may be made to the mansion without approval of the historical architect.

### Fiscal impact

The bill has no fiscal impact

### Back-up information

Fiscal note from Department of Natural Resources

Position paper from Department of Natural Resources

Letter from Senator Faiks

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 2/27/84

REQUEST

Bill/Resolution No.: SB 419  
Title: Historical preservation of  
the Governor's Mansion  
Sponsor: Faiks, Moss, Gilman &  
Requestor: P. Fischer  
Date of Request: 2/27/84

FISCAL DETAIL

Agency Affected: Natural Resources  
Program Category Affected: Parks and Recreation Management  
BRU, Program or Subprogram(s) Affected: Historic Resource Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Carol Wilson Phone: 465-2400  
Division: Commissioner's Office Date: 2/27/84

Approved by Commissioner: *Wmmt & Arney* Date: 2/27/84  
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

*Fiscal Note*

# MEMORANDUM

# State of Alaska

TO: Senate Affairs Committee

DATE: February 28, 1984

FILE NO:

TELEPHONE NO:

FROM: *Carol Wilton*  
*for* Robert D. Arnold  
Deputy Commissioner-  
Department of Natural Resources

SUBJECT: SB 419

You have requested that we provide a position statement on this bill. The Department believes that current law is adequate to protect the historical character of the Governor's Mansion. However, since formal regulations governing the repair or remodeling of the mansion are not in place, it may be that the legislature desires to require the development of such regulations. The following information will clarify the present legal status of the Department in relation to the oversight of remodeling or maintenance of the Governor's Mansion.

- ° AS 41.35 provides that state-owned historic sites are under the control of the Department of Natural Resources. The Division of Parks and Outdoor Recreation handles overview functions for the Department. Within the Department is the State Historic Protection Officer (SHPO), appointed by the Governor in response to the federal historic preservation act. The SHPO serves as the state's advisor to the federal government on National Register of Historic Places properties.
- ° The Department of Natural Resources must concur with proposed construction or improvements on historic places. However if concurrence is not granted an appeal may be made to the Governor. The Governor may take the action he considers best and is under no obligation to accept the views of the Department.
- ° Federal guidelines are used by the Department when reviewing proposed construction, repairs or remodeling of historic sites. Guidelines must be followed by the owner of the property only if federal funding is involved.

# Alaska State Legislature

OFFICIAL BUSINESS  
CHAIRMAN  
RULES COMMITTEE



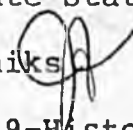
JAN FAIKS  
POUCH V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

## Senate

### MEMORANDUM

DATE: February 13, 1984

TO: Senator Vic Fischer  
Chairman, Senate State Affairs

FROM: Senator Jan Faiks 

RE: Senate Bill 419-Historical Preservation of  
the Governor's Mansion

Senate Bill 419 has been referred to the Senate State Affairs Committee. I would very much appreciate a hearing as soon as your committee schedule permits.

I attended the Governor's open house in January and was very impressed with the work that had been done to renovate the mansion. I told the Governor how beautiful the House looked and he asked me to find a way to preserve the integrity of the Governor's Mansion. I did some research and decided the attached bill was the best approach. I took the liberty of sending this bill to the Governor before it was introduced and he felt it was a good solution.

As you are aware, last year both the House and Senate passed legislation creating the Capital Area Historic Properties Advisory Commission. The bill was vetoed by the Governor because the fiscal note had been zeroed out before the bill reached his desk. My goal was to introduce legislation that would require neither a commission nor a fiscal note. This bill would require any repairs, remodeling, maintenance, or renovations to be approved by the State historical architect. There is in fact such a person in the Department of Natural Resources.

As we are all too well aware, the recent renovations at the Governor's House were quite extensive, expensive, and complete. I would like to see the House maintained in this period style.

If you or your staff have any questions, please feel free to contact me. I look forward to working with your committee members on this bill.

Thank you.

Introduced: 2/8/84  
Referred: State Affairs

BY FAIKS, MOSS, GILMAN AND  
P. FISCHER

1 IN THE SENATE

2 SENATE BILL NO. 419

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to historical preservation of the  
7 governor's mansion."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 41.35 is amended by adding a new section to read:

10 Sec. 41.35.205. HISTORIC PRESERVATION OF GOVERNOR'S MANSION. ?

11 (a) A person may not undertake any <sup>major</sup> maintenance, repair, remodeling,  
12 renovation, or similar activity at the governor's mansion without  
13 prior approval for the action from the state historical architect in  
14 the department, unless the action is covered by the guidelines adopted  
15 under (b) of this section.

16 (b) The department shall adopt by regulation

17 (1) standards to ensure the historical integrity of the  
18 governor's mansion;

19 (2) guidelines to indicate what <sup>proper work is done</sup> maintenance, repair, and  
20 cleaning, including daily maintenance, ordinary limited repairs, and  
21 emergency repairs, a person may do at the mansion on a regular or  
22 emergency basis without the approval required under (a) of this sec-  
23 tion; and

24 (3) procedures to consider applications for approval under  
25 (a) of this section.

26 (c) The state historical architect shall apply the standards and  
27 procedures adopted under (b) of this section when considering an  
28 application for any maintenance, repair, remodeling, renovation, or  
29 similar activity at the governor's mansion for which prior approval is



# Alaska State Legislature

## Senate Committee on State Affairs

Vic Fischer, Chair • Pouch V

Juneau, Alaska 99811

(907) 465-4954

Official Business

### MEMORANDUM

TO: Senate State Affairs Committee  
FROM: Senate State Affairs Committee Staff  
RE: SB 419 Historical preservation of the Governor's Mansion  
DATE: March 13, 1984

The committee substitute amends the original version of SB 419 by changing to "state historic preservation officer" all references previously made to the "state historical architect." These amendments were made at the suggestion of the Department of Natural Resources. They were made because the state historical preservation officer is the person who is responsible for the preservation of historic buildings in the state.

Senator Faiks has reviewed and agreed to the amendments.

The original version of SB 419 would require approval from the state historical architect on maintenance, repair, remodeling, or renovation of the Governor's mansion. This bill also states that the department shall adopt regulations and standards ensuring historical integrity of the Governor's mansion, and outlining daily maintenance and limited repairs that may be made to the mansion without approval of the historical architect.

### Fiscal impact

The bill has no fiscal impact

### Back-up information

added 3/13 committee substitute  
copy of the amendments by the Department of Natural Resources

Fiscal note from Department of Natural Resources  
Position paper from Department of Natural Resources  
Letter from Senator Faiks

# MEMORANDUM

# State of Alaska

TO: Senate State Affairs Committee

DATE: March 7, 1984

FILE NO:

TELEPHONE NO:

*Bob Arnold*  
FROM: Robert D. Arnold  
Deputy Commissioner  
Department of Natural Resources

SUBJECT: SB 419

As you requested, the Department of Natural Resources has reviewed the wording of SB 419 against state historical preservation requirements and suggests the following changes:

Line 6 - Change "historical" to "historic"

Line 13 - Change "State Historical Architect" to "State Historic Preservation Officer"

Line 26 - Change "State Historical Architect" to "State Historic Preservation Officer"

Page 2 - Line 1: Change "Architect" to "State Historic Preservation Officer"

*Reid 3/2/84*

*File SB 419*

SB 419 -

Senator Fuchs testified  
on her bill.

We could. SA

Should we include the Capitol  
Bldg.

~~what~~ That proper maintenance  
is done.

Carol Wilson natural resources  
Commissioner.

Sub section

A) preserve part of A  
B) to give direction  
to B.

SHD; is appointed by the governor.

prepare CS w/ Carol Wilson  
- re-draft check w/ Senator Fuchs

S

B

4

2

1



Official Business

# Alaska State Legislature.

## Senate Committee on State Affairs

Vic Fischer, Chair • Pouch V  
Juneau, Alaska 99811  
(907) 465-4954

### MEMORANDUM

TO: Senate State Affairs Committee  
FROM: Senate State Affairs Committee Staff  
RE: SB 421 public contracts  
DATE: March 6, 1984

SB 421 addresses claims against the state for reasonable costs of the preparation of a professional or purchase contract bid when the bid was unreasonably rejected, bad faith was involved on the part of the agency, or the agency arbitrarily cancelled the solicitation.

There is a proposed committee substitute that changes the word "personal" on page 1, line 11 to the word "professional" in accordance with the fiscal note comments.

The bill repeals AS 44.77.010 and locates the substance of that statute in two separate statutes.

Section 1: states that a claim for reimbursement for professional services contract must be submitted within 30 days of the awarding of the contract or notice of cancellation of the bid solicitation. This section also outlines when a claimant is entitled for reimbursement.

Section 2: parallels section 1, but applies to a purchasing contract bid.

### Fiscal information

This bill has no fiscal impact.

### Back-up information

fiscal note from the Department of Administration  
transmittal letter from the Governor  
statutes

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 421

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public contracts; and providing  
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 36.98 is amended by adding a new section to read:

10 Sec. 36.98.075. CLAIMS FOR BID PREPARATION COSTS. (a) A claim  
11 for reimbursement of reasonable costs incurred in preparing a ~~personal~~ *professional*  
12 services contract bid must be presented, within 30 days after award of  
13 the contract or notice of cancellation of the bid solicitation, to the  
14 appropriate administrative or executive officer of the state agency  
15 that solicited the bid.

16 (b) A claimant under (a) of this section is entitled to reim-  
17 bursement if

18 (1) the claimant's bid should have been selected for award  
19 of the contract under AS 36.98.040 and the agency unreasonably reject-  
20 ed the bid;

21 (2) the rejection of the claimant's bid resulted from an  
22 action taken by the agency in bad faith; or

23 (3) the agency arbitrarily and unreasonably cancelled the  
24 bid solicitation.

25 (c) After a claim is filed under this section, the provisions of  
26 AS 44.77 apply to it.

27 \* Sec. 2. AS 37.05 is amended by adding a new section to read:

28 Sec. 37.05.245. CLAIMS FOR BID PREPARATION COSTS. (a) A claim  
29 for reimbursement of reasonable costs incurred in preparing a purchase

1 contract bid must be presented, within 30 days after award of the  
2 contract or notice of cancellation of the bid solicitation, to the  
3 appropriate administrative or executive officer of the state agency  
4 that solicited the bid.

5 (b) A claimant under (a) of this section is entitled to reim-  
6 bursement if

7 (1) the claimant's bid should have been selected for award  
8 of the contract under AS 37.05.240 and the agency unreasonably re-  
9 jected the bid;

10 (2) the rejection of the claimant's bid resulted from an  
11 action taken by the agency in bad faith; or

12 (3) the agency arbitrarily and unreasonably cancelled the  
13 bid solicitation.

14 (c) After a claim is filed under this section, the provisions of  
15 AS 44.77 apply to it.

16 \* Sec. 3. AS 44.77.010(c) is repealed.

17 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

20-421

February 8, 1984

The Honorable Jalmar Kerttula  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to public contracting. This bill clarifies that recovery of costs of bid preparation is the relief available to an unsuccessful bidder under AS 44.77.010(c).

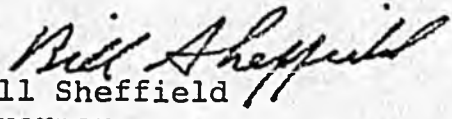
The bill repeals AS 44.77.010(c) and relocates its substance in AS 36.98 and AS 37.05. This relocation places the provision with the statutes pertaining to state professional services contracts and purchase contracts. Location of the provision in those chapters provides bidders with better notice of the availability and scope of the claim.

The bill clarifies that the relief available is recovery of costs of bid preparation. This conforms to the holding of the Alaska Supreme Court in King v. Alaska State Housing Authority, 633 P.2d 256 (Alaska 1981).

