

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3875 SCRA SB 356 (FILE 1) - SB 356 (FILE 2)

75

6. PUBLIC FINANCING

Public financing has two basic purposes. The first is to provide funds for individuals who want to run for public office so that they may do so free of the pressures of raising money. The second is an indirect way of limiting campaign expenditures. While the legislature cannot impose direct limitations on expenditures by candidates or PACs, it can create incentives for voluntary limits. The legislature can establish a limit for expenditures for various offices and then provide that those who agree to limit their campaigns to those limits will qualify for some sort of public assistance while those who refuse to limit their campaigns will not so qualify.

Several bills have been introduced on the subject of public financing. There are two basic themes. One would be to provide that candidates must limit their campaigns in order for the donors to that campaign to receive the rebate from the state (presently \$100) available in present law. The second is some sort of matching program where if a candidate agrees to limit his campaign, the candidate will receive some amount of funds from the state to match what has already been raised up to a specified amount.

Is the desirability of limiting expenditures for campaigns sufficiently great to justify continued or modified public involvement in the financing of campaigns and, if so, on what basis?

SHEE ATIKA, INCORPORATED

330 Seward St., Rm. 207
SITKA, ALASKA 99835
PHONE (907) 747-3539
or 747-3534

February 19, 1986

FEB 24 RECD

The Honorable Edna DeVries, Chairperson
Senate Community & Regional Affairs Committee
Pouch V
Juneau, AK 99811

Subject: Statement of Decision; Municipal Boundaries of the City of Angoon
Dated January 19, 1986.

Dear Senator DeVries:

February 6, 1986 Mr. Nelson Frank and myself participated in a Public Hearing pertaining to annexation to the City of Angoon. The Hearing got off to a late start at 3:50 PM and was monopolized by individuals testifying to provisions of fact and law regarding a proposed Ketchikan annexation. At 5:10 PM the moderator announced that testimony relative to the remaining issues, including the City of Angoon must be kept short, and one person from each community would be allowed to speak. Mr. Frank, representing Shee Atika, was allowed to testify at approximately 3:27 PM and was cut short by the moderator at approximately 3:30. Therefore, this letter is submitted to provide additional testimony and concern pertaining to the statement of decision issued by the Local Boundary Commission relative to the proposed annexation of properties into the City of Angoon.

Shee Atika recommends and concedes that the lands in Section 32, T. 50 S., R. 68 E.; Sections 5, 8, W $\frac{1}{2}$ of 9, N $\frac{1}{2}$ of 16, N $\frac{1}{2}$ of 17, T. 51 S., R. 68 E.; and the area of Killisnoo Island T. 51 S., R. 67 E. could be justifiably annexed into the City of Angoon. We vehemently oppose annexation of additional lands located on Admiralty Island. This opposition is based upon provisions of Alaska Statute 29.68; protection is provided in the Alaska National Interest Land Conservation Act of 1980 (ANILCA), and the lack of demonstrated need and purpose to annex the remaining lands at this time. We feel it has been clearly demonstrated that the City of Angoon would accrue no measurable benefits, but would incur extensive liability from the proposed extensive annexation. In fact, the report and recommendations of the Department of Community & Regional Affairs supports our position pertaining to the lack of necessity for the massive annexation as proposed by the City of Angoon in their petition of August 7, 1985, and the subsequent recommendations and decision by the Local Boundary Commission.

Clearly, the property proposed for annexation is rural in character (not urban), is primarily composed of Federal lands, and there has not adequately

been demonstrated that annexation would provide additional protection and or benefit to the residents of the State of Alaska, or even the City of Angoon. In the findings of fact, it was pointed out that:

- 1) The area most likely to be impacted by development in the near future is Killisnoo Island.
- 2) Development rights to the lands 660 feet above mean high tide in Mitchell, Kanalku, and Favorite Bay are regulated subject to public law 96-487, Section 506 point (a) (3) (C), which strictly limits development and activities on this land.
- 3) Any law enforcements services necessary in Hood Bay currently fall under the jurisdiction of the State of Alaska and the U.S. Forest Service. Finding affect number 7 implies the desire for exclusive subsistence use by the City of Angoon. State subsistence regulations and provisions of ANILCA clearly rule contrary to this necessity.
- 4) The U.S. Forest Service Admiralty Monument is the largest land holder within the area proposed for annexation. Federal ownership precludes any additional tax base pertaining to these lands.
- 5) Most of the territory proposed for annexation contains very steep slopes and is fairly remote. Growth is likely to occur on Killisnoo Island.
- 6) "Growth" maybe attributed to a "spilling over" of present city population. A "spilling over effect" infers, as has been demonstrated by recent population census, that a eminent population growth is not anticipated.
- 7) Fire services are provided by the Federal Government for all federal lands and for Kootznoowoo corporate lands and Mitchell, Kanalku, and Favorite Bay.
- 8) Findings of fact indicate the city may be called upon to provide emergency services and rescue and police protection to the Killisnoo Harbor area. The very findings of fact indicate that this is a nonconclusive statement and has not proven to be a demonstrated need.
- 9) The potential for private or public development in the territory will determine the need by the city to exercise municipal planning authority. Again, the word "potential" indicates that the need has not been demonstrated but maybe necessary at some undefined point in the future.
- 10) The petitioner list anticipated development as cold storage facilities, roads, etc.. Considering the proposed development would take place within the Admiralty Island National Monument, a Federal Environmental Impact Statement would be required prior to any such development. Additionally, the economic basis has not been established or demonstrated to a degree necessary to support such development.

