

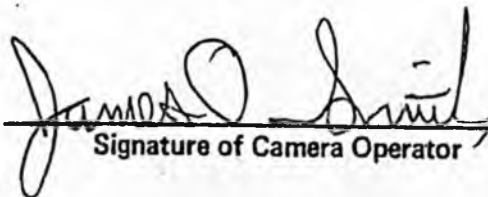
ALASKA LEGISLATURE COMMITTEE FILES 1983-1988 88/2

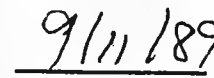
3629 HSTA CAMPAIGN FINANCING (FILE 2) 505



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CAMPAIGN

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FILE 2

CAMPAIGN FINANCING TRENDS IN ALASKA 1974 - 1982

Staff Report

Senate State Affairs Committee

September 1984

CAMPAIGN FINANCING TRENDS IN ALASKA

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EXECUTIVE SUMMARYCAMPAIGN FINANCING TRENDS IN ALASKA, 1974-1982

COSTS OF POLITICAL CAMPAIGNS

- The cost of political campaigns is increasing and increasing rapidly. According to APOC figures, the average State House campaign cost 550% more in 1984 than in 1974 (the cost of living in Anchorage increased by 83% over the same time period). The average Senate race cost nearly 400% more in 1984 than in 1974.
- Increasing at the most rapid rate over time is the level of the highest campaign expenditure in an election year.
- With the exception of the 1978 Senate races, the average winner's expenditure was always higher than the overall average expenditure.
- Overall, for state House, Senate, Gubernatorial and Lt. Governor races, the candidate spending the most money is twice as likely to win the election.

WHERE DOES THE MONEY COME FROM?

- Special interests are increasing their influence on Alaska elections. In 1978, 18 large contributors (PACs, individuals and corporations) gave \$523,872 or 9.8% of all campaign expenditures (including initiatives) for that year. In 1982, however, 79 contributors (out of roughly 4,000) spent \$3,695,195 or 43% of all campaign expenditures.
- The number of political "groups" as defined by the APOC has increased from a low of 63 in 1976 to 199 in 1982. Expenditures by these groups have skyrocketed--from just under a million dollars in 1978 to \$5.7 million in 1982.
- Personal contributions to a candidate's own campaign have increased dramatically.
- According to APOC figures, labor unions, "groups," initiative committees, lobbyists and corporations have all increased substantially their dollar contributions and proportion of total campaign expenditures. "Group" contributions have increased 1600% since 1978. Initiative committee contributions have increased nearly as rapidly, from \$567,031 to \$3,791,871 during the same time period. Corporate contributions have nearly tripled, while labor and registered lobbyists' personal contributions have nearly doubled.
- Taken together, these special interests are squeezing individual contributors out of the political campaign picture. The 5 types of major contributors accounted for 31.2% of total campaign expenditures in 1978, 53.5% in 1980, and a disconcerting 92.5% in 1982.

CAMPAIGN FINANCING TRENDS IN ALASKA, 1974-1982

COSTS OF CAMPAIGNS

The cost of political campaigns is increasing and increasing rapidly. According to the Alaska Public Offices Commission (APOC) figures, the mean state House candidate's campaign expenditure was 550% higher in 1982 than in 1974, while the average Senate campaign cost nearly 400% more during the same time period. (See "A Frequency Distribution of Expenditures For State House and State Senate Candidates," APOC Annual Report: Supplemental Tables for 1981 and 1982.) During those eight years, the cost of living in Anchorage increased by only 83%.

In 1974, when APOC first began keeping statistics, candidates for House seats spent an average \$2,200 on their campaigns. By 1982, however, an average race consumed over \$20,000. On the Senate side, the figures are slightly higher: the mean campaign expenditure in 1974 was just over \$5,000, while just eight years later, a Senate hopeful spent an average \$30,000. (See "Comparison of the Increase in Campaign Expenditures for House and Senate Candidates," APOC Annual Report: Supplemental Tables for 1981 and 1982.)

Successful candidates for House seats spent between \$4,522 and \$91,017 in the '82 elections, according to APOC figures. A minimum of \$8,551 was spent in the Senate races, while one senator spent \$89,726.

TABLE EIGHT (T-8)
A Frequency Distribution of Expenditures
For State House and State Senate Candidates (1976, 1978, 1980, 1982)

Description:

This table is a frequency distribution which provides a perspective on how much it has cost the "average" candidate to campaign for the Alaska State Legislature during each of the four most recent campaign years. A range of the expenditures is noted, as well as the mean average, for each year and office. A median level of expenditures for each year and office can also be closely approximated from the data provided.

Analysis:

The cost of campaigning for the State Legislature continued to rise in 1982. Significantly, the rise in the cost of an average campaign was not the result of "bracket creep", that is to say, the average candidates in 1980 did not simply pay a little bit more in 1982. Instead, there was a dramatic leap in the number of candidates who comprised the higher brackets of campaign spending. While in 1976 and 1978 less than 10 candidates spent over \$15,000, in 1980 35 candidates, and in 1982 61 candidates exceeded this threshold. In 1976, only one Senate candidate spent over \$25,000, in 1982 18 Senate candidates exceeded this amount.

A Frequency Distribution of the Candidates for State House
and State Senate (1976, 1978, 1980 and 1982) According to Total
Expenditure Levels*

Level of Total Expenditures* by Candidates	Number of Candidates State House				Number of Candidates State Senate			
	1976	1978	1980	1982	1976	1978	1980	1982
\$75,000 +	-	-	-	1	-	1	3	2
\$50,000 - \$74,999	-	-	-	4	-	1	2	5
\$25,000 - \$49,999	2	1	7	30	1	5	2	11
\$20,000 - \$24,999	1	2	17	12	2	1	1	3
\$15,000 - \$19,999	5	6	11	14	5	1	2	4
\$10,000 - \$14,999	24	15	20	15	4	4	3	4
\$ 5,000 - \$ 9,999	26	28	23	21	2	5	3	7
\$ 0 - \$ 4,999	79	83	67	43	15	5	12	11
Total Number of Candidates	137	135	145	140	29	23	28	47
Range of Expenditures		1976 (0-29,991)				1976 (301-38,868)		
		1978 (0-31,721)				1978 (0- 81,136)		
		1980 (0-49,838)				1980 (0- 101,122)		
		1982 (0-91,577)				1982 (0- 115,806)		
Average Expenditures for all Candidates (Mean)		1976 (7,546)				1976 (10,973)		
		1978 (7,255)				1978 (22,329)		
		1980 (12,156)				1980 (27,324)		
		1982 (21,524)				1982 (31,657)		

* expenditure totals include non-monetary contributions (items which the campaign would have had to purchase if they had not been donated)

TABLE NINE (T-9)

Description:

This table represents an analysis of the increase in campaign expenditures in the races for State House and State Senate in the years 1974, 1976, 1978, 1980 and 1982. It indicates the number of candidates in each race and calculates the average expenditures per candidate and per winning candidate. The percentage increase in campaign expenditures is also calculated.

Analysis:

The cost of mounting a successful campaign for either State House or State Senate has more than tripled since 1976. By contrast, a campaign price index influenced by a 12% inflation rate would only have doubled in that period of time. This real rise seems due to an increasing sophistication on the part of the candidates for the necessity of strong media campaigns, an increasing availability of funds for successful candidates from special interest political action committees, and an increase in the State of Alaska tax credit for political contributions from \$50 to \$100.

Comparison of the Increase in Campaign Expenditures*
for House and Senate Candidates (1974 - 1976 - 1980 - 1982)

Office	Year	Number of Candidates	Total Expenditures All Candidates*	Average Expenditures per Candidate*	Total Expenditures* by Winning Candidates	Average Expenditures* by a Winning Candidate
State House	1974**	129	\$ 335,309	\$ 3,287	\$ 156,604	\$ 3,315
State House	1976	137	788,568	7,546	358,322	8,958
State House	1978	135	711,028	7,255	351,415	8,785
State House	1980	145	1,337,126	12,156	679,304	16,983
State House	1982	140	2,335,383	21,524	1,100,798	27,510
% of increase from 1974 to 1982		9%	596%	554%	602%	602%
State Senate	1974***	42	223,568	6,480	116,925	8,351
State Senate	1976	29	274,457	10,978	124,088	12,408
State Senate	1978	23	457,737	22,329	192,003	19,201
State Senate	1980	28	612,129	27,824	352,848	35,285
State Senate	1982	47	1,202,972	31,657	715,311	39,740
% of increase from 1974 to 1982		11%	438%	398%	511%	375%

* These totals include non-monetary contributions.

** In 1974, state house candidates were limited by law to \$7,500 in campaign expenditures per year.

*** In 1974, state senate candidates were limited by law to \$15,000 in campaign expenditures per year.

Winners' Expenditures

With the exception of the 1978 Senate races, the mean legislative winner's expenditure was always higher than the overall average expenditure. In 1982, the average expenditure for House candidates was \$21,524 while House winners spent an average \$27,510. Winning Senate candidates spent an average \$39,740 that year, \$8,000 more than the overall Senate average of \$31,657.

The 1976 House races were most disparate--the average House campaign cost under \$5,000 while the average winner's campaign cost well over \$20,000.

Highest Expenditures of the Campaign Season

Increasing more rapidly than the average campaign expenditure was the level of the highest campaign expenditure of an election. In 1974, one Senate candidate spent \$15,000 on his campaign, nearly three times the average expenditure. By 1978, the Senate figures were about \$90,000 for a high expenditure compared with an average \$20,000 for all candidates. In the most recent general election, the highest expenditure was still more than 3 times that of the average campaign (\$109,000 compared with about \$30,000).

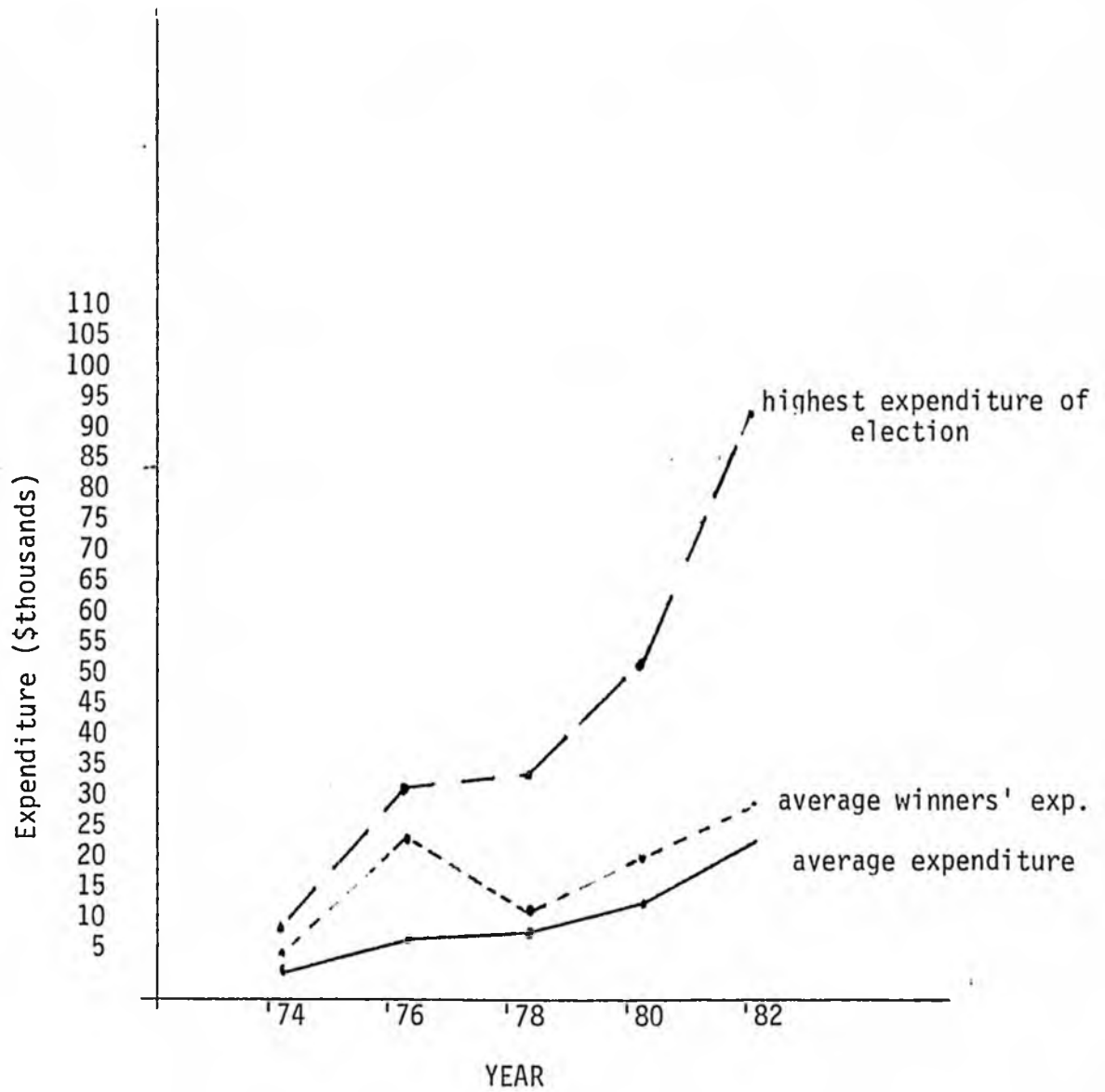
The House campaigns reflect an identical trend over time. The highest campaign expenditure of the '82 election (\$91,000) was four times higher than the average campaign expenditure (approximately \$21,000).