The bill sets out three situations under which costs of bid preparation may be recovered. First, if the claimant's bid should have been selected for award of the contract and the agency unreasonably rejected the bid, costs may be recovered. Second, costs may be recovered if the rejection of the bid resulted from an action taken by the state in bad faith. Under this provision, it may not matter whether the claimant's bid should have been selected for the contract award if, for example, the claimant shows that the agency knew when it solicited bids that it intended to award the contract to a specific company. Third, costs may be recovered if the agency arbitrarily and unreasonably cancels a bid solicitation.

The bill requires the agency to act on a claim for costs of bid preparation in accordance with the claim procedure of AS 44.77.

Sincerely,



Bill Sheffield  
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_, 198  
Page 1 of 2

REQUEST

Bill/Resolution No.: SB 421  
Title: An Act relating to public contracts and providing for an effective date.  
Sponsor: \_\_\_\_\_  
Requestor: Department of Administration  
Date of Request: January 17, 1984

FISCAL DETAIL

Agency Affected: All Agencies  
Program Category Affected: All  
BRU, Program of Subprogram(s) Affected: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Kenneth R. Ryals  
Division: Administrative Service

Phone: 465-2277  
Date: January 23, 1984

Approved by Commissioner: Lisa Rudd  
Agency: DEPARTMENT OF ADMINISTRATION

Date: 1/24/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Comments concerning bill on Public Contracts

This bill clarifies AS 44.77.010(c) and places the appeal procedure in the appropriate statutes. It does not grant or restrict the rights of any party beyond those that currently exist.

Section 1, page 1, line 11-12 incorrectly refers to "personal" services contracts. This should be "professional" services contracts.

HEAT LOSS ANALYSIS, INC.  
BOX 111097  
ANCHORAGE, ALASKA 99511  
907 563-0773

~~VF~~  
~~ST~~  
~~NAL~~  
GB

Ginger Baim  
c/o Senator Fischer  
Pouch V  
Juneau, Alaska 99811  
16 February 1984

Dear Ginger:

Thanks for including me on the mailing list for Senator Fischer's new newsletter. It is one of the most concise and informative reports I've seen come out of a legislative session. Congratulations. Please add Don Slone, 3900 Arctic Blvd Suite 301, Anchorage 99503 to your mailing list. Also please note the new address for Heat Loss Analysis, Inc. above.

My main reason for writing is to express concern over the intrusion of non-profit agencies into the bidding process for state contracts when the services or products requested can be provided by the private sector. It is very difficult for a tax paying business to compete against an entity which is not only shielded from the burden of helping support public services, but may also have been in receipt of public funds for either operating or capital needs. This problem has been recognized to a small extent by the Federal government, however I am unaware of any action at the State level that has occurred.

For example, in 1981(?) the Anchorage Community Development Corporation received a sizeable grant from the State for the purchase of a computer system to develop a residential energy audit program. This was not a competitive grant but was awarded directly to ACDC. My firm, Heat Loss Analysis, Inc., had already developed a computerized energy audit. The equipment was capitalized by the owners and over a year of development time was invested. This occurred prior to the beginning of the State's energy audit program. As a result ACDC now has a State provided computer which it uses to infringe upon the livelihoods of small businesses. I realize that this specific example is water under the bridge, but the basic problem does exist.

I would like to make the following recommendations:

1. The Department of Administration should produce basic instructions for RFP's. It should require that prior to the issuance of an RFP a determination should be made as to whether or not the requested service or product can be provided by the private sector.
2. RFP's which request products or services available from the private sector will not result in contract awards to public or private non-profit entities.
3. For this purpose a non-profit agency could be defined as any agency that has this status under State or Federal statutes or any entity that has received a noncompetitive grant from the State.

I do not intend this to be an attack against non-profit corporations and certainly not against the Anchorage Community Development Corporation. I believe that non-profits provide essential and valuable services to the people of Alaska in areas that are not served by commercial or governmental efforts. However, I also believe that roles and limits of non-profits need to be more clearly defined. I would be very interested to hear both yours and Senator Fischer's opinions.

Thanks again for the fine newsletter.

Energetically yours,

  
Geoff Feiler  
President

# MEMORANDUM

# State of Alaska

TO: Art Peterson  
Legislation Attorney

DATE: December 20, 1983

FILE NO: 377-011-84

TELEPHONE NO:

FROM: Virginia B. Ragle *VR*  
Assistant Attorney General  
Governmental Affairs-Juneau

SUBJECT: Repeal of AS 44.-  
77.010(c) (wrongful  
rejection of bid  
proposals) and re-  
location of the  
provision

Attached are four options for a bill, requested by the Department of Administration, to delete subsection (c) of AS 44.77.010 and to relocate the provision in AS 36.98.070 and AS 37.10. AS 44.77.010(c), which was enacted in 1982, includes claim for wrongful rejections of bid proposals or arbitrary and unreasonable cancellations of bid solicitations under the provisions provided by AS 44.77 for claims against the state. The memorandum from Robert L. Stewart indicates that the Department of Administration is requesting this bill because subsection (c) provides a disappointed bidder with an unrealistically long period of time -- six months -- within which to appeal from a state contract award. \*/ I believe that subsection (c) was not intended to expand the appeal time for rejected bids and that the concerns expressed by the agency in the bill request result from the fact that subsection (c) does not specify what relief it provides to disappointed bidders. However, the limited legislative history of subsection (c) and the caselaw concerning relief available when the state wrongfully rejects a bid establish that a bidder who successfully pursues a claim under AS 44.77.010(c) is entitled only to recovery of bid preparation expenses.

AS 44.77.010(c) was enacted as sec. 10 of SCS CSHB 156(Fin) am S in 1982. In the bill review provided by this office to Governor Hammond (attachment A), the history of the bill was discussed and sec. 10 was explained as follows:

... in response to concerns raised by Senator Dankworth at the finance committee hearing on the bill regarding the financial impact on bidders when a bid solicitation is cancelled and not awarded, the bill was further amended on the floor of the Senate to permit bidders to pursue, under

---

\*/ Although AS 44.77.010 only requires that claims be "promptly presented to the agency, implementing regulations define "promptly" as meaning "within six months after the money was expended, the labor, materials, or supplies were furnished, or the services were given to or for the state ...." 2 AAC 25.010(b).

the administrative claims procedures set out in AS 44.77, a claim for wrongful rejection of a bid proposal or for an arbitrary and unreasonable cancellation of a bid solicitation. No attempt was made, however, to define what relief or remedy a disgruntled bidder might be entitled to as a result of such a claim.

Although AS 44.77.010(c) does not specify the relief available, a memorandum from the HB 156 file (attachment B) shows that sec. 10 was drafted in this office on May 17, 1982, in response to a suggestion by Senator Dankworth

that language be inserted in HB 156 which would give disgruntled bidders their costs of bid preparation if the state cancelled its bid solicitation.

The caselaw concerning the relief available to unsuccessful bidders substantiates the interpretation that AS 44.77.-010(c) only provides a procedure for claims for costs of bid preparation. The caselaw establishes that a bid submitted in response to an agency's bid solicitation constitutes an offer to the agency. The bidder derives no contractual rights from the bid solicitation or from submission of a bid other than the right arising from the agency's implied promise to consider each bid honestly and fairly. If a breach of that promise is proved by a showing that there was no reasonable basis for the agency's rejection of a bid, recovery of bid preparation expenses is the appropriate remedy. King v. Alaska State Housing Authority, 633 P.2d 256 (Alaska 1981). Since the unsuccessful bidder does not have a contract, there is no basis for recovery of lost profits. Id. at 261, citing Heyer Products Co., Inc. v. United States, 140 F. Supp. 409, 412 (Ct. Cl. 1956).

For the foregoing reasons, it is clear that AS 44.77.-010(c) does not extend the appeal time for rejected bids but codifies the judicially approved right to recover costs of bid preparation if a bid is unreasonably rejected and extends that right of recovery to bidders who incur costs preparing bids in response to bid solicitations which are arbitrarily and unreasonably cancelled.

The agency has also expressed the concern that, even if AS 44.77.010(c) is not interpreted as extending the appeal time, disappointed bidders may attempt to use the claim procedure to recover profits which would have been earned if the contract had been properly awarded. AS 44.77 is implemented by regulations found at 2 AAC 25. The scope of a claim against the state is set out in 2 AAC 25.010, which provides:

(c) The scope of the claim may properly include

(1) reimbursement for money expended or compensation for labor, materials, or supplies furnished or services given to or for the state;

(2) awards for damages, lost profits, and lost interest; and

(3) any other expenses incurred as a result of the contractual relationships between the claimant and the state.

Both the statute and the implementing regulations contemplate that the claim be based on a right arising out of a contractual relationship with the state. As previously discussed, when a disappointed bidder presents a claim under AS 44.77.010(c), the only contractual right that can be asserted is the right arising out of the agency's implied promise to consider the bid honestly and fairly. Although lost profits can be recovered under the claims procedure in a case in which there is a contractual basis for the expectation of profits, the contractual right of a disappointed bidder does not provide a basis for recovery of lost profits.

In order to clarify the relief provided by AS 44.77.-010(c), I have drafted a bill which specifies that the claim is "for reimbursement of bid preparation expenses." This is 377-011-84 option one.

The Department of Administration has requested that the provision of AS 44.77.010(c) be relocated to AS 36.98.070 and AS 37.05.240 since those sections provide appeal procedures for state awards of purchase and professional services contracts and since those sections, or their implementing regulations (2 AAC 15.100 and 2 AAC 17.050), require filing by an aggrieved bidder within five days after the contract is awarded. I believe that the appeal procedure is not appropriate for a claim for costs of bid preparation and that the five-day filing period is unnecessarily short, given the nature of recovery involved in such a claim.

Under the appeal procedures set out in 2 AAC 15.100 and 2 AAC 17.050, the agency may or may not "accept" the appeal and provide a hearing to an unsuccessful bidder. The issues are "limited to determining whether the evaluation and solicitation requirements imposed by law or regulation have been satisfied" in an appeal of a professional services contract award. In con-

Arthur Peterson  
Legislation Attorney  
377-011-84

December 20, 1983  
Page #4

trast, the procedure for claims against the state set out in AS 44.77 and 2 AAC 25 provide for review by the agency, appeal to the Department of Administration, a hearing and judicial review. This procedure provides due process for the resolution of the bidder's contractual claim against the state. I have drafted a bill which places the provision of AS 44.77.010(c) in the chapters relating to state purchase and professional services contracts and which incorporates the procedures of AS 44.77. This is 377-011-84 option two.

The purpose of an appeal of a contract award is to obtain a "redetermination and final award in accordance with law" (AS 37.05.240), or a determination of "whether the evaluation and solicitation requirements" were met (2 AAC 17.050). Presumably, a successful appellant will be awarded the contract. Clearly, a short appeal time is warranted to prevent disruption of the award and performance of state contracts. A claim for costs of bid preparation does not disrupt the award and performance of state contracts, since the object of the claim is recovery of costs, not reaward of the contract. Therefore, the five-day time limitation for filing of a claim is unnecessarily short. I have drafted 377-011-84 options three and four which are similar to the first two options but which establish a 30-day time limit for filing of the claim. Of course, the 30-day time limit can be replaced by any other time limit the Department of Administration desires before the bill is submitted to the governor.

VBR/pjg

Enc.

July 12, 1982

The Honorable Jay S. Hammond  
Governor  
State of Alaska  
Pouch A  
Juneau, Alaska 99811

Re: SCS CSHB 156 (Fin) am S  
(public contracts)  
Our file: 388-137-82

Dear Governor Hammond:

At your request, we have reviewed SCS CSHB 156 (Fin) am S relating to public contracts. The bill, in broad terms, deals with three different aspects of public contracts: it establishes procedures for legislative-branch contracting for services; it establishes procedures for executive-branch contracting for professional services; and it makes certain modifications in the statutes governing competitive bidding requirements for goods and services purchased by the state.