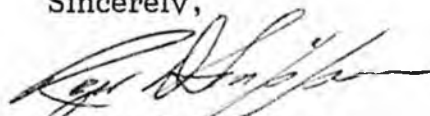
The Honorable Edna DeVries

- 11) Item 20 of the findings of fact indicates a desire for exclusive subsistence use by the City of Angoon. ANILCA and ANCSA provide for guaranteed subsistence use. However, Exclusive use of subsistence resources by any one community has not been awarded by provision of Federal or State Law.
- 12) Item 23 of the findings of fact states that "there is a reasonable likelihood of future growth and development will occur within the vicinity of Angoon. However, it is anticipated that this development will be limited to Killisnoo Island, Killisnoo Harbor, Hood Bay, and Favorite Bay." Quite clearly, it should be noted that Killisnoo Island in Favorite Bay are the primary development regions anticipated for the municipality of Angoon long before the necessity for any regulated development of Hood Bay.

Additionally, it should be noted from the petition by the City of Angoon that a tax basis within municipality is not available to support the anticipated additional services to these outline areas. Therefore, this implies that all services must be provided with the aid of Federal and State Funds, and are thus dependant upon continued appropriation of said funds to maintain the existing level of service let alone to consider expanding service to other areas.

For the above reasons, Shee Atika, Incorporated is opposed to the proposed boundary adjustments and recommendations by the Local Boundary Commission pertaining to the municipality to Angoon. Legally, logically, and based upon defined and demonstrated need, we find that the commission has erred in it's statement of decision and we recommend that the decision be reconsidered with full consideration giving to recommendations from the Department of Community & Regional Affairs, balanced with the demonstrated necessity for municipal Boundary adjustment, while discounting the perceptions of certain municipal residents who feel the regulation and annexation may be necessary and prudent.

Sincerely,



Roger D. Snippen
President/C.E.O.

RDS/eaw

cc The Honorable Peter Goll, Chairperson/Senator
House Community and Regional Affairs Committee
Pouch V
Juneau, AK 99811

The Honorable Richard I. Eliason, Senator
Alaska State Legislature
Pouch V
Juneau, AK 99811

Helen Clough, Monument Manager
Tongass National Forest
Admiralty Monument
P.O. Box 2097
Juneau, AK 99803

The Honorable Edna DeVries

cc Elizabeth Cudra, Attorney
Robertson, Monagle, Eastaugh & Bradley
P.O. Box 1211
Juneau, AK 99802

The Honorable Edward J. Gamble, Sr
Mayor, City of Angoon
P.O. Box 189
Angoon, AK 99820

Mr. J.A. Rynearson, Vice President
Alaska Pulp Corporation
P.O. Box 1050
Sitka, AK 99835

LAW OFFICES OF
ZIEGLER, CLOUDY, KING & PETERSON

307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

ROBERT M. ZIEGLER SR
C. L. CLOUDY
EDWARD G. KING
JOHN W. PETERSON
CHRISTAL SOMMERS BRAND
ANNE M. PRESTON

AREA CODE 907
225-9401

A. H. ZIEGLER
(1915-1972 (DECEASED))

February 20, 1986

The Honorable Edna B. DeVries
Chairman, Senate Committee on
Community and Regional Affairs
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Re: Estate of Hans J. Furuseth
Our File 15.023.17

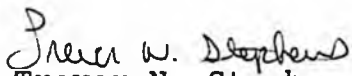
Dear Senator DeVries:

It was our hope that a member of the Ketchikan delegation to the Alaska State Legislature would introduce a resolution in favor of the Furuseth Estate. However, I have recently been apprised of the fact that the deadline for private bills has past. I am therefore now writing you to request that your committee introduce a resolution opposing the proposed annexation. Annexation at this time will only serve to increase the Estate's property taxes from approximately \$8,000.00 per year to approximately \$40,000.00, while the property will not receive a corresponding benefit in the form of city services for several years.

Thank you again for your help in this matter and for considering our request, please contact me if you have any questions.

Very truly yours,

ZIEGLER, CLOUDY, KING & PETERSON

By 
Trevor N. Stephens

TNS:sb

LAW OFFICES OF
ZIEGLER, CLOUDY, KING & PETERSON
307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

ROBERT H. ZIEGLER, SR.
C. L. CLOUDY
EDWARD G. KING
JOHN W. PETERSON
CRYSTAL SOMMERS BRAND
ANNE M. PRESTON

AREA CODE 907
225-9401

A. H. ZIEGLER
1915-1972 (DECEASED)

FEB 21 RECD

February 19, 1986

The Honorable Edna B. DeVries
Chairman, Senate Committee on
Community and Regional Affairs
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Re: Estate of Hans J. Furuseth
Our File 15.023.17

Dear Senator DeVries:

I would like to take this opportunity to thank you and the other members of the Senate and House Community and Regional Affairs Committees for the opportunity to testify in opposition to the City of Ketchikan's annexation of the Gisse-Furuseth property. Should a resolution be introduced in support of our position it is our hope that the committees will view it favorably.

In addition, and independent of the merits of our particular case, we would request that the Alaska Legislature at some point seriously review the annexation by legislative review procedure. The current statutes and regulations make it very difficult, if not impossible, to successfully defend against an annexation petition. In fact, they have created a process in which petitions receive city council and local boundary commission approval in rubber stamp fashion.