(See "Average Expenditure, Average Winners' Expenditure and Highest Campaign Expenditure for House Campaigns 1974-82" and "Average Expenditure, Average Winners' Expenditure and Highest Campaign Expenditure for Senate Campaigns 1974-82.")

Unfortunately, the "big spender" of an election sets the pace for expenditures the following political season, exerting a strong upward pull on campaign costs. For instance, while only one Senate candidate spent more than \$90,000 in the 1982 elections, several candidates this year expect to expend more than \$100,000.

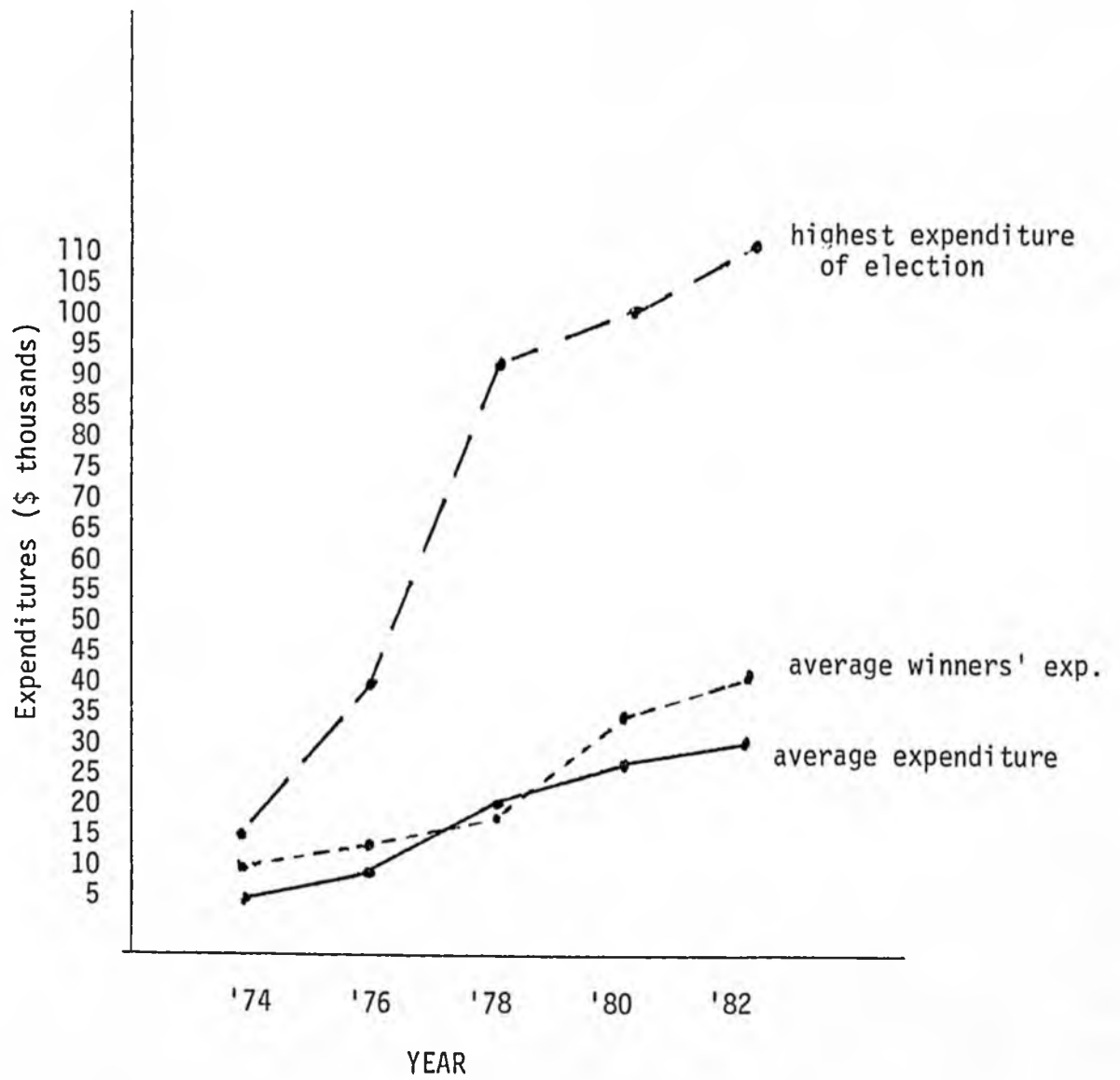
Perhaps most disconcerting is the correlation between spending and winning in Alaskan elections. Overall, for statewide, Senate and House races, a "big spender" is twice as likely to win an election, based on APOC data from 1974 through 1982. The correlation is even more striking among Senate races alone, however, where the "big spender" in a contest is an average 3.4 times most likely to win (House spenders are 1.66 times as likely to win).

Because relatively few candidates have run for statewide office since 1974, it is difficult to produce meaningful statistics for gubernatorial and lieutenant governor races. Nevertheless, similar conclusions can be drawn--average expenditures for statewide races have increased dramatically since 1974, and those candidates spending the most clearly have been more likely to win an election.

COSTS OF HOUSE CAMPAIGNS 1974-82

--APOC Annual Reports for 1974, 1976, 1978, 1980 and 1981/82

COSTS OF SENATE CAMPAIGNS 1974-82



--APOC Annual Reports for 1974, 1976, 1978, 1980 and 1981/82.

Personal Expenditures

Candidates are increasingly willing to invest substantial amounts of their personal funds into their campaigns. Information is spotty, but a candidate in the gubernatorial primary in 1978 spent an unprecedented \$132,765 of his own money; in 1982, a candidate spent \$429,083. During the Lt. Governor primary in 1978, a candidate invested \$58,285 in his own campaign; by 1982, a candidate spent \$93,000 in personal funds.

For Senate campaigns, the trend holds: a candidate in 1980 spent \$24,876 in personal funds, but just two years later, another candidate spent \$61,950. House figures are more consistent; in 1980 and '82, two candidates spent roughly \$40,000 of personal funds on their campaigns. (See "Personal Contributions to a Candidate's Own Campaign," 1978-82.)

An interesting trend has developed as personal contributions to campaigns have increased--the investment is now more likely to pay off. In 1978, none of the candidates spending vast amounts of personal resources won their races. In 1982, however, 4 out of 5 races (Gov.-primary, Lt. Gov.-primary, Gov/Lt. Gov.-general, House and Senate) were won by candidates with large personal bankrolls.

PERSONAL CONTRIBUTIONS TO A CANDIDATE'S OWN CAMPAIGN, 1978-82

	High for 1978	High for 1980	High for 1982
Governor- primary	\$132,765	---	\$429,083*
Lt. Governor- primary	58,285	---	93,000*
Gov./Lt. Governor- general	217,603	---	602,631*
State Senate	---	\$24,876*	61,950
State House	---	40,135*	39,000*

*Also won the contest

--APOC, Annual Reports for 1978, 1980 and 1981/82.

Media Expenditures

Information on media costs and expenditures is patchy, but one thing is clear--successful campaigns revolve around large media accounts.

Average media expenditures in the 1978 governor's race were 7 times higher than those in 1974, according to APOC figures. Senate race media expenditures in 1980 were more than 3 times higher than in 1974. (See "Media Costs of Selected Campaigns as a Percentage of Total Campaign Expenditures.")

An informal analysis of media expenditures in 13 randomly picked '82 House and Senate races found substantial variation in media expenditures in dollar amounts and as a percentage of overall expenditures. The candidates spent between \$0 and \$19,445 on media (radio, TV, print and production but not brochures or signs), and between 0% and 70% of their overall budgets. A substantial majority of money paid for electronic, as opposed to print, media. The middle range of actual expenditures for the 13 campaigns was roughly \$6-7,000, while candidates tended to spend about 30-35% of their budgets on media. Although urban and rural parts of the state were well represented among the 13 campaigns, no regional differences emerged.

MEDIA COSTS OF SELECTED CAMPAIGNS AS A PERCENTAGE OF TOTAL CAMPAIGN EXPENDITURES

RACE	MEDIA COSTS				Dollar Amount
	% of Total Campaign Exp.	% of Media Exp. on TV	% of Media Exp. on radio	% of Media Exp. on production	
'74 races, all candidates	72.3%	22.4%	19.6%	19.9%	\$827,861
'74 all primary	66.1	14.4	19.2	19.9	379,140
'74 all general	78.6	29.2	20.0	19.9	448,721
'74 Primary, gubernatorial	62.6	16.7	25.2	21.7	128,896
'74 General, gubernatorial	80.2	30.8	21.0	30.5	109,417
'74 Primary, Senate	81.1	4.5	14.7	25.1	59,717
'74 General, Senate	85.1	34.7	20.6	12.7	127,659
'74 Primary, House	73.5	12.3	14.9	7.6	103,705
'74 General, House	82.7	32.7	24.2	8.5	160,608
'76 Primary and General, Senate	76	22	11	12	n/a
'78 Total Gubern.	56.2	23.9	15.2	25.4	1,820,696
'80 Senate Pri. and General	63.7	15	12	11	609,207

APOC Annual Reports for 1974, '76, '78 and '80.

WHERE DOES THE MONEY COME FROM?

Increasingly, Alaskan political campaigns are funded more by special interest groups than by individual constituents. Labor unions, PACs, initiative committees, lobbyists and corporations have all substantially increased their involvement in the financing of campaigns over the last eight years, to the point that in 1982, 92.5% of total campaign expenditures were garnered from these five sources. (The five groups identified represented 31% of total expenditures in 1978 and 54% in 1980.) (See "Analysis of Special Interest Participation in Elections Since 1978.")

In 1978, 18 large contributors gave \$523,872 or 9.8% of all campaign expenditures, including those for initiatives. (Overall campaign contribution figures are difficult to ascertain. Campaign contributions and expenditures are roughly equal, so we have used total expenditure figures instead.) Twenty seven contributors spent \$458,315 or 20.9% of all expenditures in 1980, an off-year election. In 1982, however, 79 contributors (out of roughly 4,000) gave \$3,695,195 or 42% of all campaign expenditures. (Figures are from APOC Annual Reports for '78, '80, and '81/'82, and Contributor's Listings for those years).

ANALYSIS OF SPECIAL INTEREST PARTICIPATION IN ELECTIONS SINCE 1978

	1978	1980	1982
Total state campaign expenditures	\$5,321,070*	\$2,196,079**	\$8,615,845*
Labor contributions	191,340	284,549	368,835
Labor contributions as percentage of total	3%	13%	4%
"Groups" contributions***	98,163	249,838	1,616,027
Groups contributions as percentage of total	2%	11%	19%
Initiative Committees contributions	567,031	249,648	3,791,871
Initiative Committees' contributions as a percentage of total	11%	11%	44%
Lobbyists contributions	71,835	41,935	137,427
Lobbyist contributions as a percentage of total	1.4%	2%	2%
Corporate contributions (excluding PACs)	786,634	348,934	2,064,459
Corporate contributions as percentage of total	14.4%	15.9%	24%

*Figure includes expenditures for House, Senate, gubernatorial and Lt. Governor elections and initiative expenditures.

**No statewide races were held in 1980.

***"Groups" as defined by the APOC, excluding labor and initiative contributions.

--APOC Annual Reports for 1978, 1980, and 1981/82.

PACs or "Groups" as Defined by the APOC

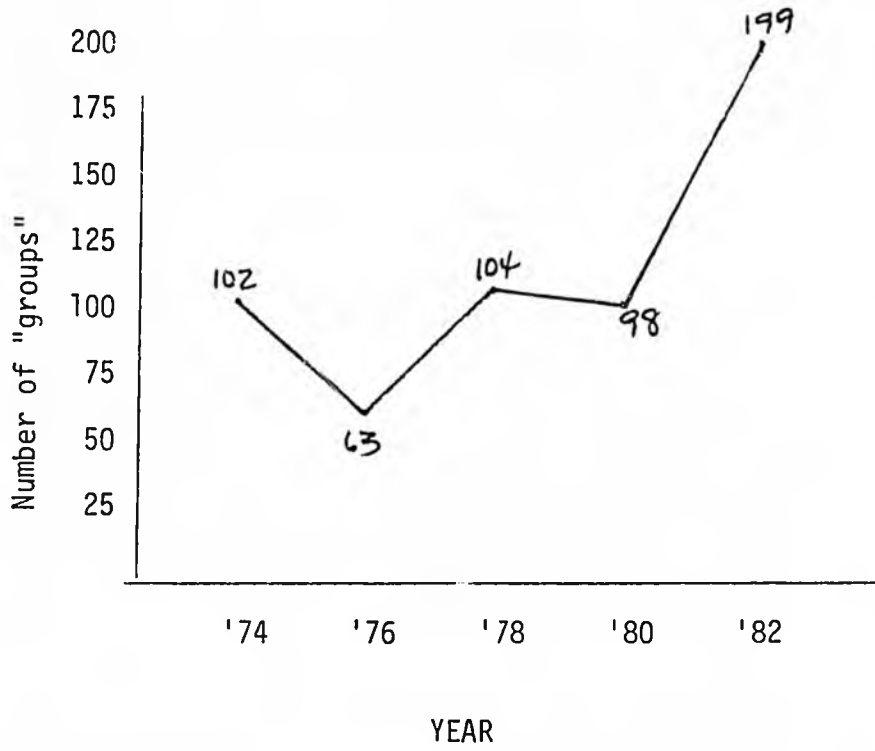
The number of political groups as defined by the APOC has increased from a low of 63 in 1976 to 199 in 1982. (See "Number of Political 'Groups' as Defined by APOC" and "Summary of 1982 Groups According to Group Type," APOC, Annual Report: Supplemental Tables for 1981 and 1982.) Expenditures by these groups have skyrocketed--from just under a million dollars in 1978 to \$5.7 million in 1982. (See "Total Expenditures by Groups, 1974-82.") While it is important to keep in mind the expensive initiative fights that characterized the 1982 elections, they do not explain, by any means, the entire increase in expenditures over previous years.