Although finally passed as a version of HB 156, the development of the bill is even more complex than the designation of this final version would indicate. Originally there were two different bills dealing with most of the matters addressed by the bill which is now before you. HB 156, introduced in the first session of the twelfth legislature, initially dealt only with professional services contracting by the legislative branch. A different bill, HB 546, also introduced in the first session of the twelfth legislature, dealt with professional services contracting by the executive branch. HB 156 passed the House during the first session; HB 546 did not.

Early in the second session, the decision was made by your office, in conjunction with this department, to actively pursue adoption by the legislature of a workable version of HB 546 which would establish statutory requirements

The Honorable  
Jay S. Hammond

July 12, 1982

- 2 -

for the issuance of professional services contracts by agencies of the executive branch. As a result, considerable time and effort were spent by the Department of Law in working on the bill with the House committees to which HB 546 had been referred (State Affairs and Judiciary). During all of this time, no action was taken by the Senate Committee (Finance) to which HB 156 had been referred after its passage by the House the prior year.

After HB 546 had passed out of House Judiciary, and with legislative adjournment becoming a possibility in the then not-too-distant future, the decision was made in your office to seek incorporation of an acceptable version of the provisions of HB 546 into HB 156 which, as already indicated, was already sitting in Senate Finance. Senator Sturgulewski, the Senate Finance member to whom HB 156 had been assigned for review and recommendation to the full committee, agreed with this approach and a new version of HB 156 dealing with both legislative and executive branch contracting was prepared by the Legislative Affairs Agency for presentation to Senate Finance. The revised HB 156 also incorporated changes to the state's competitive bidding statutes, AS 37.05.230 and 37.05.240, which increased the threshold dollar figure at which competitive bidding was required from \$2,500 to \$5,000 and otherwise clarified certain of the procedures and other requirements of those statutes. Senate Finance adopted this revised version of HB 156 with only minor changes.

However, in response to concerns raised by Senator Dankworth at the Finance Committee hearing on the bill regarding the financial impact on bidders when a bid solicitation is cancelled and not awarded, the bill was further amended on the floor of the Senate to permit bidders to pursue, under the administrative claims procedures set out in AS 44.77, a claim for wrongful rejection of a bid proposal or for an arbitrary and unreasonable cancellation of a bid solicitation. No attempt was made, however, to define what relief or remedy a disgruntled bidder might be entitled to as a result of such a claim.

The specific aspects of the bill are described in more detail in the attached section-by-section commentary. The bill takes effect immediately and, by its terms, will then apply to all requests for bids or proposals for professional services contracts issued after it takes effect. It would, therefore, be administratively desirable to provide some period of time before the bill takes effect to inform


The Honorable  
Jay S. Hammond

July 12, 1982  
- 3 -

agencies of the requirements of the bill. We suggest that you delay signing the bill for as long as possible or, alternatively, simply permit it to become law without your signature on July 23, 1982.

Aside from some minor drafting problems identified in the accompanying bill commentary, we see no legal or constitutional problems with the bill.

Sincerely,

  
Wilson L. Condon  
Attorney General

WLC:RWL:dln

cc: William C. Mullin, Director  
Division of Finance  
Department of Administration

George Elgee, Director  
Division of General Service and Supply  
Department of Administration

5/17

Jean:

please call Glen Svendsen this morning (ph. 3818)  
in Sen. Sturgulwiski's office and give him the following message  
from me:

I talked to Senator Dentworth late yesterday afternoon about his suggestion that language be inserted in HB 156 which would give disgruntled bidders their costs of bid preparation if the state cancelled its bid solicitation. He feels now that it's too difficult a question to try to deal with this late in the session and has decided not to propose any new language for that problem. He thinks it should be looked at next year, however.

I did come up with one approach to the problem which you can have if you want it (attached). I did not even discuss it with Sen. Dentworth after he said he wanted to drop it for this year. I'll be in Anchorage the rest of the week, but I'm taking my bill file with me and I can be reached through my administrative assistant.

Thanks for all your good work and help on the bill.

Did  
5/18/82  
8:07 am  
Glen

SCS CSHB (Fin)

① in workdraft 5/15 insert at p. 12, line 21, after "award":

insert:

upon a written finding which specifies the relevant facts

that

delete

"if"

② add new bill section to 5/15 workdraft:

\* Sec. 10. AS 14.77.010 is amended by adding a new subsection to read:

(c) For purposes of this chapter, "claim" includes a claim for a wrongful rejection of a bid proposal or for an arbitrary and unreasonable cancellation of a bid solicitation.

③ -renumber current Sec. 10

SENATE AMENDMENT

By State Affairs Committee

To: \_\_\_\_\_ SENATE BILL No. 421

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1      LINE: 11

Delete "personal"

Page 1      Line 11

Add, "professional"

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

2/8/84

Date

3/6/84

Mr. President

The Committee on STATE AFFAIRS considered SB 421

relating to public contracts; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title \_\_\_\_\_
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation ZERO
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
Chairman

do pass  
Chairman recommendation

*Senator Ole Fisher*

Sofa  
3/6/84

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SENATE BILL NO. 421 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public contracts; and providing  
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 36.98 is amended by adding a new section to read:

10 Sec. 36.98.075. CLAIMS FOR BID PREPARATION COSTS. (a) A claim  
11 for reimbursement of reasonable costs incurred in preparing a  
12 professional services contract bid shall be presented, within 30 days  
13 after award of the contract or notice of cancellation of the bid  
14 solicitation, to the appropriate administrative or executive officer  
15 of the state agency that solicited the bid.

16 (b) A claimant under (a) of this section is entitled to reim-  
17 bursement if

18 (1) the claimant's bid should have been selected for award  
19 of the contract under AS 36.98.040 and the agency unreasonably reject-  
20 ed the bid;

21 (2) the rejection of the claimant's bid resulted from an  
22 action taken by the agency in bad faith; or

23 (3) the agency arbitrarily and unreasonably cancelled the  
24 bid solicitation.

25 (c) After a claim is filed under this section, the provisions of  
26 AS 44.77 apply to it.

27 \* Sec. 2. AS 37.05 is amended by adding a new section to read:

28 Sec. 37.05.245. CLAIMS FOR BID PREPARATION COSTS. (a) A claim  
29 for reimbursement of reasonable costs incurred in preparing a purchase

1 contract bid shall be presented, within 30 days after award of the  
2 contract or notice of cancellation of the bid solicitation, to the  
3 appropriate administrative or executive officer of the state agency  
4 that solicited the bid.

5 (b) A claimant under (a) of this section is entitled to reim-  
6 bursement if

7 (1) the claimant's bid should have been selected for award  
8 of the contract under AS 37.05.240 and the agency unreasonably re-  
9 jected the bid;

10 (2) the rejection of the claimant's bid resulted from an  
11 action taken by the agency in bad faith; or

12 (3) the agency arbitrarily and unreasonably cancelled the  
13 bid solicitation.

14 (c) After a claim is filed under this section, the provisions of  
15 AS 44.77 apply to it.

16 \* Sec. 3. AS 44.77.010(c) is repealed.

17 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 421

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to public contracts; and providing  
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 36.98 is amended by adding a new section to read:

10 Sec. 36.98.075. CLAIMS FOR BID PREPARATION COSTS. (a) A claim  
11 for reimbursement of reasonable costs incurred in preparing a personal  
12 services contract bid must be presented, within 30 days after award of  
13 the contract or notice of cancellation of the bid solicitation, to the  
14 appropriate administrative or executive officer of the state agency  
15 that solicited the bid.

16 (b) A claimant under (a) of this section is entitled to reim-  
17 burse: nt if

18 (1) the claimant's bid should have been selected for award  
19 of the contract under AS 36.98.040 and the agency unreasonably reject-  
20 ed the bid;

21 (2) the rejection of the claimant's bid resulted from an  
22 action taken by the agency in bad faith; or

23 (3) the agency arbitrarily and unreasonably cancelled the  
24 bid solicitation.

25 (c) After a claim is filed under this section, the provisions of  
26 AS 44.77 apply to it.

27 \* Sec. 2. AS 37.05 is amended by adding a new section to read:

28 Sec. 37.05.245. CLAIMS FOR BID PREPARATION COSTS. (a) A claim  
29 for reimbursement of reasonable costs incurred in preparing a purchase

1 contract bid must be presented, within 30 days after award of the  
2 contract or notice of cancellation of the bid solicitation, to the  
3 appropriate administrative or executive officer of the state agency  
4 that solicited the bid.

5 (b) A claimant under (a) of this section is entitled to reim-  
6 bursement if

7 (1) the claimant's bid should have been selected for award  
8 of the contract under AS 37.05.240 and the agency unreasonably re-  
9 jected the bid;

10 (2) the rejection of the claimant's bid resulted from an  
11 action taken by the agency in bad faith; or

12 (3) the agency arbitrarily and unreasonably cancelled the  
13 bid solicitation.

14 (c) After a claim is filed under this section, the provisions of  
15 AS 44.77 apply to it.

16 \* Sec. 3. AS 44.77.010(c) is repealed.

17 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).

### Part 7. Claims and Liability.

#### Chapter

#### 77. Claims Against the State (§ 44.77.010)

#### Chapter 77. Claims Against the State.

##### Section

##### 10. Presentation of claims

**Sec. 44.77.010. Presentation of claims.** (a) Every claim for reimbursement for money expended, or for compensation for labor, materials, or supplies furnished, or services given to or for the state, whether based on a contract or on a ratification, shall be promptly presented to the appropriate administrative or executive officer for approval and payment.

(b) For the purposes of filing claims for medical services provided under AS 47.07 or 47.25.120 — 47.25.300, "promptly", in (a) of this section, means within six months after the date the service was provided or third-party payment was received. No such claim may be paid which is not filed within that period; no inference to the contrary may be drawn from AS 09.10.050, 09.50.250 — 09.50.300, or AS 37.25.010.

(c) For purposes of this chapter, "claim" includes a claim for a wrongful rejection of a bid proposal or for an arbitrary and unreasonable cancellation of a bid solicitation. (§ 15-1-1 ACLA 1949; am § 1 ch 96 SLA 1974; am § 10 ch 144 SLA 1982)

**Effect of amendments.** — The 1982 amendment added subsection (c).

#### Chapter 80. Liability of the State.

##### Article 1. Actions.

##### Sec. 4 80.010. State as a party to actions.

##### NOTES TO DECISIONS

Stated in *McDaniel v. Cory*, Sup. Ct. Op. No. 2383 (File Nos. 4793, 4794), 631 P.2d 82 (1981).

in subsection (d).  
— This section was  
revisor of statutes to  
pronouns in conformity  
(c) and § 4, Chapter 58,

S

B

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# Alaska State Legislature

## Senate Committee on State Affairs

Vic Fischer, Chair • Pouch V  
Juneau, Alaska 99811  
(907) 465-4954

Official Business

### MEMORANDUM

TO: Senate State Affairs Committee  
FROM: Senate State Affairs Committee Staff  
RE: CSSB 425 campaign contributions  
DATE: March 29, 1984

### Committee Substitute

The proposed committee substitute raises the campaign contribution reporting threshold as in the original version of the bill, but deletes from the original bill the sections allowing the increase in the maximum contribution allowed for individual contributors.

### Original version of the bill

This bill proposes to increase the campaign contribution reporting threshold and raise the maximum contribution allowed by a person or group to candidates for elective office. It also would eliminate sections regarding candidate campaign expenditure limitations that have been determined to be unconstitutional.

### Sectional analysis of the original bill

Section 1. Presently, candidates are required to report the name, address, occupation, and date and amount contributed by each contributor who gives more than \$100 in the aggregate each year. This reporting threshold is raised to \$250 in this section.