The following facts from the Gisse-Furuseth case demonstrate many of the shortcomings of and deficiencies in the present system:

1. The city council directs the city staff to prepare annexation petitions;
2. Property owner receives first notice of proposed annexation only three days prior to date on which the city council is to consider the petition;

ZIEGLER, CLOUDY, KING & PETERSON

The Honorable Edna B. DeVries
February 19, 1986
Page 2

3. City council approves the petition it had requested without any facts being submitted in its support;

4. Community and Regional Affairs holds public hearing, property owner not provided with personal notice, no members of the public are present;

5. Local Boundary Commission holds public hearing, only three board members present, property owner's representative appears, testifies, and provides witness testimony opposing annexation, the city provides no witnesses and no factual support for its petition. Local Boundary Commission defers decision until its December meeting;

6. January 22, Local Boundary Commission presents approved petitions to the Legislature, starting 45 day period; and,

7. February 3, 1986, property owner receives local boundary commission's formal written decision, notifying the property owner that petition had been approved and that they could appear at a February 6, legislative hearing.

8. February 6, 1986, representative of property owner appears before Joint House and Senate Committee on Community and Regional Affairs. Property owner presents testimony as to the parcel's topography, marketability, and the extreme adverse economic impact of annexation. City again reasserts its general conclusions without providing factual support demonstrating a need to annex this property now. Fifteen minutes is allotted for in-person testimony, representative is present before the Joint Committee for nearly an hour and a half.

In light of the above, I respectfully submit the following recommended changes to the relevant regulations:

1. That timely personal notice be provided to all affected property owners of any and all hearings or meeting conducted by city or state elected, appointed, or administrative bodies concerning the annexation;

ZIEGLER, CLOUDY, KING & PETERSON

The Honorable Edna B. DeVries
February 18, 1986
Page 3

2. The Legislature evaluate its role as the only non-judicial body reviewing Local Boundary Commission decisions. With the State experiencing an economic slump due to declining oil revenues and depressed timber markets it is conceivable that similar property owner contests will increase in the near future. Under the present procedures the legislative committees do not appear to have the time and pertinent information to thoroughly review many Local Boundary Commission decisions;

3. An express burden of proof standard should be formulated for the Local Boundary Commission and city councils. Where a city proposes to annex Parcel A, and Parcel A's owner opposes annexation, Parcel A should be presumed unannexable and the burden must be on the city to factually prove that it is annexable under the regulations;

4. An abuse of discretion standard of review for the Local Boundary Commission in reviewing the city council's action on a petition. The hearing before the Local Boundary Commission should be on the record from the city council meeting rather than de novo. This approach would require the city to factually support its petition from the very beginning, and will prevent unfair surprise to a contesting property owner at the Local Boundary Commission and legislative hearings;

5. An abuse of discretion standard of review for the Legislature in reviewing Local Boundary Commission action. The legislative hearing should be on the record from the Local Boundary Commission hearing rather than de novo. This standard will simplify and streamline public testimony and the Legislature's scope of inquiry, and prevent unfair surprise to a contesting party, for example, we learned for the first time at the legislative hearing that the Gisse-Furuseth parcel was considered annexable because it was "urban," without notice of this allegation we were unable to prepare a response; and,

6. The Local Boundary Commission must be required to give timely notice of its decisions and of the property owner's right to appear before the Legislature.

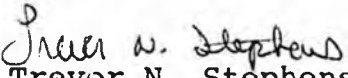
ZIEGLER, CLOUDY, KING & PETERSON

The Honorable Edna B. DeVries
February 19, 1986
Page 4

Thank you again for the opportunity to present our case and
for your consideration of the points raised herein.

Very truly yours,

ZIEGLER, CLOUDY, KING & PETERSON

By 
Trevor N. Stephens

TNS:sb

cc: Senator Frank Ferguson
Senate Committee on Community
and Regional Affairs
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Senator John B. Coghill
Senate Committee on Community
and Regional Affairs
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Senator Vic Fischer
Senate Committee on Community
and Regional Affairs
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Senator Arliss Sturgulewski
Senate Committee on Community
and Regional Affairs
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Senator Robert H. Ziegler, Jr.
Senate Committee on Community
and Regional Affairs
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

February 1, 1986

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

To: C&RA Committee

From: Edna DeVries, Chair

Subj: SB 356 -- Revision of Campaign Financing Laws

As you know, Senate State Affairs has been working over the interim on a revamp of APOC legislation; that bill has been introduced as SB 356--47 pages in total--it has a referral to C&RA.

I am now sending out notice to all of the Mayors and Council persons of this bill and its changes so that they can review it.

I believe as you do that this much needed legislation should be acted on this Session and I request that you become familiar with it so that a minimum amount of time will be spent on it when it passes out of State Affairs.