"Group" contributions (excluding initiative committees) as a percentage of total political contributions in the last three elections have increased by about 1000%. In 1978, groups contributed \$98,163 or 2% of total political expenditures for that year. By 1980, participation had increased to 11% or \$249,838, and by 1982, groups spent \$1.6 million or 19% of total campaign expenditures.

The highest expenditure by an individual group has also increased dramatically over time--from \$407,000 in 1974 to \$1.6 million in 1982. (See "Highest Expenditure by a 'Group,' 1974-82.")

NUMBER OF POLITICAL "GROUPS" AS DEFINED BY APOC

1974-82



--APOC Annual Reports for 1974, 1976, 1978, 1980 and 1981/82.

TABLE FOUR (T-4)

Description:

Table Three provides a summary of the campaign finance activity of each of the groups on file with the Alaska Public Offices Commission in 1982. Table Five provides descriptive information about those groups' activities and categorizes them, based upon the nature of their activities and interests, into one of eight different group types (refer to the Description of Table Five for a definition of each of these types). Table Four is a hybrid of Tables Three and Five: It summarizes, using the eight group types of Table Five, the campaign finance activity totals for each of these eight group types, using the analysis format of Table Three. Thus, for a group type such as "unions", one can determine the total of monetary contributions received by unions in 1982, the total of expenditures made by unions, or the total of monetary contributions received by union from contributors who gave \$100 or less, etc. The group type "Political Party" has been further subdivided into Democrats, Republicans and Libertarians.

Analysis:

Please refer to the combined analysis of Tables Three, Four and Five on page 173. An inset to this analysis provides a breakdown on how much each of the eight types contributed to candidates.

TABLE FOUR (T-4)
Summary of 1982 Groups According to Group Type*

TYPE OF GROUP**	No. of Groups	Monetary Contri.	Total Expen.	'91 Cash on hand	Monetary Over \$100	Monetary \$100 or Less	Non-Mon Contri.	Unpaid Debts	Surplus/ Deficit
AD HOC	49	3,791,871	3,759,867	5,186	3,118,481	605,705	161,453	69,023	<30,493>
CONTROLLED	10	24,600	27,105	0	14,400	10,127	2,114	3,247	<2,578>
CORPORATE	12	51,082	48,080	2,812	44,850	3,420	2,967	0	3,002
MUNICIPAL ENTITY	6	106,345	106,154	0	106,345	0	100	0	131
POLITICAL PARTY (ALL)	49	803,090	674,447	100,424	453,389	243,632	8,142	5,800	122,998
DEMOCRATS	21	292,290	205,981	33,392	168,405	84,843	5,805	5,771	80,658
LIBERTARIANS	6	64,320	63,912	1,329	60,279	2,712	800	0	408
REPUBLICANS	22	446,480	404,554	65,703	224,705	156,077	1,537	29	41,922
SPECIAL INTEREST	31	319,203	255,849	52,927	117,648	145,688	3,947	3,196	60,414
TRADE ASSOCIATION	21	311,702	282,082	68,861	97,839	144,952	4,131	6,772	28,620
UNION	21	368,835	320,693	60,219	106,153	171,758	2,611	31,115	17,435
TOTAL	199 ***	5,776,733	5,475,277	290,429	4,059,155	1,325,282	185,465	124,153	139,574

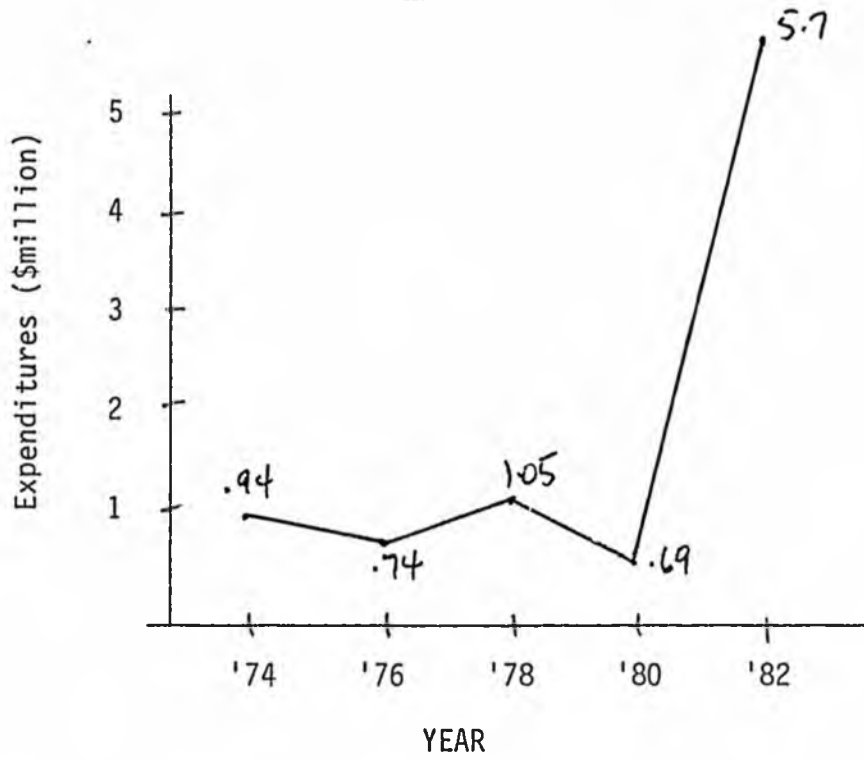
* for an explanation of the columns in this summary, please refer to the Description section of Table 3 (Pg.179)

** for an explanation of the different group categories, please refer to the Description section of Table 5 (Pg.193)

*** there were actually 198 groups: one group functioned as a controlled group in the Primary Election, and as a special interest group in the General. Its Primary and General totals were separated, and it has been counted as two groups in this column.

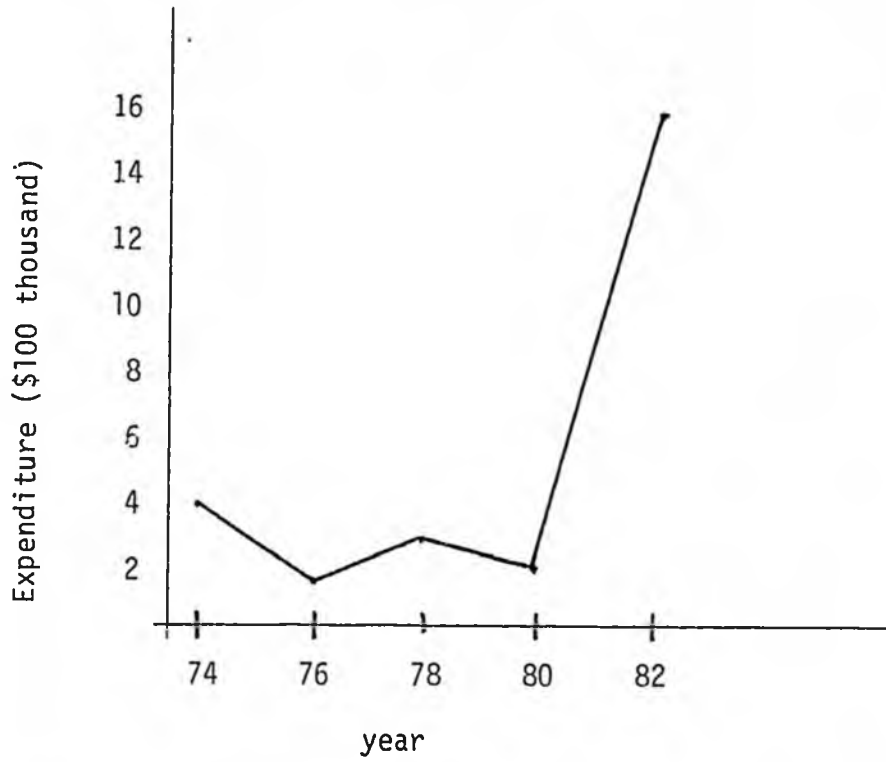
TOTAL EXPENDITURES BY "GROUPS"

1974-82



--APOC Annual Reports for 1974, 1976, 1978, 1980 and 1981/82

HIGHEST EXPENDITURE BY A "GROUP" EACH
ELECTION 1974-82



--APOC Annual Reports for 1974, '76, '78, '80, and '82

Initiative Committees

Initiative committee involvement in Alaskan politics varies dramatically depending on the issues brought before voters on election day. Nevertheless, committee behavior tends to follow other contributor trends in that committee expenditures set ever-higher standards for fundraising in future years.

Expenditures by single committees have ranged as high as \$1.6 million (Alaska Committee, Inc. in 1982). In 1978, initiative committees contributed \$567,031 to political campaigns, and comprised 10% of total expenditures that year. Although the dollar amount decreased to \$249,648 in 1980, an off-year election, the contributions still represented an increased proportion of total expenditures, 11%. By 1982, however, the committees contributed an unprecedented 44% of total campaign expenditures, equivalent to \$3.8 million.

Corporate Contributions

Direct corporate contributions to political campaigns have increased by nearly 300% in 4 years. In 1978, corporations (excluding corporate PACs) contributed \$768,634 or 14% of total expenditures. Dollar amounts decreased in 1980 to \$348,934 (still an increasing proportion at 16%) but increased substantially in 1982 to \$2.1 million or 24% of total political expenditures.

Labor Unions

Labor contributions to political campaigns have increased steadily since 1978, but at nowhere near the rate of other special interests. In 1978, labor unions identified by the APOC contributed \$191,340 or 3% of total political expenditures. Two years later, labor donations comprised 13% of total expenditures, and \$284,549, roughly comparable to "group" and initiative committee participation. By 1982, however, labor participation dropped to 4.2% or \$368,835.

Lobbyists

Lobbyists' personal contributions to political campaigns are relatively small, although quite influential. Moreover, lobbyists tend to direct the political contributions of their employers, magnifying their value and influence during an election.

During the 1978 campaigns, lobbyists gave a total of \$71,835 or 1.4% of total expenditures; by 1980, the percentage had increased to 2% (\$41,935), and by 1982, lobbyists gave \$137,427 or 1.6% of total expenditures. During that time, the number of registered lobbyists giving personal donations varied from 58 to 31 to 46.

Small Contributors

Since 1974, the proportion of small contributions to campaigns (under \$100) has steadily declined, particularly in gubernatorial races. (See "Percentage of Contributions of Less than \$100 in Selected Statewide Races, 1974-82.") The high point was 39% of all state House contributions in 1980; the low was 18.6% of Lt. Governor contributions in 1982. The proportion of small contributors tends to increase in off-year elections, as major contributors concentrate their efforts during statewide election years.

While participation of small contributors as a proportion of overall campaign spending may be shrinking, the number of small contributors is increasing. According to APOC figures, the number of Political Contribution Credit claims has increased by 50% since 1978, with the dollar value increasing from \$520,458, to \$1,598,912 in 1982. (See "Political Campaign Contribution Credits, 1974-82," APOC Annual Report: Supplemental Tables for 1981 and 1982.)

PERCENTAGE OF CONTRIBUTIONS OF LESS THAN \$100 IN SELECTED STATEWIDE RACES
1974-1982

	<u>'74</u>	<u>'78</u>	<u>'80</u>	<u>'82</u>
Governor	34.5%	21.7%*	n/a	20.2%
Lt. Governor	31.4	21.7*	n/a	18.6
State Senate	n/a	37.7	33**	30.4**
State House	n/a	27.2	39	26.2

*Figure available only for combined Governor/Lt. Governor races.

**Figure available only for campaigns with more than \$20,000 in expenditures (24 of 145).

From: APOC Annual Reports, 1974, '78, '80 and '81/'82

TABLE TEN (T - 10)

Political Campaign Contribution Tax Credits (1974-1982)

Description:

The State of Alaska's political campaign contribution tax credit was enacted in 1975 through an amendment to AS 43.20. It retroactively applied to filings for the 1974 tax year and allowed a resident individual a credit of up to \$50.00 on his or her Alaska net income tax for contributions made within the tax year to candidates and certain non-profit organizations (those organized primarily for the purpose of influencing the outcome of an election). In 1980, the Alaska Legislature repealed the Alaska state personal income tax, retroactive to January 1, 1979; however, the credit payment for political campaign contributions was retained and was increased, effective January 1, 1981, to allow a credit of up to \$100.00 per individual resident per year for contributions to a candidate or political group. In 1983, as this table went to press, the future of this credit was in question. Legislation was being considered to either eliminate the credit entirely or to restrict its application to only those contributions made to candidates and political parties (hence, contributions to political action committees and other groups would no longer qualify for a credit).

Table Ten is designed to provide an overview of the extent of the public's participation in this program over the past eight years. Data is provided to show the number of individuals claiming this tax credit and the total amounts credited each year by the State of Alaska to reimburse these individuals.

Analysis:

The political contribution tax credit program has grown dramatically since its inception. In 1974, an estimated 4,000 individuals claimed this credit. In 1982, this number had grown to almost 20,000. In 1974, less than \$200,000 was credited to individuals claiming the political contribution credit. In 1982, this total had grown to over \$1,500,000.