Section 2. As is Section 1, the reporting ceiling is increased from \$100 to \$250.

Section 3. This section also increases the reporting threshold from \$100 to \$250 for any contribution or cash, goods, or services.

Section 4. The maximum contribution made by a person or group is increased from \$1000 to \$2000 to candidates for elective office.

Section 5. This section repeals AS 15.13.070 (f) and (g). Part f establishes an absolute limit on campaign expenditures for election of the governor, lieutenant governor, and state legislature. The governor may not

spend more than \$.40 times the total population of the state. No more than 50% may be spend in either the primary or general election. State legislative candidates may only spend \$1 times the population they represent. In Buckley vs. Valco (1976), the US Supreme Court ruled that limitations as described in this section are unconstitutional. The State attorney general has since determined that the commission cannot enforce this provision.

Part g provides the authority to the Alaska Public Offices Commission to adjust the campaign expenditure limitations as established in section f. This section becomes moot, as section is no longer relevant.

Section 6. In order to avoid possible confusion for this year's election reporting procedures, the act takes effect January 1, 1985.

The issue considered in this legislation include:

Fiscal information  
zero fiscal note

Back-up information

fiscal note from Dept. of Admin.  
transmittal letter from governor  
Common Cause Summary of Contribution Limits for State Elections



# Alaska State Legislature

## Senate Committee on State Affairs

Vic Fischer, Chair • Pouch V  
Juneau, Alaska 99811  
(907) 465-4954

Official Business

### MEMORANDUM

TO: Senate State Affairs Committee

FROM: Senate State Affairs Committee Staff

RE: SB 425

DATE: March 15, 1984

This bill proposes to increase the campaign contribution reporting threshold and raise the maximum contribution allowed by a person or group to candidates for elective office. It also would eliminate sections regarding candidate campaign expenditure limitations that have been determined to be unconstitutional.

### Sectional Analysis

Section 1. Presently, candidates are required to report the name, address, occupation, and date and amount contributed by each contributor who gives more than \$100 in the aggregate each year. This reporting threshold is raised to \$250 in this section.

Section 2. As is Section 1, the reporting ceiling is increased from \$100 to \$250.

Section 3. This section also increases the reporting threshold from \$100 to \$250 for any contribution or cash, goods, or services.

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Part g provides the authority to the Alaska Public Offices Commission to adjust the campaign expenditure limitations as established in section f. This section becomes moot, as section is no longer relevant.

Section 6. In order to avoid possible confusion for this year's election reporting procedures, the act takes effect January 1, 1985.

Fiscal information  
zero fiscal note

Back-up information

fiscal note from Dept. of Admin.  
transmittal letter from governor  
Common Cause Summary of Contribution Limits for State Elections

010

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**  
 Bill/Resolution No.: \_\_\_\_\_  
 Title: An act relating to election  
campaign contrib. & expenditures...  
 Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**  
 Agency Affected: Administration  
 Program Category Affected: Independent  
Operations  
 BRU, Program or Subprogram(s) Affected:  
Alaska Public Offices Commission

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

**ANALYSIS:** Attach a separate page for analysis

Prepared By: Theda S. Pittman *Theda Pittman* Phone: 276-4176  
 Division: Alaska Public Offices Commission Date: Jan. 17, 1984

Approved by Commissioner: Lisa Rudd *Lisa Rudd* Date: 1/19/84  
 Agency: Dept. of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

*fiscal note / Admin* 12/1/83

BILL SHEFFIELD  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 8, 1984


The Honorable Jalmar Kerttula  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to raise the election campaign contribution reporting threshold from \$100 to \$250 and to raise the contribution limitation from \$1,000 to \$2,000. I believe that the proposed amounts are more realistic in view of today's economy and campaigns, especially considering that the present dollar amounts were established when AS 15.13 was enacted in 1974. In addition, language limiting expenditures is deleted, in light of the United States Supreme Court's holding in Buckley v. Valeo, 424 U.S. 1, 39 -- 59 (1976), that expenditure limitations are unconstitutional.

Since some campaigns for the 1984 primary and general elections may have started before this bill is enacted, January 1, 1985 is set as the effective date to avoid confusion.

Sincerely,

  
Bill Sheffield  
Governor

*Transmitted ltr from Governor 2/8/84*



# Alaska State Legislature

## Senate Committee on State Affairs

Vic Fischer, Chair • Pouch V  
Juneau, Alaska 99811  
(907) 465-4954

Official Business

### MEMORANDUM

TO: Senate State Affairs Committee

FROM: Senate State Affairs Committee Staff

RE: SB 425

DATE: March 15, 1984

This bill proposes to increase the campaign contribution reporting threshold and raise the maximum contribution allowed by a person or group to candidates for elective office. It also would eliminate sections regarding candidate campaign expenditure limitations that have been determined to be unconstitutional.

### Sectional Analysis

Section 1. Presently, candidates are required to report the name, address, occupation, and date and amount contributed by each contributor who gives more than \$100 in the aggregate each year. This reporting threshold is raised to \$250 in this section.

Section 2. As is Section 1, the reporting ceiling is increased from \$100 to \$250.

Section 3. This section also increases the reporting threshold from \$100 to \$250 for any contribution or cash, goods, or services.

Section 4. The maximum contribution made by a person or group is increased from \$1000 to \$2000 to candidates for elective office.

Section 5. This section repeals AS 15.13.070 (f) and (g). Part f establishes an absolute limit on campaign expenditures for election of the governor, lieutenant governor, and state legislature. The governor may not spend more than \$.40 times the total population of the state. No more than 50% may be spend in either the primary or general election. State legislative candidates may only spend \$1 times the population they represent. In Buckley vs. Valco (1976), the US Supreme Court ruled that limitations as described in this section are unconstitutional. The State attorney general has since determined that the commission cannot enforce this provision.

Part g provides the authority to the Alaska Public Offices Commission to adjust the campaign expenditure limitations as established in section f. This section becomes moot, as section is no longer relevant.

Section 6. In order to avoid possible confusion for this year's election reporting procedures, the act takes effect January 1, 1985.

The issue considered in this legislation include:

\*whether or not the present \$100 reporting threshold is either too burdensome and/or irrelevant, and

\*whether or not the relative influence of an individual through campaign contributions should be increased. Most states have established some type of campaign contribution limitation. Most of these state distinguish between statewide and district elections to establish separate contribution ceilings. Present Alaska statute does not make this distinction. Some states have prohibited corporations from making direct contributions to candidates.

Fiscal information

zero fiscal note

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Common Cause Summary of Contribution Limits for State Elections



# Alaska State Legislature

## Senate Committee on State Affairs

Vic Fischer, Chair • Pouch V

Juneau, Alaska 99811

(907) 465-4954

Official Business

### MEMORANDUM

TO: Senate State Affairs Committee  
FROM: Senate State Affairs Committee Staff  
RE: CSSB 425 campaign contributions  
DATE: March 29, 1984

### Committee Substitute

The proposed committee substitute raises the campaign contribution reporting threshold as in the original version of the bill, but deletes from the original bill the sections allowing the increase in the maximum contribution allowed for individual contributors.

### Original version of the bill

This bill proposes to increase the campaign contribution reporting threshold and raise the maximum contribution allowed by a person or group to candidates for elective office. It also would eliminate sections regarding candidate campaign expenditure limitations that have been determined to be unconstitutional.

### Sectional analysis of the original bill

Section 1. Presently, candidates are required to report the name, address, occupation, and date and amount contributed by each contributor who gives more than \$100 in the aggregate each year. This reporting threshold is raised to \$250 in this section.

Section 2. As is Section 1, the reporting ceiling is increased from \$100 to \$250.

Section 3. This section also increases the reporting threshold from \$100 to \$250 for any contribution or cash, goods, or services.

Section 4. The maximum contribution made by a person or group is increased from \$1000 to \$2000 to candidates for elective office.

Section 5. This section repeals AS 15.13.070 (f) and (g). Part f establishes an absolute limit on campaign expenditures for election of the governor, lieutenant governor, and state legislature. The governor may not

spend more than \$.40 times the total population of the state. No more than 50% may be spend in either the primary or general election. State legislative candidates may only spend \$1 times the population they represent. In Buckley vs. Valco (1976), the US Supreme Court ruled that limitations as described in this section are unconstitutional. The State attorney general has since determined that the commission cannot enforce this provision.

Part g provides the authority to the Alaska Public Offices Commission to adjust the campaign expenditure limitations as established in section f. This section becomes moot, as section is no longer relevant.

Section 6. In order to avoid possible confusion for this year's election reporting procedures, the act takes effect January 1, 1985.

The issue considered in this legislation include:

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transmittal letter from governor  
Common Cause Summary of Contribution Limits for State Elections

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3/15/84

# YOUR OPINION IS NEEDED ON

- A NUCLEAR FREE ARCTIC (Senate Joint Resolution 38)
- ETHICS AND STANDARDS OF CONDUCT FOR PERSONS IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT (Senate Bill 501)
- POLITICAL CAMPAIGN CONTRIBUTIONS AND EXPENDITURES (Senate Bill 425)

At A Public Hearing Conducted By  
 The Senate Committee on State Affairs  
 State Senator Vic Fischer, Chairman

**WHERE?** In Anchorage at the Legislative Information Offices' 2nd Floor Conference Room, located at 1024 West 6th Avenue.

**WHEN?** Friday, March 16th, beginning at 1 p.m.

**HOW?** Just show up; the hearing is open to the public.

For more information, please call the Senate State Affairs Committee:

In Anchorage 278-3654 or 278-3668  
 In Juneau - 465-4954

(7) report within 60 days after the election the names of all persons and groups who have failed to comply with any of the provisions of this chapter to the office of the attorney general;

(8) examine, investigate and compare all reports, statements and actions required by this chapter, AS 24.45 and AS 39.50 and to report to the attorney general the names of all persons or groups which the commission has substantial reason to believe have violated this chapter, AS 24.45 or AS 39.50;

(9) prepare and publish an annual report to the legislature concerning the activities of the commission, the effectiveness of this chapter, its enforcement by the attorney general's office, and recommendations and proposals for change;

(10) adopt regulations necessary to implement and clarify the provisions of AS 24.45, AS 39.50 and this chapter, subject to the provisions of the Administrative Procedure Act (AS 44.62). (§ 1 ch 76 SLA 1974; am § 24 ch 25 SLA 1975; am §§ 11, 12 ch 189 SLA 1975; am §§ 3—5 ch 167 SLA 1976)

Legislative history reports. — For CSHR 522), see 1976 House Journal, pp. report on ch. 167, SLA 1976 (FCCS SCS 470, 562.

NOTES TO DECISIONS

- I. General Consideration.
- II. Regulations.

I. GENERAL CONSIDERATION.

Applied in Messerli v. State, Sup. Ct. Op. No. 2236 (File No. 4326), 626 P.2d 81 (1980).

II. REGULATIONS.

The absence of regulations is not fatal to enforcement of the AS 15.13.120(b) sanction because they are not necessary to implement the sanction or to protect a constitutional right. State,

Pub. Offices Comm'n v. Marshall, Sup. Ct. Op. No. 2406 (File No. 5614), 633 P.2d 227 (1981).

No regulations were necessary to implement the mandatory provisions for filing an appointment of campaign treasurer established by AS 15.13.069(c). Silides v. Thomas, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

Sec. 15.13.040. Contributions, expenditures and supply of services to be reported. (a) Each candidate shall make a full report, upon a form prescribed by the commission, listing the date and amount of all expenditures made by the candidate, the total amount of all contributions, including all funds contributed by the candidate himself, and for all contributions in excess of \$100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor and the date and amount contributed by each contributor. The report shall be filed in accordance with AS 15.13.110 and shall be certified correct by the candidate or campaign treasurer.