As of today (January 31), State Affairs is on page 15 of the bill, working on final revisions. If you would like to meet with Senate State Affairs, we can notify you of the next work session on the bill---tentatively scheduled for Monday, February 3, at 1:30 p.m.

cc: Senator Mitch Abood



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

SB

356

FILE 2

STATE OF ALASKA THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL
SITKA, ALASKA 99811
907-465-3800

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

Senate Community and Regional Affairs:

2/25/86 3:35
2/27/86 3:45
2/28/86 9:07 am
3/4/86 3:34
3/6/86 3:40
3/13/86 3:35

Senate State Affairs:

2/3/86 9:00 am
1/31/86 9:00 am
1/29/86 9:00 am
1/20/86
3/6/86 8:30 am

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

Joint CRA 1-17-86 9 AM

5 CRA 10-29+30-85 9:40 am

5 CRA 5-3-85 8:40 am

C&RA 2/25/86

Ferg. Moved SB 376 —

with individual recommendations
passed —

Sturg

- Would like to have counsel come and
go through bill with us —

That we don't rely on our
determination of what it says

if I don't get it — will be
a do not pass

Coghill

I agree completely

Aboud

- There is a 36 page ~~over~~ analysis
done by counsel that is
self explanatory — Good idea
if you have the money —

Ferguson

Very important to hear Gross
What is in current bill that is in
regulations?

Coghill - What is correlation between this bill and regulations -

Wood - Let him come forward since he is sitting there.

Sturg - not fair -- Gross has been in other places - should be able to prepare.

Fischer - Members who have not been through this bill should have a chance to come up to level of where we are.

GROSS
Took reports done in past
Bill had not been revised in 12 yrs -
met w/ Dept of Law
w/ the Senate Committee Members
got background for policy issues

Wanted to take off all limits
presently no limits on giving to
parties, or political action
committees

Would at least cause disclosure
of what is given

Committee did not wish to do that
Raised limit to \$2000
Disclosure raised to \$250. from \$100
if \$1000 made sense in 1974 \$2000 makes
sense in 1986

All Comm did was make numbers in
law keep up w/inflation

limit on what you can give to
PAC raised from ~~no~~ no limit
to \$2000 limit

aggregate limit for PAC to give set
at \$25,000

No limits on political parties

have limited 10-day report after election

Final report n

All campaign accts must be closed the
day you are sworn into ofc

You can raise money for a
new campaign - but none
for the old campaign

May only do certain things with money left over from a campaign
give to new campaign
give to charity

Coghill

How do you follow how money is raised to pay off debt.

Cross

Unconstitutional to limit amt. candidate can spend.

Theory that candidates - v. of '87 & for - candidates would spend less on campaigns.

~~all violations are misdemeanors now new law has some civil offenses, some criminal offenses~~

All violations are civil - enforced by FPOC

- 1) intent to deceive
- 2) make a mistake

finer different

\$25,000 w/intent to deceive

Changed standard of proof to
Clear and convincing

Sturg

Public \circ \rightarrow \rightarrow \rightarrow in report just
before election -

Gross

Fines go way up if not filed in time for
public to know about report -

Coghill

Staff making misleading stunts

Gross

APOC prior to Δ . \rightarrow must keep Δ .
confidential - criminal offense if don't
investigation process must be
secret.

Fery

Δ . \rightarrow \rightarrow \rightarrow delivering to Treasurer

Gross

Only person who can receive money
is deputy treasurer -- doesn't work
leads to "selective enforcement"

Must register if you have authority
to do anything other than collect money.
anybody who has authority to do something
other than turn it in -

Sturg

Expenditures prior to filing ---
can spend any amt of money
but when you begin to raise money
must file.

Political Loans

prohibits loans for political purposes

Sturg

- Reform will founder unless more
than 5 Committee members
understand this bill.

GROSS

APOC has tried to fill gaps in Leg work
by regulations.

APOC should not have authority to
make major decisions

Such as corporation, subsidiary
contributions same

what to do with excess in campaign fund

Take up
bill again
on Thurs.

Hudish representing AF of LCIO

- Want to disclose \$100, not \$250

Hudish against increase from \$1000 to \$2000
grps shud be able to give any amt
Unfair \$25,000 limit on groups

Sturg- loop-holes in last issue brought up -

- Give us your position paper - Dixie
"solicit vs. receive"

Fischer \$25,000 limit - Feds impose this
on PAC's - found out not accurate

Sturg Then are we saying -- limit PACS --
but no limit on corporations or companies

Left Bowman in Anchorage

- 1) Concerned w/ availability of info
on bill - should be much more time
to review -
- 2) APOC placed in bad light --- this should
be corrected - against increasing limits

Pg 16 Line 10 -
Pg 8 Line 19 - conflicts

How many internal inconsistencies --
Will continue to review bill
testify again.

Arless

Send your testimony down in writing.

League of Women Voters of Alaska

February 25, 1986

*Rosemary
Hagevig 364.2154*

STATEMENT CONCERNING SB 356 - Campaign financing

The subject of campaign disclosure and financing has been of great interest to the League of Women Voters of Alaska for many years. We supported the enactment of the first disclosure laws in the early 1970's and have consistently supported the existence and funding of the Alaska Public Offices Commission, APOC.

The League has followed the current revamping of campaign disclosure legislation over the last year. We applaud the effort that legislators, staff and counsel have put into this work product to date. You have all worked very hard in trying to come to grips with a subject that is immensely complicated and highly charged politically.

The League supports the passage of the Senate State Affairs Committee Substitute for SB 356. Our members would prefer the \$2000 limit on individual contributions be returned to \$1000. Additionally, some of us would be happier if the \$250 reportable contribution were back to \$100, but we realize the inflationary factors involved. We support the restrictions on political interest groups, although we do have some hesitation about the appropriateness of the new acronym. The restrictions on use of campaign funds and disposition of excess funds are excellent, as is the account closing requirement.

In short, the League views this bill as a positive step toward revision of a law that needed revising.