TABLE TEN (T - 10)

Political Campaign Contribution Credits
(1974 - 1982)

YEAR (in which the credited contribution was made)	# OF RETURNS CLAIMING A PCC (filed during the succeeding calen- dar year)	NUMBER OF INDIVIDUALS	MAXIMUM ALLOWABLE CREDIT	TOTAL CREDITS ALLOWED
1974	3,052	4,000 (est.)(1)	\$ 50.00	184,034
1975	1,691	2,200 (est.)(1)	\$ 50.00	99,804
1976	3,841	2,400 (est.)(1)	\$ 50.00	246,831
1977	3,693	5,463	\$ 50.00	230,046
1978	7,557	12,271	\$ 50.00	520,458
1979	6,928	6,928(2)	\$ 50.00	308,082
1980	15,541	15,541(2)	\$ 50.00	694,186
1981	9,383	9,383(2)	\$100.00	799,456
1982	18,766 (est.)(3)	18,766 (est.)(2)	\$100.00	1,598,912(est.)(3)
<hr/>				
Totals 1974 - 1982	70,452(4)	76,952(4)		4,681,809(4)

1. Summaries of 1974-1976 data did not count individual contributors or joint returns. The estimate is based on summaries of 1977 & 1978 data, when individuals were counted.
2. The PCC format was changed for 1979 so that only one person filed per form.
3. This estimate is based upon information from the Dept. of Revenue indicating that claims filed as of 6/01/83 for 1982 are running ahead of 1981's totals by a 2 to 1 margin.
4. These totals include the above estimates.

Last Minute Contributions

Nationally, there is a trend on the part of politicians to delay acceptance of certain campaign contributions (and corresponding reporting requirements) until after an election or reporting deadline. The APOC's "ten day report" identifies any contribution made after the seventh day prior to a primary or general election and during the last minute rush of contributions. We analyzed the 10-day reports of thirteen 1982 House and Senate candidates picked randomly.

A clear majority of the last minute contributions came from special interest groups (PACs, labor unions, corporations, etc.). Contributions identified in the reports represented between 0% and 46% of total contributions that candidates received for that particular election (either contributions before a primary or contributions received in preparation for the general election).

In dollar terms, candidates reported that up to \$7,803 (54% of total contributions in this case) were received in the last week of the election. Many of the 13 candidates reported contributions representing 20-25% of their total receipts for that election.

Contributions to Incumbents

While Alaskan incumbents have not historically spent more than the mean on their campaigns, there is a clear indication that committee chairs

receive more than the average share of contributions, and tend to maintain substantial campaign surpluses once the campaign is concluded.

Seven out of nine Senators elected in 1982 who later chaired committees received contributions higher than the mean for all Senate candidates. Eight out of ten eventual House committee chairs received campaign contributions totalling more than the mean.

After the election, 7 of the 9 Senators retained campaign surpluses. Three of these surplus accounts contained more than \$20,000. None of the eventual House committee chairs ended the campaign in debt while three had surpluses of more than \$5,000.

MAUREEN KENNEDY
DIRECTOR OF ALASKA PUBLIC INTEREST RESEARCH GROUP
TESTIMONY BEFORE THE SENATE STATE AFFAIRS COMMITTEE
JANUARY 9, 1985

Good afternoon, my name is Maureen Kennedy; I am the Director of AkPIRG, the Alaska Public Interest Research Group. We conduct research and advocacy around economic issues and have 500 members throughout the state.

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AkPIRG has long been involved in campaign finance issues. Many of our members were involved in the initiative campaign of 1974 which led to the Campaign Disclosure Act and the establishment of the APOC. More recently, we published From Abood to Ziegler, the Dollars and Cents of the '82 Elections which lists campaign contributors of each elected representative. We were pleased to hear this fall that the APOC will be publishing its biennial listing both by contributor and by candidate for the '84 elections.

Since 1776, the United States has been fitfully addressing the healthy tension between the "one person one vote" doctrine and the right to free speech. The former, carried to its logical conclusion, would have us in a political world where all citizens are politically aware, interested and registered to vote, where

candidates speak only the barren truth about their positions, where any mother's son--or daughter--could truly run for president, and where all campaign bills are miraculously paid, up front.

On the other hand, the Bill of Rights calls for a system in which any citizen can use any means short of crime (money, influence, threats, access to media) to convince voters to vote a certain way or to convince elected officials to follow a certain path. We're looking for a middle ground.

We thought we had it in 1974, after Watergate and the initiative campaign and the passage of the Campaign Disclosure Act. We recognized that the State had a responsibility to regulate campaign contributions and expenditures, to make sure that certain individuals and interests did not exert undue influence over the political decisions of the rest of us and that well-heeled candidates did not "buy" elections. We limited expenditures and contributions, but we also opened up the books by imposing disclosure provisions, so citizens could know how and from whom a candidate raised money, and add that knowledge to the rest in making an informed decision in the voting booth.

At the time, limiting expenditures and contributions overshadowed the disclosure provisions. Since the Buckley v. Valeo decision in 1976, Alaska discarded its overall expenditure limit but continued to rely on the disclosure provisions and the remnants of limits from the '74 law to maintain the balance between one person one vote and the right to free speech. But the teeth were gone. In many ways, we arrived at our present campaign finance system through the back door.

While walking through the mud room, we've come across the Worthington Ford arrangement, clearly intended to circumvent contribution limits and illegally influence elections, the VECO scheme, clearly intended to circumvent reporting requirements (and why, if the companies thought that massive infusions of oil money in a few key campaigns this year were appropriate?), and we happened to trip over Perry Green's apparently illegal loan to the Sheffield campaign. We know there are many other hidden skeletons looming in the dark. It's about time we went back around to the front door on this issue.

Each of these plays violated the spirit if not the letter of our campaign financing laws. They both violated our contribution limits and disclosure provisions. They allowed certain interests to unduly influence the outcome of an election--they in certain ways disenfranchised us. In two of these cases, we didn't know what was happening at the time of the election. We still may not know the whole story.

You may wonder how far your responsibility to protect the electorate and our precious right to vote extends. That's the key question. We recognize that things will never be completely equal; but how fair is fair enough?

Clearly, the political financing system we have in place right now is not fair enough. The cost of Senate races increased by more than a third in the two short years between 1982 and 1984. House campaign costs have increased 500% since 1974 while the inflation rate has inched up at 90% over that period. Seventy five percent of those candidates spending the most won election. With

few exceptions, Alaskan politics has become the province of the rich and well-connected.

As the cost of running politics in Alaska has exploded, special interests (corporations, PACs, unions, lobbyists and initiative committees) have taken over as banker. In 1978, these special interests gave 31.2% of total expenditures; by 1982, the figure was up to 92.5%. And those special interests certainly expect the investment to pay off. VECO staff openly agreed that the fundraising arrangement was established "to hold the line on further taxation of the oil and gas industry in Alaska." Politicians can publicly claim that ~~the~~ financial support is given with no strings attached, but national organizations release statistically irrefutable evidence of the link. AkPIRG did the same in the late seventies linking oil and gas contributions with tax policy votes.

AkPIRG believes that electoral politics should be the province of the individual just as only an individual may vote-- that contributions should come from individuals or groups of individuals with like interests and not from legal entities like corporations or unions. Certainly workers or stockholders of corporations and members of unions should be able to organize for political action as individuals.

Voters should know where a candidate's money comes from, and should expect that if a candidate reports a \$1,000 contribution, *that another \$4-5,000 has not* been laundered through a party or friend or unreported loan.

We find it ludicrous that policymakers are attempting to abolish or muzzle the APOC. An obvious conflict of interest

exists. The APOC is a bi-partisan/non-partisan board which has the authority and responsibility to interpret campaign financing laws. Someone has to do the tough stuff, and I am appalled at the abuse the commissioners and staff have taken this year. We do not doubt that the APOC could accomplish its job more efficiently and effectively--last year we pointed out some major problems we saw with contribution reports. But to emasculate the structure we have in place to protect Alaskans' right to a clean, fair election and their right to freely express their political beliefs based on election season squabbles is unconscionable.

We support the concept of the Political Contribution Credit--that citizens should be encouraged to participate in the political process, though many will choose not to even register. Campaign contributions are given to further the goals and positions of candidates and carry with them important responsibilities.

Public financing of elections is a good way to ensure that candidates aren't forced to rely on special interests to bankroll their campaigns and that those of us without \$40,000 in the bank can run for election if we choose.

Practically, we must adopt and work within a financing law that is effective. We can throw up our hands and discuss loopholes and squeeze balloons and describe in detail shady dealings that APOC hasn't discovered yet and resort to a voter beware policy, but I think that's the easy way out. Our vote is too important to write off, and we're seriously flirting with a credibility gap in state politics.

The bills under consideration at this meeting are a step in the right direction. AkPIRG is generally supportive of them, though we are sure that they could be streamlined to some degree without sacrificing effectiveness.

6.11.11

I have the following comments concerning the bills under consideration today:

Regarding the "cleanup" bill: In Section 2 on page 2 and Section 4, page 3, we support the increase to \$250 for reportable contributions. The \$100 threshold for personal contributions has not been enforced in recent years, and the \$250 figure is entirely workable.

We support the clarification of policy on loans above \$1,000 found on page 4. In its final opinion on the Perry Green loan to the Sheffield campaign, the APOC expressly stated that the action it took on that case should not be taken as precedent. Rather than further complicating the regulatory arena and inviting further interpretation and abuse, the legislature should simply ban loans except through conventional, state or federally chartered banks and credit unions. ^{HA}As counsel to the committee noted in its report on page 30, "(i)f the legislature finds that campaign financing financing by interest groups has resulted in undue influence on elections, committee counsel recommends outright prohibition of the offending fundraising practice." We believe that the APOC has a tendency to over-rely on regulation and disclosure of marginal campaign practices rather than simply prohibiting them. For example, the APOC should not be encouraged to condone arrangements such as the one employed by VECO, setting up elaborate disclosure mechanisms. ^TThe APOC should be encouraged to make the tough calls on these practices and ban those it considers contrary to the public interest.

Part b of this same section addresses campaign surpluses,

another area of financing ripe for abuse. The press has reported the questionable use to which sometimes massive excess contributions have been put in the past. Some candidates continue to carry over surpluses in excess of \$50,000 an election cycle. These contributions should be viewed as trust funds for a specific purpose, election expenses, and surpluses should be ~~to candidates~~ should be disposed of in the manner outlined here. Part c, section 2 is so broad, however, that the purpose of this section can easily be disregarded. Though we understand its intention, section 2 should be deleted. ~~¶~~ We support the aggregate limits on contributions outlined in Section 8, page 5. We would suggest that individuals be limited to \$10,000 in total contributions annually (\$20,000 per election cycle), and political parties be limited to \$5,000 per candidate per year (\$10,000 per election cycle). Groups should follow the same contribution guidelines as individuals, that is, \$1,000 per year. Aggregate limits on groups will not be workable, however, since groups will simply set up new groups to disburse additional funds.

On page 6, line 4 should read, "contributing to or expending on behalf of or in opposition to a ballot proposition or. . ." Section 10 should clearly refer to campaign expenditures, as opposed to independent expenditures.

Large contributions or expenditures should be of particular concern to policymakers and the public as the elections draw near. We would suggest that parts (f) and (g) of Section 12 kick in only within 7 days of the election, rather than continually or

within 30 days of the election.

I assume that groups were inadvertently omitted from part b section 1 at the top of page 8.

Part d on that same page should be deleted as it seems unenforceable--a group might anticipate contributing only to a ballot initiative, collect funds from other groups, then decide to contribute to one particular candidate, or a dozen. Again, we may be encouraging the proliferation of groups in this section as a group supporting a proposition is forced to organize a group to support candidates.

The last portion of Section 15 (at the top of page 10) should be dropped. Though campaign signs are often an eyesore, I can imagine the midnight raids to put opponents' signs in illegal locations.

Section 16 should be tightened again by inserting "two or more" persons at line 6. Contributors should neatly and clearly fall either into the "individual" category, the "group" category or the "party" category.

Regarding the Campaign Expenditure Limits bill: We strongly support the provisions of Sec. 15.13.119 reinforcing the voluntary nature of political contributions.

The bill sets up a type of expenditure limit system on page 5, Section 6. We don't think that eligibility for the PCC refund is a large enough carrot to offer candidates in return for limiting expenditures. Moreover, the provisions in part (e) seem unenforceable.

Regarding the Fair Campaign Financing Fund: We prefer the clearer language in the clean up bill regarding loans (page 1).

The fines and penalties outlined in Section 7 (page 5) seem stiff enough to actually act as a deterrent. Since so much activity can take place under the table or behind closed doors, and since the APOC has been traditionally lenient with fines when violations or transgressions are uncovered, heavy fines and the ever-present threat of a leak may be the only solution.

~~The Fair Campaign Finance Fund should be arranged to encourage candidates to convey their views on issues rather than demonstrate their creative fundraising abilities. The qualifying test at the top of page 7 should test the viability of the candidate rather than the number of friends in the district s/he can convince to donate. We should be encouraging candidates to convey their views on issues rather than demonstrate their creative fundraising abilities. We would suggest that candidates for House and Senate raise \$2,000 from their districts and gubernatorial/lt. governor teams raise \$30,000 from state residents in order to qualify. Contributions should be under \$1,000 only.~~

In order to save the state's money, the program should kick in only during the general election. Candidates should be required to open a new set of books after the primary, though primary expenditures should be counted against the overall campaign expenditure total. Moreover, the state should pay campaigns on a matching basis, rather than in a lump sum. Many races in the state traditionally consume less than \$10,000; candidates should not be encouraged to spend more simply because the state offers it. Unopposed candidates should not be eligible

for the program.

In order to receive one-for-one matching funds, a candidate should be required to agree to specific expenditure limits. We would suggest limits based on a dollar amount for each registered voter, similar to the system in place in 1976. The figures should translate into roughly \$2 million for statewide teams, \$40,000 for House races and \$80,000 for Senate races.