(b) Each group shall make a full report upon a form prescribed by the commission, listing

(1) the name  
(2) the aggregate contributions address, principal occupation, and amount

(3) the date and amount of expenditures

(c) The report in accordance with the group's treasurer

(d) Every expenditure of the commission,

(1) any contribution of \$100 or more a year

(2) any expenditure for radio or on television of brochures, ballot propositions

(e) The report shall name, address, and amount of the filing the report shall be filed with the treasurer after the contribution has been furnished to the treasurer at

(f) During the term of office of any person, or facilities, or

of each transaction advertising material, public

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shall file a report of candidates or in excess of \$

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Constitution First Nat'l Bank 98 S. Ct. 1407, 5 denied, 438 U.S.

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- (1) the name and address of each officer and director;
  - (2) the aggregate amount of all contributions made to it; and, for all contributions in excess of \$100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor, and the date and amount contributed by each contributor; and
  - (3) the date and amount of all contributions made by it and all expenditures made, incurred or authorized by it.
- (c) The report required under (b) of this section shall be filed in accordance with AS 15.13.110 and shall be certified as correct by the group's treasurer.
- (d) Every individual, person or group making a contribution or expenditure shall make a full report, upon a form prescribed by the commission, of the following contributions or expenditures:
- (1) any contribution of cash, goods or services valued at more than \$100 a year to any group or candidate; or
  - (2) any expenditure whatsoever for advertising in newspapers, on radio or on television; or, for the publication, distribution or circulation of brochures, flyers, or other campaign material for any candidate or ballot proposition or question.
- (e) The report required under (d) of this section shall contain the name, address, principal occupation and employer of the individual filing the report, and an itemized list of expenditures. The report shall be filed with the commission by the contributor no later than 10 days after the contribution or expenditure is made. A copy of the report shall be furnished to the candidate, campaign treasurer or deputy campaign treasurer at the time the contribution is made.
- (f) During each year in which an election occurs, all businesses, persons, or groups which furnish any of the following services, facilities, or supplies to a candidate or group shall maintain a record of each transaction: newspapers, radio, television, advertising, advertising agency services, accounting, billboards, printing, secretarial, public opinion polls, or research and professional campaign consultation or management, media production or preparation, or computer services. The records shall be maintained on the forms provided and in the manner required by the commission. The supplier shall file a report of the complete record of each transaction with all candidates or groups to whom he provides services, facilities or supplies in excess of \$250 in the aggregate in accordance with AS 15.13.110. All records shall be available for public inspection. (§ 1 ch 76 SLA 1974; am § 13 ch 189 SLA 1975)

NOTES TO DECISIONS

Constitutionality. — In the case of *First Nat'l Bank v. Bellotti*, 435 U.S. 765, 98 S. Ct. 1407, 55 L. Ed. 2d 707, rehearing denied, 438 U.S. 907, 98 S. Ct. 3126, 57 L. Ed. 2d 1150 (1978), the supreme court of the United States has indicated in unmistakable terms that state disclosure laws pertaining to ballot issues are

constitutional. *Messerli v. State*, Sup. Ct. Op. No. 2236 (File No. 4326), 626 P.2d 81 (1980).

When there is no showing that an individual must remain anonymous with respect to advertising as to ballot propositions because of the possibility of being subject to reprisals, economic or otherwise, the state campaign disclosure laws are not

unconstitutional as applied to a contributor hoping to influence the outcome of a ballot issue because the objective of an informed electorate is sufficiently compelling to overcome an interest in anonymous political expression. *Messerli v. State*, Sup. Ct. Op. No. 2236 (File No. 4326), 626 P.2d 81 (1980).

**Collateral references.** — Construction and application of statute regarding statement by candidate as to his expenses, or his interest in, or the financial value of publicity through, newspapers or other publicity sources. 103 ALR 1424.

Statement by candidate regarding salary or fees of office as violation of Corrupt Practice Acts or bribery. 106 ALR 493.

**Sec. 15.13.045. Investigations, hearings.** (a) The commission may issue subpoenas, administer oaths, hold hearings and conduct investigations.

(b) In conjunction with (a) of this section, the commission may compel the attendance of witnesses and production of papers, books, records, accounts, documents, and testimony, and may have the deposition of witnesses taken in a manner prescribed by court rule or law for the taking of depositions in civil actions when consistent with the powers and duties assigned to the commission by this chapter.

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

(d) Subpoenas may be issued and shall be served in the manner prescribed by AS 44.62.430 and court rule. The failure, refusal or neglect to obey a subpoena is punishable as contempt in the manner prescribed by law or court rule. The superior court may compel obedience to the commission's subpoena in the same manner as prescribed for obedience to a subpoena issued by the court. (§ 14 ch 189 SLA 1975)

NOTES TO DECISIONS

Cited in *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

**Sec. 15.13.050. Groups.** Each group, before making an expenditure on behalf of, or in opposition to, a candidate or a contribution to a candidate, shall register, on forms provided by the commission, with the commission. If the group intends to support or oppose only one candidate, or to contribute to or expend on behalf of, or in opposition

to, one candidate receiving the group's 189 SLA 19

**Sec. 15.13.060.** group shall receiving, h and for filir may be a ca

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NOTES TO DECISIONS

- I. General Consideration.
- II. Subsection (c).

I. GENERAL CONSIDERATION.

Cited in State, Pub. Offices Comm'n v. Marshall, Sup. Ct. Op. No. 2406 (File No. 5614), 633 P.2d 227 (1981).

II. SUBSECTION (C).

Editor's notes. — *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977), cited in the notes below, was decided under subsection (c) as it existed before the 1977 amendment. Prior to that amendment, subsection (c) read: "Each candidate shall file the name and address of the campaign treasurer with the commission no later than seven days after the date of filing his declaration of candidacy or his nominating petition. The name of the candidate may be placed on the ballot by the lieutenant governor or municipal clerk only if the candidate has complied with this subsection."

This section is not unconstitutional in that it sets up "invalid class legislation." *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

The two groups classified by virtue of this section are those candidates who have complied with the law and those who have not; the failure to adhere to this section is the dividing line. Therefore, under any possible equal protection test this section passes constitutional muster. *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

Statutory requirement that a candidate's designation of treasurer be filed by a specified due date is not constitutionally unreasonable. *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

Subsection (c) should be strictly enforced. — *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

Effect of unequal enforcement of AS

39.50.020 on enforcement of subsection (c). — Unequal enforcement of AS 39.50.020, which requires candidates to file a financial disclosure statement did not require the conclusion that a candidate had in fact substantially complied with the filing requirements of subsection (c) where the record did not show any intentional or purposeful discrimination against the candidate. *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

Subsection (c) requires candidates to "file" campaign treasurer statements within a specified time limit. *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

The definition of "file" is well established in the law. It has been consistently held that a document is filed only when the proper officer has received it, and that it is not considered filed when it is deposited in the mails. *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

Telephone conversation not appropriate filing. — Given the text of subsection (c), the legal meaning of the term "file" and the supreme court's adoption of the doctrine that statutory election deadlines are to be strictly enforced, a telephone conversation between the candidate's treasurer and the Alaska Public Offices Commission seven days after the declaration of candidacy was filed cannot be deemed an appropriate filing within the intentment of subsection (c). *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

No regulations were necessary to implement the mandatory provisions for filing an appointment of campaign treasurer established by subsection (c) of this section. *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).

**Sec. 15.13.070. Contributions and expenditures; amount and form of payment.** (a) No person or group, including but not limited to all political committees, businesses, corporations, and labor unions, may contribute to or expend more than \$1,000 a year on behalf of or in opposition to the competing candidates for each elective office. Political parties and their subdivisions are not subject to the limitation

prescribed in the requirements prescribed in this chapter pro

(1) a candidate money to his or

(2) individual committees, but contributing to more than disclosures shall 15.13.110.

(b) No contribution and in

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prescribed in this subsection, but they are subject to the reporting requirements prescribed by AS 15.13.040(b) and 15.13.110. Nothing in this chapter prohibits

(1) a candidate from contributing more than \$1,000 of his own money to his own campaign; or

(2) individuals or groups, including but not limited to all political committees, businesses, corporations, and labor unions, from contributing to or expending on behalf of a ballot proposition or question more than \$1,000 a year; however, these contributions and expenditures shall be reported in accordance with AS 15.13.040 and 15.13.110.

(b) No contribution over \$100 may be made in cash or by cash payment and it may not be accepted by or on behalf of a candidate.

(c) No expenditures over \$100 may be made in cash or by cash payment unless a written receipt is obtained and filed with the commission.

(d) No contribution may be made, and no expenditure may be made or incurred, directly or indirectly, anonymously, in a fictitious name, or by one person or group in the name of another, to influence the election of a candidate in an election. A contribution made by a person wishing to remain anonymous, and received by a candidate, campaign treasurer or deputy campaign treasurer, may not be used or expended, but shall be returned to the donor, if his identity is known, and if no donor is found, the contribution escheats to the state if not donated by the candidate to the charity of his choice.

(e) Contributions to a candidate or a political committee may be received by, and expenditures of a candidate or political committee may be made by, only the candidate, campaign treasurer, or deputy campaign treasurer.

(f) The total amount of expenditures made by a candidate and by all groups operating under his control may not exceed (1) 40 cents times the total population of the state according to the latest United States census figures, or estimates of population certified as correct for administrative purposes by the Department of Community and Regional Affairs, if the candidacy is for governor or lieutenant governor, of which amount no more than 50 per cent may be spent in a primary election campaign and no more than 50 per cent in the general election campaign; (2) \$1 times the total population of the geographical area of the constituency according to the latest United States census figures, or estimates of population certified as correct for administrative purposes by the Department of Community and Regional Affairs, divided by the number of seats in the senate district if the candidacy is for the state senate; (3) \$1 times the total population of the geographical area of the constituency according to the latest United States census figures, or estimates of population certified as correct for administrative purposes by the Department of Community and Regional

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Affairs, divided by the number of seats in the house district if the candidacy is for the state house of representatives. The expenditure limitations in this section include expenditures for both a primary and a general election campaign, or for a special election.

(g) Each general election year the commission shall adjust the campaign expenditure limitations for each category of (f) of this section to reflect cost-of-living changes as determined and published by the Bureau of Labor Statistics of the United States Department of Labor.

(h) No campaign expenditure of any type whatsoever shall be made by any candidate, treasurer, or group unless the source is disclosed as required by the provisions of this chapter whether or not those funds were received prior to May 10, 1974. (§ 1 ch 76 SLA 1974; am §§ 20, 21 ch 189 SLA 1975)

*Editor's notes.* — In Buckley v. Valeo, 424 U.S. 1, 96 S. Ct. 612, 46 L. Ed. 2d 659 (1976), the supreme court held that the 1st amendment of the federal constitution required the invalidation of certain provisions of the Federal Election Campaign Act of 1971, as amended in 1974. Its independent expenditure ceiling, 18 U.S.C. § 608(e)(1), its limitation on a candidate's expenditures from his own personal funds, 18 U.S.C. § 608(n), and its ceiling on overall campaign expenditures, 18 U.S.C. § 608(c), since these provisions placed substantial and direct restrictions on the ability of candidates, citizens, and associations to engage in protected political expression. This holding has been accepted as law in Alaska and the expenditure limits in this chapter have not been enforced. See notes from the opinion of the attorney general dated May 13, 1976, cited below.

*Opinions of attorney general.* — There seems to be no difference between § 608(c) of the Federal Elections Campaign Act of 1971, former 18 U.S.C. § 608(c), and subsection (f) of this section; accordingly, based on the reasons stated in Buckley v. Valeo, 424 U.S. 1, 96 S. Ct. 612, 46 L. Ed. 2d 659 (1976), for finding unconstitutional § 608(c) of the federal act, subsection (f) of this section is invalid as a violation of the rights and privileges protected by the 1st amendment. May 13, 1976, Op. Att'y Gen.