In observing the revision process, however, the League has also observed some apparent trends which we find disturbing. One is the "we versus them"

League of Women Voters of Alaska
February 25, 1986

Attitude that has surfaced at times between the legislature and the APOC. We urge that we all return to the realization that "we" includes "them"; we're all part of the same process. Admittedly, campaign disclosure legislation is a very difficult subject to deal with dispassionately. But the situation is worsened when the lawmakers think the APOC see them as lawbreakers. Conversely, the APOC and staff become increasingly on the defensive and go so far as to withdraw their support from the entire bill. Frankly, none of this helps anyone.

A second area of concern is the perception that the APOC is the staff and not the commissioners. The League is not making any determinations about whether the balance of power and responsibility is or is not out of kilter. It is the perceptions we are concerned about because, when an issue is as sensitive as this one is, perceptions have a bad habit of becoming reality. We would like to see an increase in the visibility of the commissioners themselves. SB 356, by increasing their monetary compensation, should help do this, as would increased frequency and advertising of APOC meetings.

Thank you.



Official Business

Alaska State Legislature
Senate

Committee on
Community and Regional Affairs

Senator Edna DeVries, Chairman
Members
Senator Ferguson, Vice Chairman
Senator Coghill
Senator Sturpulewski
Senator V. Fischer

Pouch V
Juneau, Alaska 99811

2/27/86

Edna,

Senator Coghill will not be at today's meeting.

Representative Szymanski's bill -- HB 380 -- is supported by Senator Faiks. The bill relates specifically to the Municipality of Anchorage.

The Municipality of Anchorage has been notified of the bill --- the only testimony I know of on the bill is Representative Szymanski.

Avrum Gross and Susan Burke (if she feels up to it - she has been sick) will be at the committee ~~hearing~~ as of 3:45p for the work session on SB 356.

the additional information that has been supplied to the committee on SB 356 since Tuesday is:

AFL-CIO revised testimony from Dixie Hudish....

Info on which regulations were repealed or deleted by the APOC in Jan '86; and info on the new regulations promulgated in Jan 1986

and AG's 2/27/86 *etc*



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

C&RA Committee Meeting -- February 27, 1986

CSHB 380 (C&RA) am

An Act relating to public utility water and sewer service extensions

Work Session -- SB 356

An Act relating to election campaign financing, efd

SB 380 makes provisions for the protection of property owners from:

- 1) payment of charges for utility connections prior to their proper notification
- 2) payment of interest charges accrued prior to connection or before service is available and adequate notice given

Material attached relevent to this legislation:

- a) Muni of Anc AWWU info on definition of Payment in Lieu of Assessment (PILA)
- b) Memo from MOA Mavor on PILA assessments
- c) Memo f MOA AWWU Perm. + supervisor on status of PILA charges
- d) Memo from MOA Ombudsman on suggested remedy for PILA problems
- e) Memo from MOA AWWU General Manager on Recommendations for Changes to the PILA Process

ALASKA STATE AFL-CIO

2501 Commercial
Anchorage, Alaska 99501
(907) 553-244



819 1st Ave
Fairbanks, Alaska 99701
(907) 456-2030

Rec'd 2/27/86

MANO FREY
Executive President

By Dixie HUDISH
AFL-CIO Legislative
Representative

AFL-CIO POSITION PAPER ON CSSB 356 ELECTION CAMPAIGN FINANCING

CSSB 356 proposes a complete revision of the present campaign disclosure law, therefore one needs to look at the goals of the campaign disclosure law.

The two major goals for the State Campaign Financing Practices Act, as pointed out in the report to the Senate State Affairs Committee by the Gross & Burke report, is to limit individuals' contributions to candidates in order to limit the amount of influence that any one contributor could have over a particular candidate. The second goal is to provide public disclosure of the source of funds for campaigns.

Major changes have been proposed, many that would not be in keeping with the above goals.

SECTION 15.14.060 (1) REPORTS BY CANDIDATES OF CONTRIBUTIONS, LOANS AND EXPENDITURES.

This section changes the disclosure of contributors to \$250.00 or more. Current law requires disclosure of contributors in excess of \$100.00.

This proposal does not enhance the goal of more public disclosure but inhibits it instead. The record would not reflect contributors who have given between \$100 and \$250.

Recommendation is to keep the current law, allowing for disclosure of contributors in excess of \$100.

Section 15.14.060 (b) page 9, line 23

This section decreases the expenditure and contribution reports to (1) 30 days before the election (2) 7 days before the election.

An expenditure disclosure is not only important to the public but to those who contribute money to the candidate. One should be allowed to see where the contributions are being spent while the campaign is in progress and not just prior to the election. Chances are, if the public knew for example, that Joe Smith is spending money on "outside" firms for media, consulting, etc., less

contributions would be forthcoming. Most contributors would like to know where, what and on whom the candidates's money is being spent and from whom the candidate is receiving contributions. Public disclosure laws should provide for this.

The AFL-CIO is opposed to decreasing the expense and contribution reports during the campaign as it does not enhance the goal of increasing public disclosure.

Recommendation is to keep the current law.

SECTION 15.14.090 INDEPENDENT EXPENDITURE

Apparently the intent of this section is to differentiate the "independent" expenditure by a PAC from an expenditure that is made in consultation with the candidate because the latter is considered a contribution and therefore is subject to the contribution limitation.

The independent expenditure definition in this section is very confusing as to what exactly is an independent expenditure versus an expenditure.