We have to assume that overall expenditure limits will encourage the use of in kind and hard-to-value resources such as telephone banks, Xeroxed lists, etc. The committee should develop language to address this tough issue.

Candidates who participate in the program should be required to repay the state up to the amount matched during the campaign out of unexpended funds by March 15th following the election. State participation in a candidate's campaign should carry with it serious fiduciary responsibilities. The penalties outlined on page 9 should be stiffened at least to the level imposed on violators of general campaign contribution and expenditure laws, that is, to 4 times the amount of illegal contributions or \$5,000, whichever is greater.

Again, to save the state money and to address the most pressing campaign finance issue, only statewide races for gov./lt. gov. and House and Senate races should be eligible for the program.

Finally, on page 12, penalties for late filing of reports should be increased dramatically. Candidates have made a shell game out of filing contribution reports, elevating the timing of filing to a piece of overall campaign strategy. And who wouldn't

if the fine for late filing were only \$1 a day? Ten dollars a day (as a maximum) is a similarly insignificant figure. Most reports should carry a \$100^{1 day} fine for late filing, while 7 day and 24 hour reports should carry a \$500^{1 day} fine. Again, these figures are maxima; the law allows for arguing extenuating circumstances. The disclosure aspects of the entire campaign finance laws are meaningless unless the public has access to the information in a timely manner, before the elections. Heavy fines will motivate candidates to comply.

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE
SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



MEMORANDUM

To: Senate State Affairs Committee
From: Senate State Affairs Committee Staff
Re: Campaign Financing in Alaska
Date: September 4, 1984

Staff papers on campaign financing and a staff report on Campaign Financing Trends in Alaska 1974-1982 are attached for your review. These enclosures should be considered as preliminary documents to outline some of the issues, problems, and possible solutions surrounding financing of elections.

The campaign financing papers are based on discussions with staff members of the Alaska Public Offices Commission (APOC), candidates for office and members of the Legislature, and review of articles, books, statutes and court decisions. The report on financing trends is based on analysis of APOC documents.

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 463-4954



MEMORANDUM

TO: Senate State Affairs Committee
FROM: Senate State Affairs Committee Staff
RE: Campaign Financing
DATE: August 30, 1984

Over the last few years, concern has been expressed on the general area of campaign practices in Alaska, and specifically on the subject of campaign financing. The state affairs committee staff under the direction of the committee chair began working on this area during the 1983 interim.

Section I of this preliminary memo is a very brief summary of the staff work done on campaigns, and campaign financing from 1983 to date. Section II is more in depth on the ~~effect of campaign~~ campaigns, and Section III is a laundry list of ~~problem areas and~~ issues that have been brought up by various groups, legislators, citizens, and articles, etc.. on the issue of campaign disclosure and campaign financing.

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SECTION I

SUMMARY OF STAFF WORK ON CAMPAIGN FINANCING

1983 Interim/Staff Work on Campaign Financing

Under the direction of the Committee Chair, staff began to research the area of campaign financing. The emphasis was to find out the options for curtailing the escalating costs of campaigns. Following this page is an August 30, 1983 memorandum by Dick Bradley on the constitutionality of certain options (see page 5 of that document).

1984 Interim staff work on Campaign Financing

Under the direction of the Committee Chair, staff once again began researching the area of campaign financing. This year the emphasis has been on collecting statistical data on costs (see accompanying report), isolating issues (section III of this memo), and the effect of money in campaigns (section II of this memo).

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE COUNCIL
JUNEAU ALASKA 99801
707 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

August 30, 1983

SUBJECT: Election campaign reform
(Work Order No. 13-1520)

TO: Senator Vic Fischer

FROM: Richard A. Bradley
Legislative Counsel *B*

You have filed a work order request on the above subject; you suggested that I contact Ginger Baim if I had questions. I have a number. And to some extent, the constitutional questions raised are addressed in these comments.

Apropos the two concepts, I have numbered the paragraphs of each and would appreciate your judgement on the following matters. And as you might guess, I expect to need to generate additional work order requests for the separate subjects of these proposals unless you feel that they should remain within one bill; perhaps some creative phrase could be invented which would encompass all that is suggested; I would prefer two or more bills.

I. Legislative Reform.

I note initially that the topics contained within this request do not all fall under the general topic; paragraphs 3, 4, and probably 6 deal with issues extraneous to the legislature.

Paragraph 1 seems to state a constitutional goal. Buckley v. Valeo, 44 USLW 4127 (1976) agrees that limitations on contributions (as opposed to expenditures) are constitutional as appropriate legislative weapons against the reality or appearance of improper influence stemming from the dependence of candidates on large campaign contributions. The Court held that the ceilings imposed in that case, \$1000, serve the basic governmental interest of safeguarding the integrity of the electoral process without

Senator Vic Fischer
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impinging on the rights of individual citizens and candidates to engage in political debate and discussion.

While I do not see any comments in the Court's opinion in Buckley on the significance of \$1000 as a threshold amount, in my view a limitation on contributions to state candidates from lobbyists at \$100 seems prima facie valid, particularly as I note the limitation on other contributions from non-lobbyists at \$500.

The limitation suggested on the times within which contributions are forbidden: "during or within 45 days after" a legislative session -- seems curious since issues of concern to lobbyists are frequently identified before a legislative session.

I note that the list of organizations prohibited from contributing under this paragraph does not literally include, for example, corporations.

Regarding paragraph 2, is it suggested that a contribution is prohibited only when "in direct consequence of" (apparently meaning "after" in addition to "as a result of") a legislative act while the same contribution would not be prohibited if it anticipated the legislative act.

To what extent is this intended to displace existing bribery statutes; see AS 11.56.100. Note that subsection (a) provides:

Sec. 11.56.100. BRIBERY. (a) A person commits the crime of bribery if he confers, offers to confer, or agrees to confer a benefit upon a public servant with the intent to influence the public servant's vote, opinion, judgment, action, decision, or exercise of discretion in his official capacity.

I do note that AS 11.56.130(1) defines "benefit" to exclude "political campaign contributions reported in accordance with AS 15.13." Perhaps the answer to the first aspect of paragraph 2 is simply to delate the provisions of AS 11.56.130(i).

And I understand the latter aspect of paragraph 2 to suggest that while a "campaign contribution" in any amount "in direct consequence of" a vote is prohibited, the legislator may engage in a business transaction amounting to \$5000 or

less within a year of the vote, even if the vote was on a "measure of direct financial interest" to the person benefitting and apparently offering the business transaction.

Regarding paragraph 3, I assume that the prohibition on the raising of funds for reelection purposes starts at the time of taking office; the paragraph merely states that the prohibition ends on the January 1st of the reelection year. I assume that a governor who comes into office with an election debt can raise funds at any time until the debt is paid; I further assume that a governor who had, for example, "lent" personal funds to his campaign may engage in fund raising efforts until he is repaid.

No similar concepts are suggested for legislative offices.

Concerning paragraph 4, what is intended by the phrase "appointed official"? Note that to some extent every person serving in the executive branch (except the governor and lieutenant governor) is an "appointed official". Among the options you may wish to consider (under the assumption that a blanket prohibition is not intended) are (1) officers required to be confirmed by the legislature (Article II, sections 25, 26, Alaska Constitution); (2) individuals in (1) plus deputy commissioners and directors; (3) individuals compensated above a stated salary level; or perhaps something else.

Paragraph 5 presents some constitutional problems. While it is clear that a legislator is under a substantial burden to avoid conflicts of interest so that his motives for voting for an issue are not clouded, it is the constitution that gives the legislator a vote and I doubt the ability of the legislature to take the vote away, even for the best of reasons. I believe that there is a longstanding constitutional policy of denying to a majority of the legislature the right to decide whether a single legislator may vote, at least apart from the constitutional procedures of expulsion.

I note some logical tension between a prohibition on a vote if there is a "direct financial interest," apparently in any amount, and a prohibition on a vote to benefit an interest only if the interest contributed more than \$5000 to the legislator's last campaign.

The application of these rules to executive decisions and administrative orders seems awkward; note that apart from the governor and the lieutenant governor, presumably no one in the executive branch has engaged in a political campaign, at least for the office occupied. And while the governor may have the conflict, I assume that that presents no disability on a commissioner or a lower executive officer to act even in the presence of a gubernatorial conflict.

Paragraph 6 seems unconstitutional on its face; I can see no connection between the principal place of business of an enterprise outside the state (such as Alaska Airlines) and the right of that enterprise to contribute to a candidate. And since First Amendment rights are involved, I believe that any judicial review would involve strict scrutiny. And would not survive that scrutiny.

Paragraph 7 seems unfocused. Perhaps the governor could be requested to make recommendations for further implementation but I don't see the legislative information offices having much of a formal role. And it seems unnecessary to suggest that officers having the responsibility for implementation of a law may suggest improvements to it.

II. Fair Campaign Practices.

I understand the suggestion in paragraph 1 to propose an amendment to the state credit for contributions to political campaigns [AS 43.20.013(a)] from the existing \$100 to \$500. And it seems that implicit in subsequent provisions is the premise that the credit be available only to individuals making contributions to candidates who have themselves agreed to the limitations on campaign expenditures and the other limitations established in the scheme.

Paragraph 2 limits the contribution to a campaign to \$500; understood as a limitation on a contribution to a campaign and not as a limitation on independent expenditures, the provision seems constitutional. I note that the statement of the provision is unclear to the extent that it does not make clear whether the maximum contribution is \$500 in all cases or rather only in those cases where the candidate has agreed to campaign limitations. In earlier schemes that I have drafted and in laws in other states, the limitation on campaign contributions only applies to candidates who accept the limitations but I believe either solution is constitutional.

Paragraph 3 establishes a maximum cumulative contribution to all campaigns in a year for the contributor of \$10,000; again understood as a limitation on contributions to campaigns and not as a limitation on independent expenditures, I believe the limitation would be constitutional.

Paragraph 4 appears to create no constitutional problems. I assume that the figures are within the ballpark; as a question of drafting, I suggest that the dollar figure per registered voter is a simpler formula. I note that no inflation index is suggested.

As I understand the concepts in paragraph 4, a candidate would agree to accept the limitation on campaign contributions, presumably by filing a statement with the director of elections or the APOC. The candidate would then accept contributions within that formula, up to the maximum, but only for the primary. A candidate who is nominated having accepted the limitation, is then entitled to state funding for the general election under the formula suggested in paragraph 4.

A problem encountered in this area arises under the constitutional requirement that candidates for governor and lieutenant governor run as a team: have you considered how you would wish to deal with the question of one candidate of the team having accepted and the other not having accepted. One solution is to deny general election campaign funds to both candidates unless each has agreed to accept limits.

Munic.

The provisions for municipalities to participate in similar programs may create some problems. Recognize that the analogy to municipal elections is imperfect since municipalities have no primaries and the primary election qualification/general election grants dichotomy seems important for the structure of the concept.

Paragraph 5 seems to create no problems. The ten percent limit of obligations and expenditures in excess of receipts may not create problems and I assume that a candidate may fund his own election limits to extent of his wishes; I assume for the purposes of this paragraph that personal candidate funding constitutes a receipt.

I assume that an "independent committee" is similar or identical to the concept of a group not controlled by the candidate under AS 15.13. I suggest, however, that this

Senator Vic Fischer
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limitation on independent expenditures may constitute a "restriction" which "while neutral as to the ideas expressed, limit(s) political expression "at the core of our electoral process and of First Amendment freedoms'." Buckley, 44 USLW at 4138, citing Williams v. Rhodes, 393 U.S. 23, 32 (1968). With regard to the limitation on contributions by a political party or a subdivision of a political party or a combination of them (but what about contributions from different political parties?), the limitations appear valid under Buckley. See 44 USLW at 4137. Some of the Court's comments there may be relevant to your consideration of this bill:

Section 608(b)(2) of Title 18 [of the U.S. Code] permits certain committees, designated as "political committees," to contribute up to \$5,000 to any candidate with respect to any election for federal office. In order to qualify for the higher contribution ceiling, a group must have been registered with the [Federal Election] Commission as a political committee under 2 U.S.C. sec. 433 for not less than six months, have received contributions from more than 50 persons and, except for state political party organizations, have contributed to five or more candidates for federal office. Appellants argue that these qualifications unconstitutionally discriminate against ad hoc organizations in favor of established interest groups and impermissibly burden free association. The argument is without merit. Rather than undermining freedom of association, the basic provision enhances the opportunity of bona fide groups to participate in the election process, and the registration, contribution, and candidate conditions serve the permissible purpose of preventing individuals from evading the applicable contribution limitations by labeling themselves committees.

Buckley, at 4137.

The provisions regulating the qualification of "third or independent parties" are somewhat complicated in their constitutionality. But before addressing that question, let me restate my understanding of its proposals. It appears that third or independent parties wishing to qualify for the "general election grant" may qualify for the grant if they received 15 percent of the vote in the "previous or comparable election." What does this phrase mean? Do, for

example, the Libertarian Party candidates for the legislature qualify if its candidate for governor in the last gubernatorial election qualifies. What about the gubernatorial candidate qualifying if one or more candidates for the legislature qualify. Is qualification by district, by office, and only if it is continuously maintained.

I believe that the constitutionality of the general concept under the U. S. Constitution is likely. Anderson v. Celebrezze, 50 LW 2322. The constitutionality of the question under the state constitution is less certain. The Alaska Supreme Court intervened into legislative prerogatives, that is, in line drawing in its March 3, 1983 decision in Vocler v. Miller. While that case is not precisely on point, its logic is instructive and I am concerned that the thresholds suggested may be too high.