The Public Offices Commission should not undertake investigations of violations of subsection (f) of this section, and candidates or others may be advised that no implementation or enforcement of subsection (f) of this section is planned by the office of the attorney general. May 13, 1976, Op. Att'y Gen.

NOTES TO DECISIONS

Cited in State, Pub. Offices Comm'n v. Marshall, Sup. Ct. Op. No. 2406 (File No. 5614), 633 P.2d 227 (1981).

*Collateral references.* — Construction and application of provisions of corrupt practices act regarding contributions by corporations. 125 ALR 1029.

Power of corporation to make political

contribution or expenditure under state law. 79 ALR3d 491.

State regulation of the giving or making of political contributions or expenditures by private individuals. 94 ALR3d 944.

**Sec. 15.13.080. Statement by contributor.** A person or group contributing to a candidate over \$250 or contributing goods or services

to a candidate of a candidate form made the contributor person or contributor and has no contributor contribute of the state or deputy (ch 76 SLA

Sec. 15.13.080. Contributions, disbursements, announcements, election of candidates shall be disclosed name and advertising of their campaign 1975; am

Effect of amendment "treasurer" Collateral

Sec. 15.13.080. Campaign expenditure by a person or group upon a person see or polls. The limitation shall be in filing for

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to a candidate with a value of more than \$250 to influence the election of a candidate shall furnish the commission a signed statement, on a form made available by the commission. The statement shall itemize the contributions and goods and state that the contributor is not a person or group prohibited by law from contributing and that the contribution consists of funds or property belonging to the contributor and has not been given or furnished by another person or group. The contributor's statement shall be filed with the commission by the contributor no later than 10 days after the contribution is made. A copy of the statement shall be furnished the candidate, campaign treasurer, or deputy campaign treasurer at the time the contribution is made. (§ 1 ch 76 SLA 1974; am § 29 ch 189 SLA 1975)

**Sec. 15.13.090. Identification of communication.** All advertisements, billboards, handbills, paid-for television and radio announcements and other communications intended to influence the election of a candidate or outcome of a ballot proposition or question shall be clearly identified by the words "paid for by" followed by the name and address of the candidate, group or individual paying for the advertising. In addition, candidates and groups must identify the name of their campaign chairman. (§ 1 ch 76 SLA 1974; am § 22 ch 189 SLA 1975; am § 36 ch 100 SLA 1980)

**Effect of amendments.** — The 1980 amendment substituted "chairman" for "treasurer" at the end of the section.

construction of state statute prohibiting anonymous political advertising. 4 ALR4th 741.

**Collateral references.** — Validity and

**Sec. 15.13.100. Expenditures before filing.** No political campaign expenditure may be made or incurred by a person in an election or by a person or group with his knowledge and on his behalf before the date upon which he or she files for nomination for the office which the person seeks, except for personal travel expenses or for opinion surveys or polls. These expenditures shall be charged against the spending limitation that applies to the office for which he subsequently files, and shall be included in the first report required under this chapter after filing for office. (§ 1 ch 76 SLA 1974; am § 23 ch 189 SLA 1975)

**Editor's notes.** — For discussion relating to the enforcement of the expenditure limits of this chapter, see the editor's

notes and notes from the opinion of the attorney general dated May 13, 1976 following AS 15.13.070.

**Sec. 15.13.110. Filing of reports.** (a) Each candidate and group shall make a full report in accordance with AS 15.13.040 during the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report, or, if a first report, all contributions received and expenditures made before three days before the due date of the report. The report shall be filed at the following times:

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) ten days after the election; and

(4) December 31 of each year for expenditures and contributions received which were not reported that year.

(b) Each contribution or expenditure which exceeds \$250 and which is made within one week of the election shall be reported to the commission by date, amount, and contributor or recipient within 24 hours of receipt or expenditure by the candidate or campaign treasurer.

(c) The reports of candidates shall be filed with the commission's central office. All reports required by this chapter shall be kept open to public inspection. Within 30 days after each election, the commission shall prepare a summary of each report which shall be made available to the public at cost upon request. Each summary shall use uniform categories of reporting.

(d) Within 30 days after each election, each supplier shall make a full report to the commission in accordance with AS 15.13.040. Within 60 days after each election, the commission shall prepare a summary by candidate or group of the transactions and make the summaries public.

(e) A group formed to sponsor an initiative, a referendum or a recall shall report 30 days after its first filing with the lieutenant governor. Thereafter each group shall report within 10 days after the end of each calendar quarter on the contributions received and expenditures made during the preceding calendar quarter until reports are due under (a) of this section. (§ 1 ch 76 SLA 1974; am § 24 ch 189 SLA 1975; am § 2 ch 133 SLA 1977)

Effect of amendments. — The 1977 amendment added subsection (e). affected by the amendment, it is not set out.

As the rest of the section was not

NOTES TO DECISIONS

Stated in State, Pub. Offices Comm'n v. Marshall, Sup. Ct. Op. No. 2406 (File No. 5614), 633 P.2d 227 (1981).

Sec. 15.13.120. Penalty; limitations on actions. (a) A person who violates a provision of this chapter is guilty of a misdemeanor and, upon conviction, is punishable by imprisonment for not more than one year or by a fine of not more than \$5,000. A violation includes but is not limited to any of the following acts or omissions:

(1) failing to make a statement or report required to be made under this chapter, or failing to make a statement or report at the time the statement or report is required to be made under this chapter;

(2) making the limitation

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(4) giving purpose of fictitious name of AS 15.13.

(5) making without identifying

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(b) Repeat

(c) Promptly file the commission's records in accordance with the attorney general's chapter.

(d) A person may file a claim if it occurs, it includes an applicant if judgment of liability for a breach of acts or provisions shall prompt appropriate recommendation with require addition of the commission

(e) Prose commenced violation.

(f) If, after candidate or a person violates this chapter in accordance

(1) article 1 candidate f

# STATE OF ALASKA

## ALASKA PUBLIC OFFICES COMMISSION

BILL SHEFFIELD, GOVERNOR

REPLY TO:

610 C STREET, SUITE 211  
ANCHORAGE, ALASKA 99501-3598  
(907) 276-4176

JUNEAU BRANCH OFFICE  
POUCH CO  
JUNEAU, ALASKA 99811-0222  
(907) 485-4864

March 15, 1984

SB 425

The Commission first proposed a contribution limit of \$2,000 and a disclosure threshold of \$250 for contributor names in 1982. In light of the increasing size of campaigns and the rate of inflation, it continues to support both proposals.

### Contribution Limitation

Contribution limitations exist in 20 states other than Alaska and range from \$250 to \$60,000. In Minnesota, which also has expenditure limitations, a contributor is allowed to give a gubernatorial candidate no more than ten percent of the expenditure limit which is \$600,000. A number of states have different contribution limits for statewide candidates and legislative candidates.

Gubernatorial contribution limits in 20 states:

\$60,000 - 1 state	\$2,500 - 1
\$10,000 - 1	\$2,000 - 1
\$8,000 - 1	\$1,500 - 1
\$5,000 - 2	\$1,700 - 1
\$3,000 - 3	\$1,000 - 7
	\$800 - 1

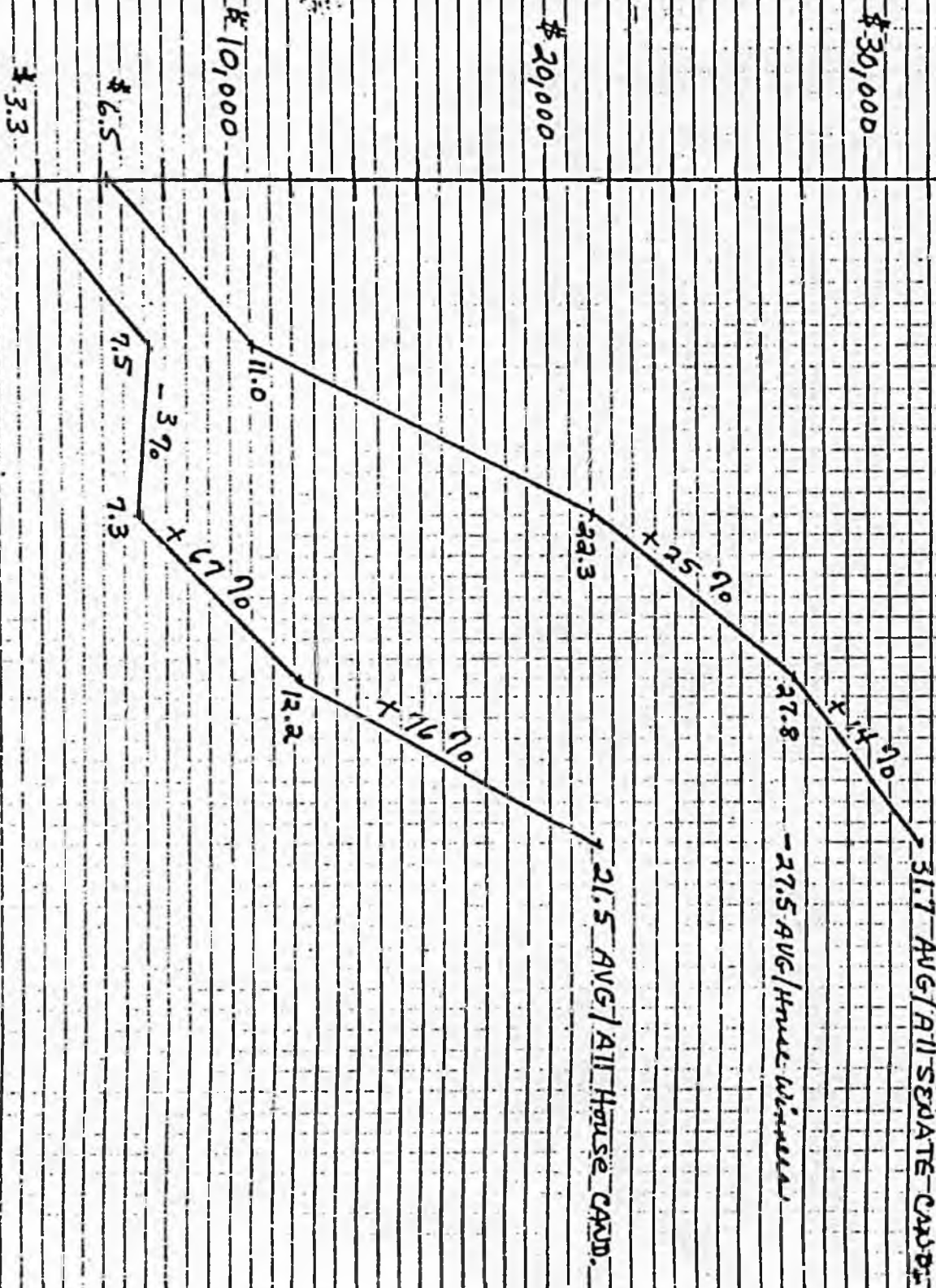
### Analysis of Proposed Changes in Disclosure Threshold

For each of eight Legislative campaigns, all reports filed in 1982 and 1983 were reviewed. At least six, and no more than eight, reports were required during this period.

1. Total Contributions From Others	\$18,085.
Number of over \$100 Contributors	35
Number of over \$250 Contributors	13
Number of \$101-\$250 Contributors	22 = 63% of names
Value of \$101-\$250 Contributions	\$4,350. = 24% of total contributions
Average \$101-\$250 Contribution	\$198.
22 names/contributor type	7 individual/4 PAC/11 bus.-labor-assn.