Recommendation is to rework this area.

SECTION 15.14.110 CONTRIBUTIONS BY A PERSON

This section increases the contribution limit from \$1,000 to \$2,000 to a candidate.

A \$2,000 contribution is a substantial amount in most campaigns for one person to give to a candidate, and whether or not that amount could have great influence over a particular candidate, it certainly would have the appearance of undue influence.

As representing many unions which have PAC's, (Political Action Committees) comprised of volunteer member contributions, it would seem fairer by far to raise the contribution limit for PAC's, yet we stand opposed to any increase in contribution limits.

Recommendation is to keep the current law.

SECTION 15.14.120 CONTRIBUTIONS BY A POLITICAL ACTION COMMITTEE.

(b) This section limits to \$2,000 the allowable contribution to a political group that another political group can contribute.

The AFL-CIO finds it unreasonable to place such an unfair limit on groups when in fact, political groups are comprised of many individuals. If one looks back

in the records, I'm sure this area has not been abused by political groups.

Recommendation is to keep the current law.

(b) This section also limits to \$25,000 per year the allowable contributions by a political group.

Again the argument is that an unfair limit is being imposed on groups vs individuals. Groups are made up of many individuals and, as long as one candidate cannot receive more than \$1,000, there's already a built-in threshold as to what a political group can give.

Recommendation is to delete this section.

(c) this section essentially eliminates a PAC from forming sub-PAC's, if the groups share a majority of the same officers.

Often time State-Wide PAC's have several autonomous PAC's in various regions of the state but have officers from these individual PAC's who make up the State-Wide PAC.

The present law allows for subgroups of a state-wide group to form as long as they are autonomous units and have completely separate accounting systems.

Recommendation is that this section should remain as the present law reads.

SECTION 15.14.160 (e) CAMPAIGN OFFICERS

This section exempts a person from registering as a deputy campaign treasurer if the person's only activity is soliciting and transferring contribution checks from contributors to candidates.

This section is a very confusing and contradictory area. If one solicits and accepts a contribution only to transfer or deliver it to a candidate or campaign officer of a candidate or political group, one doesn't need to register. Yet 15.14.160 further states that only a campaign treasurer is responsible for receiving and disbursing all contributions and expenditures. Does this also mean that a candidate might appoint him/herself as the person responsible, yet hire someone who never has to register who actually disburses the funds?

This section needs clarification.

SECTION 15.14.180 TERMINATION OF CAMPAIGN ACTIVITY AND CLOSING OF CAMPAIGN ACCOUNTS.

This section requires candidates to close their campaign books as of the date a candidate is sworn in.

This will not only be found to be insufficient time to raise money for a debt to a campaign but to pay off any outstanding bills.

SECTION 15.14.190 SURPLUS CAMPAIGN FUNDS.

This section eliminates the use of surplus funds for one's own personal use. The section further describes permissible uses of surplus campaign funds.

This is a most appropriate new section and a long time coming.

SECTION 15.14.200 (a) (b) SOLICITATION OF CONTRIBUTIONS.

This is a new section that restricts soliciting contributions from state and municipal officers and employees from other public officials or employees while either the person soliciting or the person being solicited is on the premises of a state or municipal office.

Various union members work for the state or municipalities. As I interpret this section, it would prevent meeting with union employees on the premises for the purpose of soliciting contributions. In order to contact our members for various reasons, scheduled meetings are allowed on the premises and this would inhibit discussions of volunteer PAC payroll deductions. Possibly our 1st Amendment Rights would be infringed upon!

Recommendation is to keep the present law and provide that this section instead should for s on providing a violation if a candidate, a Political Action Committee, or a campaign officer of a candidate or a political action committee solicits or receives a campaign contribution obtained through a threat of physical force, job discrimination, or financial reprisal.

Metro Saturday

Anchorage Daily News

Saturday, March 1, 1986

SE

APOC protests changes in campaign laws

By JOHN LINDBACK
Daily News reporter

JUNEAU — The state commission charged with enforcing Alaska campaign laws spoke out Friday against several provisions of a Senate bill that would ease restrictions on how candidates collect and spend donations.

But that testimony didn't appear to change many minds on the Senate Community and Regional Affairs Committee, the panel considering the bill. After commission members testified via teleconference from Anchorage, Sen. Edna DeVries, R-Palmer and committee chairwoman, said it's unlikely that the commission's concerns will result in major changes to the bill.

The public offices commission supports many provisions in the bill, including those that would limit post-election fund raising by candidates and ban a candidate from soliciting a contribution by force, Commission Chairwoman Jean Rogers said.

But, she said, changes should be made in several parts of the bill, including provisions that would:

- Permit candidates to collect contributions from corporations and their subsidiaries. The commission adopted an administrative regulation in January that prohibits candi-

dates from accepting donations from both.

- Allow individuals to solicit and collect contributions for a candidate without registering with the commission as a deputy campaign treasurer. The commission now enforces a so-called "bagman provision."

- Encourage, according to critics of the bill, candidates to stay ignorant of possible violations of state campaign laws going on inside their own campaign organizations. The Senate bill would make a candidate responsible if he "knew or had reason to know" of a violation.

- Raise the standard of proof the commission must use in deciding whether a candidate or contributor violated the law. The commission now uses a "preponderance of the evidence" standard but the bill would require it to establish that "clear and convincing evidence" exists of guilt, a tougher standard to prove.