I assume that if the party seeks to qualify by gathering signatures on registered voters in the relevant election districts, it may qualify by obtaining the signatures of any qualified voters, not by getting the signatures of qualified voters registered to that persuasion. And I assume that the "15 percent of the registered voters in the relevant election district or 10 percent of registered voters statewide" constitutes formulae for particular candidates in either a house or senate district or for a statewide candidate and not options for either.

With regard to paragraph 7, is it intended to limit state credit funds only to initiatives and referenda and not to recall elections; the latter was omitted from the discussion.

And I suspect that there must be some shorthand used in the description, i.e., I assume that there would need to be a qualification period during which contributions of \$500 or less would be required before the group is entitled to receive state grants -- not as suggested in the request, where the entitlement seems to arise on certification of the group for initiative or referendum purposes.

And finally, as suggested in the discussion on "legislative reform," I see no meaningful purpose to requiring APCC and elections people to comment on implementation after the bill is adopted; the bill should be comprehensive and perhaps "amendments" might be in order (and will be doubtless

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proposed, whether requested or not, if needed) but no
recommendations for "implementation."

If I may be of further assistance, please advise.

RAB:ljb
28/009

12/11/83

SECTION II

INFLUENCE OF MONEY IN ELECTIONS

Some of the ideas that have been discussed regarding campaign financing are presented in this section. The concepts outlined come from a review of some articles, books, statutes, and court decisions. Where appropriate, portions of texts are included as each subject is discussed.

The purpose of this section is to help the Committee understand the vast range of approaches that are available. Some ideas may not make sense for Alaska; others may have been inadvertently overlooked.

"The point is that what raising money, not simply spending it, does to the political process. It is not just that the legislative process is bent or stymied. It is not just that well-armed interests have a head start over the rest of the citizenry -- or that often it is not even a contest. It is not just that citizens without organized economic power pay the bill for the successes of those with organized economic power. It is not relevant which interests happen to be winning. What is relevant is what the whole thing is doing to the democratic process. What is at stake is the idea of representative government, the soul of this country."

--Elizabeth Drew, Washington Correspondent,
The New Yorker

INFLUENCE OF MONEY IN ELECTIONS

The issue of campaign financing is not a new one. The first major federal legislation prohibiting corporations and national banks from making money contributions passed in 1907 at the suggestion of President Theodore Roosevelt. This measure was followed by other important laws and US Supreme Court opinions relating to campaign financing throughout the century (see Summary of Key Federal Legislation and US Supreme Court Actions Affecting Campaign Financing, attached).

With the tremendous growth of political action committees (PACs) in recent years, the nation has once again focused on the influence of money in elections. Major stories on campaign financing have appeared in Business Week, The New Yorker, The New Republic, Time, The New York Times, The Washington Post, The Los Angeles Times, Newsweek, US News and World Report, and other publications across the country. In Alaska, the rising costs of campaigns and some fundraising issues have required that we, too, look at our approach to regulating campaign financing.

The subjects discussed are:

1. Disclosure of Contributions
2. Disclosure of Expenditures
3. Contribution Limits
4. Prohibited Contributions
5. Loan Limits
6. Public Financing
7. Independent Committees
8. Prohibiting Political Advertising and Providing Free Air Time
9. Other Ideas
10. Concluding Statement

"Money not only can make the difference, but can make a huge difference. People make decisions based upon the way they see the world, and the way they see the world is conditioned by the information they have; and money can influence not only the information they have, but also the perceptions they have, and therefore influences who wins and loses."

--Richard Wirthlin, Republican Pollster

SUMMARY OF KEY FEDERAL LEGISLATION AND US SUPREME COURT ACTIONS
AFFECTING CAMPAIGN FINANCING

Tillman Act (1907). This measure prohibited corporations and national banks from making money contributions in connection with any election. It was enacted at the suggestion of President Theodore Roosevelt in the wake of charges during his 1904 campaign that he had received large corporate contributions from prospective government contractors.

Corrupt Practices Act (1925). This act extended the earlier prohibition to all contributions (not just monetary ones), while excluding primary elections and nominating conventions from its restrictions.

Smith-Connally Act (1943). Labor unions were prohibited from using union membership dues as campaign contributions. This measure established the precedent of allowing separate funds for this purpose, in other words, political action committees.

Taft-Hartley Act (1947). This measure further extended the ban for both corporations and labor unions to expenditures, as well as contributions. Vague and easy to circumvent, this act served as the principal means of regulating federal campaign activity until 1972.

Federal Election Campaign Act (1971). The concept of the political action committee was codified here.

Federal Election Campaign Act Amendments (1974). A response to Watergate, this measure imposed limits on campaign contributions and expenditures, and created the Federal Election Commission. Penalties for violating the limits were raised significantly from \$5000 to \$25,000 and for officers of organizations found guilty of violations from \$10,000 to \$50,000. Government contractors were allowed to establish PACs. Most important was the creation of the public financed Presidential races.

US Supreme Court Decision: Buckley v. Valeo (1976). This decision upheld the notion of limits on contributions, while nullifying expenditure limits. It specifically declares the limitation on independent expenditures as unconstitutional. It supports the constitutionality of ceilings upon contributions, for example endorsing the concept of limits on the total amount a candidate may accept from all PACs.

Federal Election Campaign Act Amendments (1976). Responding to the Buckley decision, this measure placed restrictions on the types of employees corporations could solicit, guidelines for soliciting contributions for PACs, and a limit on the proliferation of PACs within an organization.

US Supreme Court Decision: Common Cause v. Schmidt (1982). This action shows that the question of unlimited expenditures has not been closed. The Court divided 4-4, with the ninth Justice disqualified, upon the question of whether Congress may prohibit independent expenditures by a "political committee" in support of a Presidential candidate who has elected to run on public funds.

1. DISCLOSURE OF CONTRIBUTIONS. Most states require some type of information regarding disclosure of contributions. The following is a presentation of how many states require disclose information and the contribution amount for which this information must be provided (see Blue Book, page 7).

All Contributions	9 states
Contributions over \$10	1 state (AL)
20	1 state (MI)
25	5 states
30	1 state (CT)
50	6 states
100	15 states, including AK
200	3 states
250	1 state (AR)
500	2 states
1000	1 state (LA)

"We are the only human beings in the world who are expected to take thousands of dollars from perfect strangers on important matters and not be affected by it."

--Barney Frank, US Representative (D-MA)

2. DISCLOSURE OF EXPENDITURES. Campaign expenditures is another area that many states have chosen to review. The expenditure amount requiring disclosure is listed below (see Blue Book, page 7).

All Expenditures	25 states, including AK
Expenditures over \$5	1 state (AL)
25	3 states
50	7 states
100	8 states
150	1 state (IL)
250	1 state (MS)
5000	1 state (RI)

Campaign Finance, Ethics & Lobby Law, Blue Book 1984-85,
The Council on Governmental Ethics Law, The Council of State
Governments

CAMPAIGN FINANCE

	DISCLOSURE				PROHIBITED CONTRIBUTIONS (from)									
	CONTRIBUTIONS		EXPENDITURES		Govt & Employees	Lobbyists	Activities	Donors	Corporations	Labor Unions	Government Contractors	In Name of Authority	Party Law &	Other
	Over \$	All	Over \$	All										
Alabama	10		5			X					X			
Alaska	100	X		X		X					X			
Arizona							X	X						
Arkansas	250		100			X							50	
California	100		100			X					X		100	
Colorado	25		25			X					X		25	
Connecticut	20	X		X		X	X	X			X		50	X
Delaware		X		X		X					X		50	
District of Columbia				X		X					X		50	
Federal	200		200				X	X	X	X	X		100	X
Florida		X		X		X					X		100	
Georgia	100	X	100	X							X		50	X
Hawaii	100	X		X		X					X		100	
Idaho	50	X	25	X		X					X			
Illinois	150	X	150	X		X					X			
Indiana	100		100								X			
Iowa				X		X	X				X			
Kansas	50		50			X					X			X
Kentucky	100		50			X	X				X		100	X
Louisiana	2,000												100	
Maine	50			X							X			
Maine				X		X					X			
Massachusetts	25/25	X	24/24	X		X	X				X		50	X
Michigan	25		50			X	X				X		25	
Minnesota	25	X	100	X		X	X				X			X
Mississippi	500	X	250	X							X			
Missouri	50		50			X					X		50	X
Montana	25	X		X		X	X				X			
Nebraska	100	X	100	X		X					X		50	
Nevada	500			X										X
New Hampshire		X		X	X	X	X	X						
New Jersey	100			X		X					X			X
New Mexico		X		X		X					X			X
New York	50		50			X					X		100	
North Carolina	100	X		X		X	X	X			X			X
North Dakota	100	X		X		X					X			
Ohio		X		X		X					X		100	
Oklahoma	200			X		X								
Oregon	100			X		X	X				X			
Pennsylvania	50	X		X		X	X	X			X		100	X
Rhode Island	200		5,000			X								
South Carolina	100			X										
South Dakota	100			X		X	X							
Tennessee	100	X	100	X		X					X			
Texas	50		50			X	X	X			X		100	
Utah		X		X										
Vermont	25	X												25
Virginia	100		100			X					X			
Washington	25		50											
West Virginia						X	X				X		50	
Wisconsin		X		X		X	X				X		50	
Wyoming		X		X		X	X				X			X
CANADA														
Alberta	125			X		X					X			X
Federal 100	100	X		X		X					X			
Manitoba	125			X										
Ontario	100		100			X					X			X
Quebec	125			X		X	X				X		100	
Saskatchewan	100		25								X			

3. CONTRIBUTION LIMITS. Limiting the amount one can contribute is one method many states have chosen to regulate the influence of money in elections. Several approaches are described below.

"The ceilings on giving and spending take from wealthy citizens, candidates or organizations only certain limited advantages totally unrelated to the merits of their argument -- advantages which all too frequently obscure the merits of their arguments."

--Judge Skelly Wright

* Campaign Contribution Limits. Contribution limits have been established for specific elections in many states. The following reviews which races the states have required contribution limits (see Blue Book page 8).

Governor	18 states, including AK [#]
Lt. Governor	11 states, including AK
Combined Gov/Lt. Gov	3 states
Other Statewide Office	18 states
Legislature	21 states, including AK
Municipal	12 states, including AK
Judicial	7 states, including AK

* Limit contributions made by members of family.

* Provide different contribution limits for statewide versus district elections.

* Establish aggregate totals that PACs, political parties, and individuals can contribute. In a memo to Senator Vic Fischer, Richard Bradley, Legislative Counsel states that he believes such a limitation would be constitutional (see Bradley Memorandum on Election Campaign Reform, August 30, 1983, page 5).

* Establish aggregate totals candidates may accept from PACs. Montana recently passed legislation with this purpose.

"When a large number of groups which have made substantial contributions to Congress are all lobbying on the same side of an issue, the pressure generated from these aggregate contributions is enormous and warps the process. It is as if they made a single, extremely large contribution."
--David Obey, US Representative (D-WI)

* Prohibit campaign expenditures in excess of 10% of the receipts on hand in the campaign treasury, including personal and other loans (see Bradley Memorandum, page 5).

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Alaska statute limits contributions to \$1000.

Campaign Finance, Ethics & Lobby Law. Blue Book 1984-85,
The Council on Governmental Ethics Law, The Council of State
Governments

CAMPAIGN FINANCE

	CONTRIBUTION LIMITS									
	Governor	Legislature	Other Statewide	Senate	House	County	Municipal	Local	Other	
Alabama										
Alaska	1,000	1,000	1,000	1,000	1,000		1,000	1,000	1,000	
Arizona										
Arkansas	1,000	1,000	1,000	1,000	1,000	1,000	1,000			
California										
Colorado										
Connecticut	1,000	1,000	1,000	500	500	1,000	1,000	1,000	1,000	
Delaware	1,000	1,000	1,000	500	500	500	500	500		
Dist of Columbia										
Federal				1,000	1,000					X
Florida	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	var.	
Georgia										
Hawaii	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
Idaho										
Illinois										
Indiana										X
Iowa										
Kansas	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
Kentucky	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
Louisiana										
Maine	1,000		1,000		1,000	1,000				X
Maryland										X
Massachusetts	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
Michigan	1,000	1,000	1,000	500	500					X
Minnesota	1,000		var.	1,000	1,000					
Mississippi										
Missouri										
Montana	1,000	1,000	1,000	500	500	500	500	500		X
Nebraska										
Nevada										
New Hampshire	1,000		1,000	1,000	1,000	1,000	1,000			
New Jersey	1,000									
New Mexico										
New York										
North Carolina										
North Dakota										
Ohio										
Oklahoma	1,000		1,000	1,000	1,000	1,000	1,000	1,000		X
Oregon										
Pennsylvania										
Rhode Island										
South Carolina										
South Dakota	1,000	1,000	1,000	500	500	500	500	500		
Tennessee										
Texas										
Utah										
Vermont	1,000		1,000	1,000	1,000	1,000	1,000	1,000		
Virginia										
Washington										
West Virginia	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	X
Wisconsin				1,000	500	var.	var.	var.	var.	X
Wyoming	1,000		1,000	1,000	1,000	1,000	1,000	1,000		
CANADA										
Alberta										X
Federal CFC										
Manitoba										
Ontario						1,000				
Quebec								1,000		
Saskatchewan										

4. PROHIBITED CONTRIBUTIONS. In order to avoid situations where the integrity of the law-making or administrative process may be jeopardized, some states have instituted prohibitions on certain campaign contributions. The following are some of the methods that been discussed. A section on campaign contributions in the Book of States, Volume 25 and a Common Cause Summary of Contribution Limits for State Elections is attached.