- |    |                                    |  |
|----|------------------------------------|--|
| 2. | Total Contributions From Others    | \$31,968.                                |
|    | Number of over \$100 Contributors  | 58                                       |
|    | Number of over \$250 Contributors  | 33                                       |
|    | Number of \$101-\$250 Contributors | 25 = 43% of names                        |
|    | Value of \$101-\$250 Contributions | \$4,400. = 14% of total contributions    |
|    | Average \$101-\$250 Contribution   | \$133.                                   |
|    | 25 names/contributor type          | 11 individual/5 PAC/9 bus.-labor-assn.   |
| 3. | Total Contributions From Others    | \$41,255.                                |
|    | Number of over \$100 Contributors  | 57                                       |
|    | Number of over \$250 Contributors  | 37                                       |
|    | Number of \$101-\$250 Contributors | 20 = 35% of names                        |
|    | Value of \$101-\$250 Contributions | \$4,400. = 11% of total contributions    |
|    | Average \$101-\$250 Contribution   | \$220.                                   |
|    | 20 names/contributor type          | 12 individual/4 PAC/4 bus.-labor-assn.   |
| 4. | Total Contributions From Others    | \$53,781.                                |
|    | Number of over \$100 Contributors  | 95                                       |
|    | Number of over \$250 Contributors  | 31                                       |
|    | Number of \$101-\$250 Contributors | 64 = 67% of names                        |
|    | Value of \$101-\$250 Contributions | \$12,835. = 24% of total contributions   |
|    | Average \$101-\$250 Contribution   | \$200.                                   |
|    | 64 names/contributor type          | 41 individual/11 PAC/12 bus.-labor-assn. |
| 5. | Total Contributions From Others    | \$54,545.                                |
|    | Number of over \$100 Contributors  | 97                                       |
|    | Number of over \$250 Contributors  | 49                                       |
|    | Number of \$101-\$250 Contributors | 48 = 50% of names                        |
|    | Value of \$101-\$250 Contributions | \$9,775. = 18% of total contributions    |
|    | Average \$101-\$250 Contribution   | \$199.                                   |
|    | 48 names/contributor type          | 16 individual/2 PAC/30 bus.-labor-assn.  |
| 6. | Total Contributions From Others    | \$67,880.                                |
|    | Number of over \$100 Contributors  | 105                                      |
|    | Number of over \$250 Contributors  | 66                                       |
|    | Number of \$101-\$250 Contributors | 39 = 37% of names                        |
|    | Value of \$101-\$250 Contributions | \$7,580. = 11% of total contributions    |
|    | Average \$101-\$250 Contribution   | \$194.                                   |
|    | 39 names/contributor type          | 14 individual/6 PAC/19 bus.-labor-assn.  |
| 7. | Total Contributions From Others    | \$22,662.                                |
|    | Number of over \$100 Contributors  | 31                                       |
|    | Number of over \$250 Contributors  | 14                                       |
|    | Number of \$101-\$250 Contributors | 17 = 55% of names                        |
|    | Value of \$101-\$250 Contributions | \$2,830. = 13% of total contributions    |
|    | Average \$101-\$250 Contribution   | \$166.                                   |
|    | 17 names/contributor type          | 13 individual/2 PAC/2 bus.-labor-assn.   |
| 8. | Total Contributions From Others    | \$12,620.                                |
|    | Number of over \$100 Contributors  | 17                                       |
|    | Number of over \$250 Contributors  | 14                                       |
|    | Number of \$101-\$250 Contributors | 3 = 18% of names                         |
|    | Value of \$101-\$250 Contributions | \$550. = 4% of total contributions       |
|    | Average \$101-\$250 Contribution   | \$183.                                   |
|    | 3 names/contributor type           | 3 individual/0 PAC/0 bus.-labor-assn.    |

Legislative Record -  
Average Values of  
Expenditures



# CADD. 171 166 158 173 187

VALUE OF EXPEN. \$559. \$1,063. \$1,169. \$1,949. \$3,538.

ALASKA Public Officers Commission - 2/7/84

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48 SENATE

140 HOUSE

MONETARY CONTRIBUTIONS

\$ 0-999	7				
\$ 1,000-4,999	8				
\$ 5,000-9,999	2				
\$ 10,000-14,999	4				
\$ 15,000-19,999	4				
\$ 20,000-24,999	3				
\$ 25,000-29,999	5				
\$ 30,000-39,999	3				
\$ 40,000-49,999	3				
\$ 50,000-59,999	2				
\$ 60,000-69,999	3				
\$ 70,000-79,999	1				
\$ 80,000 PLUS	3				
\$ 0-999		18			
\$ 1,000-4,999			22		
\$ 5,000-9,999				23	
\$ 10,000-14,999		13			
\$ 15,000-19,999			16		
\$ 20,000-24,999	9				
\$ 25,000-29,999		12			
\$ 30,000-39,999			15		
\$ 40,000-49,999	8				
\$ 50,000-59,999	2				
\$ 60,000-69,999	1				
\$ 70,000-79,999	0				
\$ 80,000 PLUS	1				

In 1982 Legislative races, 48 Senate candidates received \$1.26 million in monetary contributions for an average of \$26,250 each; 140 House candidates received \$2.35 million in monetary contributions for an average of nearly \$17,000 each. Although there are a sizeable number of candidates who received less than \$10,000, the distribution at the middle and higher levels is surprisingly spread out.

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COMMON CAUSE SUMMARY OF  
CONTRIBUTION LIMITS FOR STATE ELECTIONS

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Alabama	\$500 per candidate or party per election	None	None	None
Alaska	\$1,000 per year per candidate	\$1,000 per year per candidate	\$1,000 per year per candidate	\$1,000 per year per candidate
Arizona	Prohibited	None	Prohibited	None
Arkansas	\$1,500 per year per candidate	\$1,500 per year per candidate	\$1,500 per year per candidate	\$1,500 per year per candidate
California	None	None	None	None
Colorado	None	None	None	None
Connecticut	Prohibited	If established by individuals -- no limit If established by labor organization, same as individual limit -- \$50,000 aggregate limit per election If established by corporation, twice individual limit -- \$100,000 aggregate limit per election	Prohibited	Between \$2,500 for governor to \$250 for state representative per election (varies for each office) Aggregate limited to \$15,000 Individual contribution to political committee also limited
Delaware	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate
Florida	\$3,000 per statewide candidate, per election*/ \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others \$1,000 to political committee

\*/ Florida has three primaries.

Common Cause Summary of Contribution Limits for State Elections

12

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Georgia	Prohibited from agents of public utility corporations	None	None	None
Hawaii	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election \$50,000 aggregate limit from immediate family
Idaho	None	None	None	None
Illinois	None	None	None	None
Indiana	\$3,000 aggregate to statewide candidates and committees \$1,000 aggregate to others \$1,000 aggregate to all party committees (\$8,000 aggregate per calendar year)	None	\$3,000 aggregate to statewide candidates and committees \$1,000 aggregate to others \$1,000 aggregate to all party committees (\$8,000 aggregate to all party committees)	None
Iowa	Prohibited	None	None	None
Kansas	Prohibited from certain corporations and their majority stockholders Otherwise, \$3,000 to statewide candidates per election \$750 to others per election	\$3,000 to statewide candidates per election \$750 to others per election	\$3,000 to statewide candidates per election \$750 to others per election	\$3,000 per election to candidate for statewide office \$750 per election for legislative office
Kentucky	Prohibited	None	None	\$3,000 per candidate per election
Louisiana	None	None	None	None
Maine	\$5,000 per candidate per election	\$5,000 per candidate per election	\$5,000 per candidate per election	\$1,000 per candidate per election \$25,000 in the aggregate per calendar year

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Maryland	\$1,000 per candidate \$2,500 aggregate per election	None, except for limits on out-of-state PACs to \$1,000 per candidate, \$2,500 per election	\$1,000 per candidate \$2,500 aggregate per election	\$1,000 per candidate \$2,500 aggregate
Massachusetts	Prohibited	None	None	\$1,000 per candidate and per committee per calendar year
Michigan	Prohibited	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative \$25,000 aggregate limit from immediate family
Minnesota	Prohibited	Between \$150 and \$12,000 in non-election years depending on office Limits are increased five times for contributions in election year	Between \$150 and \$12,000 in non-election years depending on office Limits are increased five times for contributions in election year	Between \$150 and \$12,000 in non-election years, depending on office Limits are increased five times for contributions in election year
Mississippi	\$1,000 per calendar year \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates
Missouri	None	None	None	None
Montana*/	Prohibited	\$8,000 to governor and lieutenant governor \$2,000 to other statewide \$600-300 non-statewide	\$8,000 to governor and lieutenant governor \$2,000 to other statewide \$600-300 non-statewide	\$1,500 to governor and lieutenant governor \$750 to other statewide \$400-250 others
Nebraska	None	None	None	None
Nevada	None	None	None	None

\*/ House candidates in Montana cannot accept more than \$600 from all PACs. Senate candidates cannot accept more than \$1,000 from all PACs.

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
New Hampshire	Prohibited	None	Prohibited	\$5,000 per election per candidate
New Jersey	Prohibited from certain corporations and their majority stockholders \$800 per gubernatorial candidate	\$800 per gubernatorial candidate	\$800 per gubernatorial candidate	\$800 per gubernatorial candidate
New Mexico	None	None	None	None
New York	\$5,000 for all political activity per year Formula based on voter population	Formula based on voter population	Formula based on voter population	\$50,000 per campaign, \$150,000 for all political activity per calendar year, Formula based on voter population
North Carolina	Prohibited	\$4,000 per candidate per election	Prohibited	\$4,000 per candidate per election
North Dakota	Prohibited	None	Prohibited	None
Ohio	Prohibited	None	None	None
Oklahoma	Prohibited	\$5,000 to state candidates \$1,000 to local candidates	\$5,000 to state candidates \$1,000 to local candidates	\$5,000 to state candidates \$1,000 to local candidates \$5,000 to a party or organization
Oregon	Prohibited from certain corporations	None	None	None
Pennsylvania	Prohibited	None	Prohibited	None
Rhode Island	None	None	None	None
South Carolina	None	None	None	None
South Dakota	Prohibited	None	Prohibited	\$1,000 to statewide candidates \$250 to legislative or county candidates \$3,000 to parties

15

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Tennessee	Prohibited	None	None	None
Texas	Prohibited	None	Prohibited	None
Utah	None	None	None	None
Vermont	\$2,000 per candidate per election	\$5,000 per candidate per election	\$1,000 per candidate per election	\$1,000 per candidate per election
Virginia	None	None	None	None
Washington	None	None	None	None
West Virginia	Prohibited	\$1,000 per candidate	\$1,000 per candidate	\$1,000 per candidate
Wisconsin	Prohibited	\$1,000 to statewide \$500 to state assembly Others: 4% of spending limit which varies depending on office	Prohibited, if labor organization was incorporated after December 31, 1977	\$10,000 statewide per election \$1,000 for senate \$500 to state assembly Aggregate limit of \$10,000 per year for state and local office and committees
Wyoming	Prohibited	No limit	Prohibited	\$25,000 aggregate biennially \$1,000 per candidate biennially

16  
Sources: Federal Election Commission's National Clearinghouse on Election Administration, "Campaign Finance Law 81" (Washington, D.C. 20463)  
Haley, Martin Companies, Inc., Campaign Contributions and Lobbying Laws, 1982.

# Senator Vic Fischer

Alaska State Legislature  
Pouch V • Juneau, Alaska 99811 • (907) 465-4954



## MEMORANDUM

May 3, 1984

TO: Members, Senate Finance Committee  
FROM: Senator Vic Fischer

RE: CSSB 425 (Finance) An act relating to campaign contributions and expenditures.

Original Sponsor: Rules/Governor

The purpose of this bill is threefold: (1) To raise the reporting requirements on campaign contributions from \$100 to \$250, (2) to repeal unconstitutional statutes limiting campaign expenditures, and (3) to add a new section allowing campaign expenditures under APOC guidelines before filing for office.