- Require that all commission investigations be held confidential "unless and until" a formal accusation is filed against a candidate or contributor. Rogers said the bill would ban the commission from announcing that an

See Page C-3, APOC

Waldez school job cuts spark recall

By BRUCE BARTLEY
The Associated Press

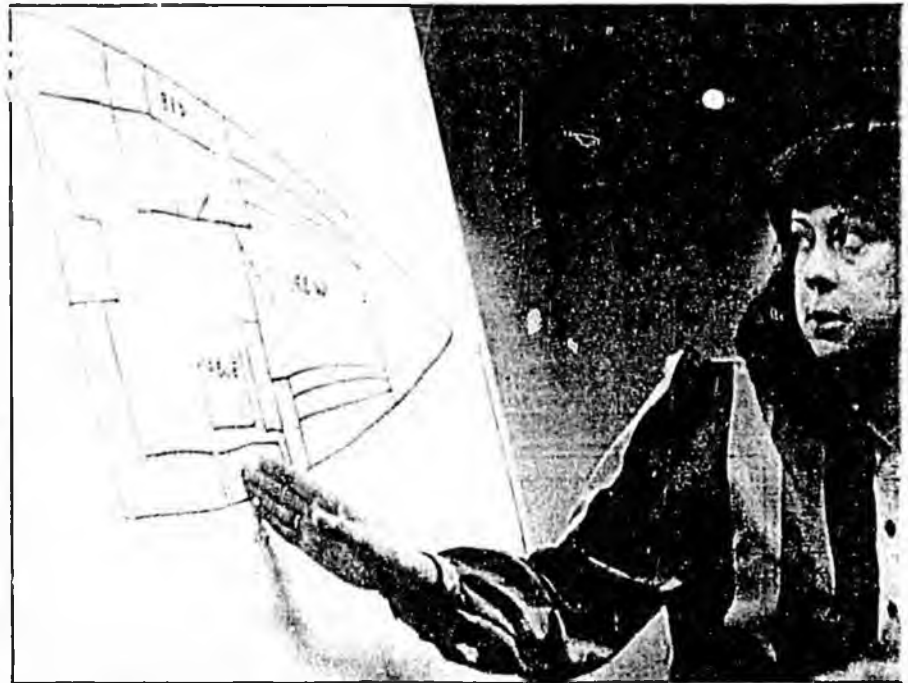
The school board's decision to eliminate three of the district's six top administrative positions has plunged the city of Valdez into a turmoil, and sparked a recall drive against the board's seven members.

One of the sponsors of the recall petitions says the board has violated the state's Open Meetings Act and its own policies in making the cutbacks. A board member says

most of those involved are seeking legal advice and representation.

Everyone agrees budget cuts must be made in the face of declining enrollments and dwindling oil revenue. They disagree, however, about how the reductions should be made and who should be affected.

Valdez, the site of the marine terminal for the trans-Alaska oil pipeline, has four schools — a high school, a



District Attorney Mary Anne Henry uses a chart to aid her opening argument Friday.



Prosecutor: seen on Inve

The Associated Press

KETCHIKAN — A prosecutor told jurors Friday that a witness saw John Kenneth Peel holding a rifle near the fishing boat Investor the night all eight crewmembers were murdered.

Driven by anger and humiliation, Peel exploded in "a simple but deadly combination of human emotions" the night of Sept. 5, 1982, said District Attorney Mary Anne Henry as she opened the state's case against the Bellingham, Wash., resident.

Henry said the 25-year-old Peel's alibi defense will not stand up to testimony from more than 100 witnesses. She said the evidence will convince jurors that Peel committed the murders and later burned the \$700,000 fishing boat to hide the crime.

The defense will present its opening arguments today. Peel, arrested two years after the crimes, is free in his

village of C 1982 summer season, when ing on a boat 8.

She said Investor the and shot all had fired th had to keep told the jury five men.

Henry said Jr., Peel's b will testify t. to the Libby ning of Sep nobody aboa

"Demmer heard a wor heard poppr ry said.

She said at the dock tor, the Lib other boats v he saw Joh with a rifle i Demmer fe

board regarding to act administrators other jobs well before ed. But Sturm ouldn't fire om. y become normal at- e offered to ministrators, was impos- ed to make time. a former mber, says d state law ecisions be- an executive e says the ew its own ing a com- mended- ations. other form- member b- tion drive, tures seek- ction on rent board to perform ties." rich includ- members.

ple who signed the petitions. And she thinks the open meeting's issue and policy question are smokescreens. She says board members only did what they thought was best, and don't deserve to be recalled for doing so. When the storm broke, the board rescinded its original decision and appointed a non-retention committee as called for by its policies. The committee, made up of two administrators, two teachers and one board member, reached exactly the same conclusion: The jobs of principal at the high school and junior high school should be combined, as should the job for the two elementary schools. And the position of curriculum director should be abolished. But at its regular meeting last Monday, the board postponed a decision on the recommendation. Afterward, the board met in secret with an Anchorage attorney who specializes in representing school board members facing recall. LaBonte says that was another violation of the Open Meetings Act, and she says it was just as serious as the original one which ignited the controversy.

APOC: Changes unwanted

Continued from Page C-1
investigation found no violations of law.

Those and other, more technical, matters were the "primary concerns" of the commission about the bill, Rogers said. "Believe me, if you take care of our primary concerns, we'll be happy," she said.