* Prohibited Campaign Contributions. The list below describes the types of contributions that some states have chosen to prohibit. In the case of corporations and labor unions, this prohibition applies to the entities themselves and their respective PACs in most instances (see Blue Book, page 7).

(a) Government Employees	1 state (NH)
(b) Lobbyists	-0-
(c) Anonymous Donors	33 states, including AK
(d) Corporations	22 states
(e) Labor Unions	9 states
(f) Government Contractors	3 states
(g) In Name of Another	31 states, including AK
(h) Public Utilities or Insurance Companies	18 states

* Government Employees are prohibited from the solicitation of funds during employment hours.

* The providing of contributions to campaigns just preceding, during and immediately following the legislative session.

Table 2
CAMPAIGN FINANCE LAWS: LIMITATIONS ON CONTRIBUTIONS BY ORGANIZATIONS
(As of January 1984)
LEXINGTON, KENTUCKY

State or other jurisdiction	Corporate	Labor Union	Multiple Incorporated Limit - per candidate per election (PAC)	Relevant statutes	Other parties	Year other laws
Alabama	Limited to \$500 to any one candidate, political committee or political party per election	Unlimited	Limited	Prohibited except as provided by public service commission; maximum contribute through a PAC	Limited	Iowa Kansas
Alaska	Limited to \$1,000 per year for each legislative office	Same as corporate	Same as corporate		Limited	
Arizona	Prohibited	Prohibited	Limited	Prohibited	Limited	Arkansas Louisiana Maine
Arkansas	Limited to \$1,000 per candidate, per election	Same as corporate	Same as corporate		Limited to \$2,000 per candidate, per election	Massachusetts Michigan
California	Unlimited	Unlimited	Unlimited		Limited	
Colorado	Limited	Unlimited	Limited		Limited	Minnesota
Connecticut	Prohibited	Prohibited	Labor organization PAC limited to an aggregate of \$10,000 per election; and same limits per candidate as multi-jurisdictional corporate PAC; limited to an aggregate of \$10,000 per election; and same limits per candidate as individuals	Prohibited	Limited	
Delaware	Limited to \$1,000 for statewide candidate per election; \$500 per non-statewide candidate, per election	Same as corporate	Same as corporate			
Florida	Limited to \$1,000 for statewide candidate per election; \$2,000 for candidate per election as defined in the official rules; \$1,000 for any other candidate per election	Same as corporate	Same as corporate		Limited to \$1,000 per candidate per election	Mississippi Missouri
Georgia	Limited	Unlimited	Limited	Public utility and political committee prohibited; public service commission may not contribute, directly or indirectly	Limited	
Hawaii	Limited to \$2,000 in any election period	Same as corporate	Same as corporate		Single source per candidate limit; no limit on other candidates	
Idaho	Unlimited	Limited	Limited		Limited	
Illinois	Unlimited	Limited	Limited		Limited	
Indiana	Limited to an aggregate of \$5,000 for statewide candidates; an aggregate of \$5,000 for state party central committees; an aggregate of \$2,000 for other offices; and an aggregate of \$2,000 for other party committees	Same as corporate	Limited		Limited	

ELECTIONS

Table 2—Continued

State or other jurisdiction	Corporate	Labor Union	Separate segregated fund—political action committee (PAC)	Regulated industries	Political party
Montana	Prohibited.	Limited for all elections in a campaign to \$4,000 for governor; \$2,000 for other statewide candidates; \$1,000 for public service commissioner; \$400 for state senator; \$300 for other candidates.	Same as labor union.	Prohibited.	Contributions to individual candidates are prohibited.
Nebraska	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Unlimited.
Nevada	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Unlimited.
New Hampshire	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
New Jersey	Unlimited, except in contributions to governor in any primary or general election (5% limit).	Same as corporate.	Same as corporate.	Prohibited for insurance corporations, banks or associations and certain other corporations.	Unlimited, in state committee election for governor or general election (5% limit).
New Mexico	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Prohibited in primary election; otherwise unlimited.
New York	Limited to an aggregate of \$5,000 per calendar year.	Same as corporate.	Same as corporate.	Public utilities may not contribute to any public service regulation unless contribution is shared in state.	Unlimited.
North Carolina	Prohibited.	Prohibited.	Limited to \$4,000 per committee or candidate, per election.	Prohibited for insurance companies.	Unlimited.
North Dakota	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Ohio	Prohibited.	Unlimited.	Unlimited.	Prohibited for public utilities.	Unlimited.
Oklahoma	Prohibited.	Limited to \$2,000 to a political party or organization or a state office, and \$1,000 for a local office candidate.	Same as labor union.	Prohibited.	Same as labor union.
Oregon	Unlimited.	Unlimited.	Unlimited.	Generally prohibited.	Unlimited.
Pennsylvania	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Rhode Island	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Unlimited.
South Carolina	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Unlimited.
South Dakota	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Tennessee	Prohibited.	Unlimited.	Unlimited.	Prohibited.	Unlimited.
Texas	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Utah	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Unlimited.
Vermont	Limited to \$5,000 per candidate or committee, per election.	Same as corporate.	Same as corporate.	Unlimited.	Same as corporate.
Virginia	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Unlimited.
Washington	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Unlimited.

State
1967-68

West Virgin

Wisconsin

Wyoming

Dist. of Col

Source: State Law Administration, State Law Key—No. 101 (1967-68)

ELECTIONS

Table 3
 CAMPAIGN FINANCE LAWS: LIMITATIONS ON CONTRIBUTIONS
 BY INDIVIDUALS
 (As of January 1984)

State or other jurisdiction	Individual	Candidate	Candidate's family member	Government employees	Anonymous or in name of trustee	
Alabama	Unlimited.	Unlimited.	Unlimited.	No solicitation of state employees for state political activities. City employees may contribute to county, state political activities, county employees may contribute to city, state political activities.		Idaho
Alaska	Limited to \$1,000 per year for each elective office.	Unlimited.	Same as individual.	Contribution may not be required of state employees.	Prohibited.	Illinois
Arizona	Unlimited.	Unlimited.	Unlimited.			Indiana
Arkansas	Limited to \$1,500 per candidate, per election.	Unlimited.	Same as individual.	Contribution may not be required of state employees. State division of social services, county board of public welfare employees may not solicit, nor may certain judges solicit for campaigns other than their own.	Anonymous contributions prohibited. Contributions in name of trustee prohibited.	Iowa
California	Unlimited.	Unlimited.	Unlimited.	Local agency employees may not solicit employees of their agency, except candidates through a fair solicitation.	Anonymous contributions prohibited. Contributions in name of trustee prohibited.	Kansas
Colorado	Unlimited.	Unlimited.	Unlimited.		Contributions in name of trustee prohibited.	Kentucky
Connecticut	Limited to an aggregate of \$15,000 per election and \$20,000 for governor; \$1,500 for other statewide offices; \$1,000 for sheriff; \$500 for state senator or state judge; \$250 for state representative; \$1,000 for town clerk or borough clerk; \$2,000 per year to state party.	Unlimited.	Unlimited.	May not be required.	Anonymous contributions prohibited. Contributions in name of trustee prohibited.	Maine
Delaware	Limited to \$1,000 per statewide candidate, per election; \$500 per non-statewide candidate per election.	Limited to \$5,000 per election.	Same as candidate.		Prohibited.	Maryland
Florida	Limited to \$1,000 for statewide office candidate per election; \$2,000 for candidate for retention as district court or appeal judge; \$1,000 for any other candidate or committee per election.	Unlimited.	Same as individual.	Judges not elected in public elections between competing candidates may not make contributions. Solicitation generally prohibited for state employees. Judges may not solicit contributions.	Contributions in name of trustee prohibited.	Massachusetts
Georgia	Unlimited.	Unlimited.	Unlimited.	Solicitation generally prohibited. State employee may not solicit another state employee.	Anonymous contribution prohibited.	Michigan
Hawaii	Limited to \$2,000 in any election period.	Limited to an aggregate of \$50,000 in any election year.	Same as candidate.	Solicitation of contributions prohibited. Contributions to other employees prohibited.	Prohibited.	Minnesota

ELECTIONS

S

1977
1978

1979
1980
1981

1982
1983
1984

1985
1986

1987
1988
1989

1990
1991

State	Initiator	Candidate	Candidate's union member	Government employees	Anonymous in name of initiator
AK	Unlimited.	Unlimited.	Unlimited.	Contributions permitted. Solicitation prohibited. State employee may not write another state employee.	Anonymous contribution must be 10% or less. Contribution in the name of another prohibited.
AL	Unlimited.	Unlimited.	Unlimited.	Generally prohibited.	Prohibited.
AR	Unlimited.	Unlimited.	Unlimited.	Contribution may not be required. Employees may not solicit or receive contributions.	Contribution in the name of another prohibited.
CA	Unlimited.	Unlimited.	Unlimited.		Prohibited.
CO	Limited to \$1,000 for statewide candidate, per election; and \$750 per candidate per election for not officers.	Unlimited.	Spouse is unlimited.	Contribution may not be required.	Anonymous contribution must be 10% or less. Contribution in the name of another prohibited.
CT	Limited to \$1,000 per candidate per election.	Unlimited.	Same as individual.	Contribution may not be required. No solicitation may be made in which the name of the union is used.	Anonymous contribution must be 10% or less. Contribution in the name of another prohibited.
DC	Unlimited.	Unlimited.	Unlimited.	Contribution may not be required.	Anonymous contribution prohibited. Contribution in the name of another prohibited.
DE	Limited to an aggregate of \$25,000 in a calendar year and \$1,000 per candidate, per election.	Unlimited.	Spouse is unlimited.	State employee may not write another state employee.	Contribution in the name of another prohibited.
FL	Limited to an aggregate of \$2,500 per election and \$1,000 per candidate per election.	Unlimited.	Spouse is unlimited.	Contribution may not be required.	Prohibited.
GA	Limited to \$1,000 per candidate, per year. Minors limited to \$25 per year.	Unlimited.	Same as individual.	Contribution may not be required. No solicitation prohibited.	Contribution in the name of another prohibited.
HI	Limited to \$1,750 for statewide office, \$450 for state senator, \$250 for state representative candidates per election.	Limited to \$25,000 per gubernatorial campaign.	Same as candidate.	Contribution may not be required.	Prohibited.
IA	Limited to \$60,000 per election year for governor; \$12,000 in non-election years; \$10,000 per election year for attorney general; \$2,000 in non-election years; \$5,000 per election year for other state-wide offices; \$1,000 in non-election years; \$1,000 per election year for state senate; \$500 in non-election years; \$750 per election year for state representative; \$1,500 in non-election years.	Unlimited.	Same as individual.	Contribution may not be required. No solicitation prohibited. Solicitation prohibited during hours of employment.	Anonymous contribution must be less than 10% contribution in the name of another prohibited.

ELECTIONS

Table 3—Continued

State or other jurisdiction	Individual	Candidate	Candidate's family member	Government employees	Anonymous in name of entity
Mississippi	Unlimited, except as contributions to judicial office primary candidates \$250 limit.	Same as individual.	Same as individual.	Contribution may not be required. Highway guard or correctional system employees may not contribute. Solicitation prohibited for state correctional system employees.	
Missouri	Unlimited.	Unlimited.	Unlimited.		Anonymous contribution must be 50% of cost. Contribution in the name of another prohibited.
Montana	Limited for all elections in a campaign to \$1,500 for investor in government; \$700 for other state-wide candidates; \$400 for public service commissioner, district court judge, or state senator; \$250 for other candidates.	Unlimited.	Same as individual.	Solicitation prohibited during hours of employment.	Contribution in name of another.
Nebraska	Unlimited.	Unlimited.	Unlimited.	Solicitation prohibited during hours of employment.	Prohibited.
Nevada	Unlimited.	Unlimited.	Unlimited.	Employees may not solicit from other employees.	
New Hampshire	Limited to \$5,000.	Unlimited.	Same as individual.	Contribution may not be required.	Prohibited.
New Jersey	Unlimited, except in contribution to governor in any primary or general election (\$50,000 limit). Contributor's spouse may contribute up to 50% for governor in general election.	Unlimited, but if receive public funds for governor limited to \$25,000 per election from own funds.	Unlimited, except in contribution to governor in any primary or general election (\$50,000 limit).	Contribution by certain public officers prohibited.	Prohibited.
New Mexico	Unlimited.	Unlimited.	Unlimited.	Solicitation prohibited while on duty.	Anonymous contribution in excess of \$50 subject to special report.
New York	Limited to an aggregate of \$15,000 in a calendar year and \$0,000 a number of registered voters in state or in party for statewide and state party elections, respectively; \$0.05 a number of registered voters in district or in party in district for district office; \$4,000 for state senator or amt. determined by above formula, and \$2,500 for assembly member or amt. determined by above formula, whichever is greater in each case with a min. of \$1,000 and max. of \$50,000.	Unlimited.	Family member contributions are aggregated and limited to \$0.025 a number of registered voters in state or in party for statewide and state party elections; \$0.25 a number of registered voters in district or in party in district for district office or \$1,250, whichever is greater; \$25,000 for state senator or amt. determined by above formula, and \$12,500 for assembly member or amt. determined by above formula, whichever is greater in each case with a max. of \$100,000 per election.	Contributions permitted, but may not be required. Judicial candidates may not solicit; government employees or police force members may not solicit for contributions from government employees. State employees may not coerce other state employees.	Prohibited.