Sections 1, 2, and 3 raise the threshold for reporting of campaign contributions from \$100 to \$250, including in-kind contributions.

Section 4, new in the Finance CS, allows additional campaign expenditures to be made, under certain stipulations, by a candidate before filing for office. Present law allows potential candidates to spend money only for personal transportation, polling, or voter surveys before filing for office. This often puts candidates into a "Catch 22" type of situation of not being able to spend money to declare their candidacy - APOC has prevented candidates from renting a hotel room to throw a party to declare their candidacy, for example. This provision would allow expenditures to be made in this situation if the candidate registers with the APOC and follows APOC guidelines for expenditures (i.e. "paid for by" disclaimers and the like.)

Section 5 repeals AS 15.13.070 (f) & (g) which were found unconstitutional by the U.S. Supreme Court in Buckley vs. Valco (1976). These sections, enacted in 1974, set an expenditure limit on campaigns for state office which was found to be unconstitutional under the 1st amendment.

Section 6 provides a January 1, 1985 effective date so as not to change the rules for this campaign season.

The bill has a zero fiscal note.

Amend to SB 425

Sen Vic Fischer

TO: ~~Suzanne Tryck~~  
c/o Senate State Affairs

Telecopy  
DATE: April 11, 1984

FROM: <sup>TSP</sup> Theda Pittman  
Executive Director  
Public Offices Commission

RE: AS 15.13.100

Thanks for the information about possible committee scheduling. One of my staff members suggested that using a familiar item such as the registration might result in less confusion. For example,

Sec. 2. AS 15.13.100 as amended by adding new subsections to read:

(b) An individual who anticipates accepting political campaign contributions or making political campaign expenditures before the date on which the individual files for office shall file a candidate's registration statement with the Commission. An individual filing a registration under this subsection need not identify the office.

(c) An individual filing a registration under (b) of this section who does not appoint a campaign chairman is the campaign chairman. An individual filing a registration under (b) of this section who does not appoint a campaign treasurer is the campaign treasurer.

(d) A political committee that anticipates accepting political campaign contributions or making political campaign expenditures on behalf of a specific individual who may become a candidate for office at some time in the future shall file a group registration with the Commission, including the name of the potential candidate and the names of the campaign chairman and treasurer of the political committee.

(c) An individual or a political committee that files a registration under this section shall file the reports required of a candidate or group under this chapter and shall comply with the chapter.

BILL SHEFFIELD, GOVERNOR

REPLY TO:

610 C STREET, SUITE 211  
ANCHORAGE, ALASKA 99501-3598  
(907) 276-4176

JUNEAU BRANCH OFFICE  
POUCH CO  
JUNEAU, ALASKA 99811-0222  
(907) 465-4884

ALASKA PUBLIC OFFICES COMMISSION

(Telecopy 4/7 - this plus 1 page)  
April 6, 1984

~~Senatorial Candidate~~  
Senate State Affairs Committee  
Pouch V  
Juneau, AK 99811

Dear Suzanne:

This morning I went over the proposed revisions to AS 15.13.100 with Pat Kennedy who serves as the Commission's counsel and we are in agreement that this is the best revision we've seen on this subject. It certainly appears to be consistent with the Commission's previous discussions indicating support for reversing the ban on pre-filing expenditures so long as the financial activity is required to be reported.

The one item we would suggest revising occurs on page 2, line 15 indicating that those filing a letter of intent "...shall file the reports required of a candidate..." That phrase seems too broad since, depending upon how early the letter of intent was filed, it could include all the periodic reporting deadlines which occur for every municipal and state election between the letter of intent and the actual filing for office.

The Commission's concept was that a year-end report [AS 15.13.110(a)(4)] would be required for every calendar year between the letter of intent and the filing for office. For example, if you filed a letter of intent now and eventually filed for governor in the 1986 election, you would file 1984 and 1985 year-end reports, but you would not be required to file the 30 Day, 7 Day or 10 Day reports that are due for 1984 state campaigns.

While on the subject of year-end reports, the Commission would also appreciate an amendment making January 15 the due date for year-end reports. Perhaps,

AS 15.13.110(a)(4) is amended to read:

(4) January 15 [DECEMBER 31 OF EACH YEAR] for expenditures and contributions received through December 31 of the preceding year which were not reported that year.

While neither Pat nor I saw any objection to the fact that the individual is not required to notify (i.e., file a registration) the Commission of the names of his or her campaign chairman, treasurer or deputy treasurers, the proper identification of communications -- the "paid for by" phrase -- which

Suzanne Tryck -- April 6, 1984 -- Page 2 of 2

is specified by AS 15.13.090 would be required and that's appropriate since it would suggest that the individual or group is aware of the law and is likely to have a letter of intent on file. We can hope that will save unnecessary phone calls about illegal fund-raiser invitations.

The January 1, 1985 effective date for the amendments in CSSB 425(SA) remains appropriate so that the 1984 campaigns (state and municipal) continue under the existing rules. However, a July 1, 1984 effective date would seem appropriate for these new sections as there may well be individuals interested in 1985 municipal or 1986 state races who wish to begin before the end of 1984.

Thank you for the opportunity to look at the draft; please let me know if you'd like additional information.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



THEDA S. PITTMAN  
Executive Director

cc: Rebecca Burch, Dept. of Admin.  
APOC Members

COMMON CAUSE SUMMARY OF  
CONTRIBUTION LIMITS FOR STATE ELECTIONS

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Alabama	\$500 per candidate or party per election	None	None	None
Alaska	\$1,000 per year per candidate	\$1,000 per year per candidate	\$1,000 per year per candidate	\$1,000 per year per candidate
Arizona	Prohibited	None	Prohibited	None
Arkansas	\$1,500 per year per candidate	\$1,500 per year per candidate	\$1,500 per year per candidate	\$1,500 per year per candidate
California	None	None	None	None
Colorado	None	None	None	None
Connecticut	Prohibited	If established by individuals -- no limit If established by labor organization, same as individual limit -- \$50,000 aggregate limit per election If established by corporation, twice individual limit -- \$100,000 aggregate limit per election	Prohibited	Between \$2,500 for governor to \$250 for state representative per election (varies for each office) Aggregate limited to \$15,000 Individual contribution to political committee also limited
Delaware	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate
Florida	\$3,000 per statewide candidate, per election*/ \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others \$1,000 to political committee

\*/ Florida has three primaries.

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Georgia	Prohibited from agents of public utility corporations	None	None	None
Hawaii	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election \$50,000 aggregate limit from immediate family
Idaho	None	None	None	None
Illinois	None	None	None	None
Indiana	\$3,000 aggregate to statewide candidates and committees \$1,000 aggregate to others \$1,000 aggregate to all party committees (\$8,000 aggregate per calendar year)	None	\$3,000 aggregate to statewide candidates and committees \$1,000 aggregate to others \$1,000 aggregate to all party committees (\$8,000 aggregate to all party committees)	None
Iowa	Prohibited	None	None	None
Kansas	Prohibited from certain corporations and their majority stockholders Otherwise, \$3,000 to statewide candidates per election \$750 to others per election	\$3,000 to statewide candidates per election \$750 to others per election	\$3,000 to statewide candidates per election \$750 to others per election	\$3,000 per election to candidate for statewide office \$750 per election for legislative office
Kentucky	Prohibited	None	None	\$3,000 per candidate per election
Louisiana	None	None	None	None
Maine	\$5,000 per candidate per election	\$5,000 per candidate per election	\$5,000 per candidate per election	\$1,000 per candidate per election \$25,000 in the aggregate per calendar year

13

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Maryland	\$1,000 per candidate \$2,500 aggregate per election	None, except for limits on out-of-state PACs to \$1,000 per candidate, \$2,500 per election	\$1,000 per candidate \$2,500 aggregate per election	\$1,000 per candidate \$2,500 aggregate
Massachusetts	Prohibited	None	None	\$1,000 per candidate and per committee per calendar year
Michigan	Prohibited	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative \$25,000 aggregate limit from immediate family
Minnesota	Prohibited	Between \$150 and \$12,000 in non-election years depending on office Limits are increased five times for contributions in election year	Between \$150 and \$12,000 in non-election years depending on office Limits are increased five times for contributions in election year	Between \$150 and \$12,000 in non-election years, depending on office Limits are increased five times for contributions in election year
Mississippi	\$1,000 per calendar year \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates
Missouri	None	None	None	None
Montana*/	Prohibited	\$8,000 to governor and lieutenant governor \$2,000 to other statewide \$600-300 non-statewide	\$8,000 to governor and lieutenant governor \$2,000 to other statewide \$600-300 non-statewide	\$1,500 to governor and lieutenant governor \$750 to other statewide \$400-250 others
Nebraska	None	None	None	None
Nevada	None	None	None	None

\*/ House candidates in Montana cannot accept more than \$600 from all PACs. Senate candidates cannot accept more than \$1,000 from all PACs.

	<u>Corporate</u>	<u>FAC</u>	<u>Labor</u>	<u>Individual</u>
New Hampshire	Prohibited	None	Prohibited	\$5,000 per election per candidate
New Jersey	Prohibited from certain corporations and their majority stockholders \$800 per gubernatorial candidate	\$800 per gubernatorial candidate	\$800 per gubernatorial candidate	\$800 per gubernatorial candidate
New Mexico	None	None	None	None
New York	\$5,000 for all political activity per year Formula based on voter population	Formula based on voter population	Formula based on voter population	\$50,000 per campaign, \$150,000 for all political activity per calendar year, Formula based on voter population
North Carolina	Prohibited	\$4,000 per candidate per election	Prohibited	\$4,000 per candidate per election
North Dakota	Prohibited	None	Prohibited	None
Ohio	Prohibited	None	None	None
Oklahoma	Prohibited	\$5,000 to state candidates \$1,000 to local candidates	\$5,000 to state candidates \$1,000 to local candidates	\$5,000 to state candidates \$1,000 to local candidates \$5,000 to a party or organization
Oregon	Prohibited from certain corporations	None	None	None
Pennsylvania	Prohibited	None	Prohibited	None
Rhode Island	None	None	None	None
South Carolina	None	None	None	None
South Dakota	Prohibited	None	Prohibited	\$1,000 to statewide candidates \$250 to legislative or county candidates \$3,000 to parties

15

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Tennessee	Prohibited	None	None	None
Texas	Prohibited	None	Prohibited	None
Utah	None	None	None	None
Vermont	\$1,000 per candidate per election	\$5,000 per candidate per election	\$1,000 per candidate per election	\$1,000 per candidate per election
Virginia	None	None	None	None
Washington	None	None	None	None
West Virginia	Prohibited	\$1,000 per candidate	\$1,000 per candidate	\$1,000 per candidate
Wisconsin	Prohibited	\$1,000 to statewide \$500 to state assembly Others: 4% of spending limit which varies depending on office	Prohibited, if labor organization was incorporated after December 31, 1977	\$10,000 statewide per election \$1,000 for senate \$500 to state assembly Aggregate limit of \$10,000 per year for state and local office and committees
Wyoming	Prohibited	No limit	Prohibited	\$25,000 aggregate biennially \$1,000 per candidate biennially

Sources: Federal Election Commission's National Clearinghouse on Election Administration, "Campaign Finance Law 81" (Washington, D.C. 20463)  
Haley, Martin Companies, Inc., Campaign Contributions and Lobbying Laws, 1982.

16

# COMMITTEE REPORT

## SENATE

FURTHER: FINANCE

2/8/84

Date

3/29/84

Mr. President

The Committee on STATE AFFAIRS considered SB 425

election campaign contributions and expenditures; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 425 (SN)
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

~~[-] NEW FISCAL NOTE~~

ZERO

MEMBERS SIGNING  
DO PASS

Rechy  
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\_\_\_\_\_  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

V. Fishman  
Chairman

do pass  
Chairman recommendation