North Carolina
 North Dakota
 Oklahoma
 Oregon
 Pennsylvania
 Rhode Island
 South Carolina
 South Dakota
 Tennessee
 Texas
 Utah
 Vermont
 Virginia
 Washington
 West Virginia

ELECTIONS

State of
jurisdiction

Amount limited
to \$100
per candidate
per election

Prohibited
for
employee

Yes

No

Yes

No

Amount limited
to \$100
per election

Yes

State of jurisdiction	Individual	Candidate	Candidate's family member	Government employee	Limitation of name of officer
North Carolina	Limited to \$4,000 per committee or candidate, per election.	Unlimited.	Unlimited.	State employee may not receive another state employee.	Prohibited.
North Dakota	Unlimited.	Unlimited.	Unlimited.		
Ohio	Unlimited.	Unlimited.	Unlimited.	Contribution by certain employees with certain restrictions prohibited. Employees may not act in name of another.	Anonymous contributions generally prohibited. Contribution in the name of another prohibited.
Oklahoma	Limited to \$5,000 to a political party or organization of a state officer, and \$1,000 for a local office candidate, per person or family.	Unlimited.	Same as individual.	State employee may not receive. Certain state employees may not receive contributions.	Anonymous contributions generally prohibited. Contribution in the name of another prohibited.
Oregon	Unlimited.	Unlimited.	Unlimited.	Contribution may not be received during hours of employment.	Contribution in the name of another prohibited.
South Carolina	Unlimited.	Unlimited.	Unlimited.	State employees may not be solicited, and may not solicit from other state employees.	Prohibited.
Rhode Island	Unlimited.	Unlimited.	Unlimited.	State employees may not be solicited, and may not solicit from other state employees.	Prohibited.
South Carolina	Unlimited.	Unlimited.	Unlimited.		
South Dakota	Limited to \$1,000 for any statewide candidate; \$250 for any other candidate; or \$1,000 to a political party in any calendar year.	Unlimited.	Unlimited.		
Tennessee	Unlimited.	Unlimited.	Unlimited.	Employees may not solicit during hours of employment. Solicitors may not solicit their employees. Certain government contributions may not be solicited.	
Texas	Unlimited.	Unlimited.	Unlimited.		
Texas	Unlimited.	Unlimited.	Unlimited.	Contribution may not be received during hours of employment.	
Vermont	Limited to \$1,000 per candidate or committee, per election.	Unlimited.	Unlimited.	Solicitation by employees prohibited.	
Virginia	Unlimited.	Unlimited.	Unlimited.		
Washington	Unlimited.	Unlimited.	Unlimited.	Contribution may not be required.	Prohibited.
West Virginia	Limited to \$1,000 per candidate, per election.	Same as individual.	Same as individual.	Contribution may not be solicited.	

ELECTIONS

Table 3—Concluded

State or other jurisdiction	Individual	Candidate	Candidate's family member	Employer or employees	Employment or in name of employer
Wisconsin	Limited to \$10,000 for statewide candidates; \$1,000 for state senator; \$500 for state representative; other offices by formula, with an aggregate limit of \$10,000.	Unlimited.	Unlimited as to funds or property owned jointly by candidate and spouse.	Contribution and solicitation prohibited during hours of employment.	Anonymous contributions may be less than \$100. Contributions in the name of another prohibited.
Wyoming	Limited to an aggregate of \$25,000 and \$1,000 per candidate in any general election and the year preceding.	Unlimited.	Unlimited.		
Dist. of Col. (1)	Limited to an aggregate of \$4,000 per election and \$2,000 for mayor, \$1,500 for council chairman, \$1,000 for council member at-large, \$400 for council member from a district or board of education member at-large, \$200 for board of education member from a district or a party official, \$25 for neighborhood advisory commission member.	Same as individual.	Same as individual.	Contributions permitted, but district employees may not solicit or collect political contributions.	Limit: \$200 in the name of another prohibited.

Source: James A. Palmer and Edward D. Pezenbaum, *Campaign Finance Law 1974* (Washington, D. C.: National Clearinghouse on Election Administration, Federal Election Commission, 1974).
 Note: Consult state statutes for more details.
 Abb.:
 (1) No reference to contribution in the law.
 (2) Cash contribution must be \$100 or less.
 (3) Cash contribution must be less than \$100.

(4) Cash contribution must be \$20 or less.
 (5) Cash contribution of more than \$100 requires a receipt to donor and a record of the transaction.
 (6) All cash contributions of more than \$100 must be by written instrument.
 (7) Cash contribution must be \$20 or less.
 (8) Cash contribution must be \$100 or less for candidate.
 (9) Cash contribution must be less than \$50.

Table 4
 FUNDING OF STATE ELECTIONS: TAX PROVISIONS AND PUBLIC FINANCING
 (As of January 1981)

July 1963

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	\$1,000 per statewide candidate, per election*/ \$1,000 to others	\$1,000 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

	<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 ^{2/}	Prohibited	\$0,000 to governor and lieutenant governor \$2,000 to other statewide \$600-100 non-statewide	\$0,000 to governor and lieutenant governor \$2,000 to other statewide \$600-100 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

^{2/} 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>Labour</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

	<u>Corporate</u>	<u>PA</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: 42 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.

5. LOAN LIMITS. Methods to regulate loans, as well as explicit contributions, have also been discussed. The following describes some concepts that address this potential problem (see Blue Book, page 9).

* Twelve states limit loans to electoral campaigns. In general, the maximum loan allowable is from \$1000 - \$3000.

* Prohibit the making of loans to campaigns just preceeding, during and immediately following the legislative session.

* Establish and enforce loan limits to campaigns that are equivalent to money contributions limitations.

X

6. PUBLIC FINANCING. Public financing of campaigns is an alternative approach that several states and the federal government has endorsed. The pros and cons of public financing are discussed in a paper from the Connecticut Office of Legislative Research which is attached. Some approaches to public financing are described below. For more information, Blue Book, page 11, Review of State Public Financing Laws, and Book of States, pages 197-198 have also been included in this section.

"There is nothing in the political system today that creates more mischief, more corruption, and more alienation and distrust on the part of the public than does our system of financing elections."

--John Gardner, former Chairman of Common Cause

* Many states have instituted some form of partial public financing of campaigns. The following presents which states use this method in support of which races or to support political parties.

Governor	15 states
Legislature	8 states
Political Parties	6 states

* Public money to finance campaigns comes from some type of tax credit, check-off, or surcharge, as well as from general treasury funds.

* Some states support this program in the general election only, whereas others provide funds in both the primary and general elections. In order to make sure that frivolous candidates do not receive tax, primary candidates often have to qualify for the program by raising a certain amount of private dollars from small contributions.

* In some instances where public financing is provided to political parties, these monies can be used for political party administrative expenses, as well as for support of candidates.

* Some programs, such as New Jersey, provide a 2-1 match of state funds to small private contributions.

* Some states provide a ceiling on the amount of public funds that are available to each candidate and/or party.

* Some programs enforce spending limits to candidates who receive public funds. The US Supreme Court has upheld expenditure limits as part of a comprehensive public financing system. A bill now before Congress, H.R. 2490 with more than 120 cosponsors proposes a partial public financing scheme and limit on allowable expenditures.

* Alaska's political campaign contribution credit could be considered a form of partial public financing of campaigns. There has been some discussion of requiring candidates who want their contributors to receive the refund to be bound to certain campaign expenditure limits.

* The possibility of direct grants to major party nominees has also been considered. There should be special provisions for minor parties and independent candidates based on demonstrated public support.

Campaign Finance, Ethics & Lobby Law. Blue Book 1984-85,
The Council on Governmental Ethics Law, The Council of State Governments

PUBLIC FINANCING

	ELIGIBLE RECIPIENTS											
	Governatorial Candidates					Other Statewide Candidates					Legislative Candidates	
	Primary Election	General Election	Party Given to Candidate	Party Given to Party	Party Given to Other	Primary Election	General Election	Party Given to Candidate	Party Given to Party	Party Given to Other	Primary Election	General Election
Dist of Columbia												
Federal	X	X	X	X								
Hawaii	X	X	X			X	X	X			X	X
Idaho			X					X				X
Iowa			X					X				X
Kentucky			X									X
Maine												
Massachusetts	X	X	X			X	X	X				
Michigan	X	X										
Minnesota	X	X				X	X				X	X
Montana	X	X										
New Jersey	X	X	X									
North Carolina	X	X						X				
Oklahoma	X	X	X			X	X	X				
Oregon												
Texas	X					X						
Utah			X					X				X
Virginia			X					X				X
Wisconsin	X	X				X	X				X	X
CANADA												
Federal, US											X	X
Manitoba												
Ontario											X	X
Quebec											X	X

	ELIGIBLE RECIPIENTS (cont'd)												
	Judicial Candidates					SOURCE OF FUNDS							
	Primary Election	General Election	Party Given to Candidate	Party Given to Party	Party Given to Other	Other	Tax Credits	Tax Exemption	Party Contribution	Swing State	General Treasury	Party	Other
Dist of Columbia													
Federal								X	X				
Hawaii								X		X	X		
Idaho								X					
Iowa								X					
Kentucky						X							
Maine								X					
Massachusetts										X			
Michigan								X					
Minnesota								X	X				
Montana	X	X								X			
New Jersey								X			X		
North Carolina	X	X				X		X					
Oklahoma								X					
Oregon													
Texas	X										X		
Utah			X										
Virginia								X					
Wisconsin						X		X					
CANADA													
Federal, US								X			X		
Manitoba								X					
Ontario													
Quebec												X	X

October 1983

STATE PUBLIC FINANCING LAWS

(1) HAWAII (H.B. 1671 of 1979): A taxpayer may checkoff \$2 (or \$4 for a joint return), to be paid over to the Hawaii "election campaign fund." The fund is administered by the Campaign Spending Commission, with distribution to candidates for state-wide, legislative, and county office. Currently, candidates for governor, lieutenant governor, or mayor (who qualify for public money) receive matching funds up to 10% of applicable expenditure limit in each primary and general election campaign; for all other offices, the maximum amount allowable to candidates is \$50 for the primaries and \$50 for the general election. No significant amendments.

(2) IDAHO (H.B. 260 of 1975): A taxpayer may checkoff \$1 for the "election campaign fund" and may designate that the \$1 go to a political party or to the general "election campaign fund." The last gubernatorial election (with no more than 50% to any party and at least 10% to minor and new parties). The state central committees must spend the money "in furthering the election of a candidate for office or attempting to influence the election of a candidate for office or attempting to influence any election." No significant amendments.

(3) IOWA (1973): Under the campaign finance law, as amended, a taxpayer may checkoff \$1 (or \$2 for a joint return) for the "election campaign fund" for the account of a specified political party, or as a contribution, to be shared by all political parties. Contributions in the latter category are divided equally among each account maintained in the election campaign fund. Money received from the fund is distributed as directed by the party, to general election candidates and/or for administrative expenses of the party.

(4) KENTUCKY (1976): A tax payer may designate a \$1 check-off (or \$2 for a joint return) to a political party of his or her choice. Public funds distributed to the parties may be used to help their candidates in the general election, or for administrative expenses of maintaining party headquarters. No significant amendments.

(5) MAINE (1973): A taxpayer may add \$1 to his or her tax liability to be designated to a specified political party. No significant amendments.

(6) MARYLAND (1974): The 1974 Act provided that a taxpayer might add \$2 to his or her tax liability (\$4 for a joint return) to go to a Fair Campaign Financing Fund, which was to be distributed on a matching basis to general election candidates for state and local office. However, as a result of the inadequacy of funds collected under this provision (Chap. 263 of 1982),

delayed disbursement of public funds already collected until the 1986 elections, and directed that such funds should be distributed as provided in new legislation to be enacted by July 1985.

(7) MASSACHUSETTS (Chapter 774 of 1975): A taxpayer may add \$1 (or \$2 for a joint return) to his or her tax liability to go to a state "election campaign fund". The Fund is distributed on a 1 to 1 matching basis (based on individual contributions up to \$250, received in the election year and in the year preceding the election) to primary and general election candidates for statewide office who qualify for public money. No significant amendments.

(8) MICHIGAN (S.B. 1570 of 1976): provides for partial public funding of gubernatorial primary and general elections. The state campaign fund is financed by a voluntary \$2 checkoff (\$4 for a joint return), and the fund is distributed on a 2 to 1 matching basis. Money designated by checkoff is matched by state appropriation in equal amounts from state's general fund. A candidate becomes eligible for matching funds when he or she has raised \$50,000 in contributions of \$100 or less. No significant amendments.

(9) MINNESOTA (1974): Under the amended statute a taxpayer may checkoff \$2 (or \$4 for a joint return) for a state "election campaign fund", and may designate that the money go to a particular political party, or to the general account. Funds designated for a particular political party are distributed after the primaries to eligible candidates of that party, pursuant to a formula. Funds designated for general account are distributed after the general election to candidates for statewide offices who received 5% of the total vote; and to legislative candidates who received 10% of the vote.

(10) MONTANA (1974): Under the 1974 law, as amended; a taxpayer may add \$1 to his or her tax liability (or either \$1 or \$2 on a joint return) to go to a state campaign fund. (This replaces the checkoff provision in the original law.) The fund is divided in equal amounts between gubernatorial candidates and between candidates for the State Supreme Court in the general election.

(11) NEW JERSEY (1974): The public financing law, as amended in 1980, provides for public funding of qualified gubernatorial candidates in both the primaries and general elections, on a matching basis (contributions to \$800; 2 to 1 matching). A \$1 tax checkoff (\$2 for joint returns) provides funding. The maximum amount available to each candidate from public funding is \$600,000 for primaries and \$1.2 million for the general election -- determined by formula.

(12) NORTH CAROLINA (Chap. 775 of 1975): Under the amended statute, a taxpayer may checkoff \$1 for the "election campaign fund" for the use of a designated political party. Where no