The commission did not protest two of the most controversial provisions of the Senate bill. One would raise the annual limit on individual campaign contributions from \$1,000 to \$2,000. The other would require candidates to publicly list contributors who give \$250 or more, an easing of the current law that requires reporting of contributions of \$100 or more.

Former Attorney General Av Gross and law partner Susan Burke, hired as consultants to the Senate on the bill, said that subsidiaries are separate legal entities from parent corporations.

Gross also argued that the heavy travel schedule and other demands on candidates

make it unreasonable for the state to require that they be held responsible for all the actions of their campaign workers.

And he argued that the standard of proof for conviction of a campaign law violation should be very high because convictions can damage a person's reputation and potentially ruin his life.

In an interview after the meeting, DeVries also argued that the standard of proof used in last summer's impeachment proceedings against Gov. Bill Sheffield was the "clear and convincing evidence" standard that is used in the campaign bill.

"If it's good enough for the governor, it's good enough for us — right?" DeVries said.

PEEL: Arguments begin

Continued from Page C-1

my life. It was my crewman in the wheelhouse — and he shouldn't have been there," Henry said.

Henry said other witnesses will testify they saw Peel driving the Investor's skiff back to shore from the burning boat on Sept. 7, 1982.

The district attorney ended her three-hour statement by glaring at Peel and naming each victim.

"You, John Peel, murdered Mark Coulthurst," she said. She continued through the list of the dead: Coulthurst's wife, Irene, 28; their children, 4-year-old John and 5-year-old Kimberly Coulthurst, and teen-age crewmen Michael Stewart, Jerome Keown.

"You, John Peel, murdered Mark Coulthurst . . . And then, you, John Peel, set them on fire."
— District Attorney Mary Anne Henry

Dean Moon and Chris Heyman.
"And then, you, John Peel, set them on fire," she said. Peel stared silently back at her from his seat next to the jury.

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Fri
Jan 28 Jean Rogers

COMM says this bill very different
shud leave bill as it is for awhile

like: registration of officials
ending campaign

Pg 18	Ln 27	150(a)
19	Ln 1	150(b)
	Ln 11	
20	Ln 21	
21	Ln 4	
24	Ln 23	sub 220, 230
32	Ln 24	
36	Ln 28	
38	Ln 13	

Fischer If committee not up on bill -
not the legislature's fault
for over a month, have been
dealing w/ this bill

Coghill Write up your comments and submit to committee

Sturqu - Limitation on PAC's

Rogers - Consider those policy matters

Fischer - Elimination of periodic reports

Rogers - that's the way it is now.

Sturq - Loans provisions

Rogers We get conflicting advice on that

Sturq Give us your general view -

Rogers Will give you that in writing?

Fischer How would you function if all regs as proposed by State Affairs were repealed?

Rogers Will give you that

Gross Pg 18 Ln 27
Corporate subsidiaries
separate legal entities only way to do
put matter back in the status quo
this is legislative purview
Rogers - doesn't change our mind

Pg 19 Ln 1
have trouble enforcing in Court
will send Cit info to Gross

Rogers Pg 19 Ln 11
does say within time you know or
should have known

Coghill - 10 days too tight

Rogers no matter where you go -
aren't you in touch some way

Pg 20 - Line 21
Gross: if law doesn't make sense, should
be off books

Fischer: Law ought to be clear as to
who is breaking law
Paid fund-raiser exempt from registering

Rogers Support language that would cover casual collectors
can do it on a one-time basis
Sec 334.

Gross Has Comm made exception to law

Rogers - Yes - we amended the statute
We can always clarify portions of the statute and amend them.

Rogers Pg 21, Ln 4 - groups should be reined in tighter
"exercise reasonable care in conducting campaign"
strengthen "reason to know"

Rogers Pg 24, Ln 23
Clear and convincing evidence

Gross Intent to deceive can ruin a career
evidence should be tighter

Rogers to prove intent very hard

Gross same standard they use for disbarment
middle way between preponderance of
evidence or beyond a reasonable doubt

Rogers Pg 22, Ln 24
if its worth anything its worth a
4-yr statute of limitations

Fischer Section says action must be "commenced"
not come to judgment

change word "prosecution" to "proceeding"

Rogers still don't like

Pg 36, Ln 28

Gross This Comm may be good - but what about next
should be codified

Rogers It will be goodwill, without partially
you don't have to worry about
that"

DelVries - Are concerned about news stories

Rogers - We are surprised to see this in news paper too.

Pittman once get preliminary report, then send to respondent and discuss w/press

DeVries We know what has happened to members on State Affairs - do not wish to discuss this w/ staff

Rogers - Appreciate time you took to discuss this w/us

NEW APOC REGULATIONS EFFECTIVE JANUARY 4, 1986

NO CHANGE FROM PREVIOUS REGULATION OR LANGUAGE

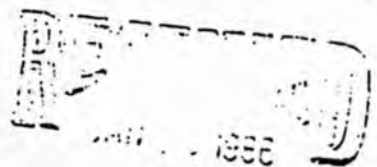
NEW PROVISION OR LANGUAGE

ALASKA PUBLIC OFFICES COMMISSION

Administrative Regulations

AS 15.13 - Campaign Disclosure,
Complaints and Hearings, General Provisions

January 4, 1986



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ALASKA ADMINISTRATIVE CODE
Title 2. DEPARTMENT OF ADMINISTRATION
ALASKA PUBLIC OFFICES COMMISSION REGULATIONS

CHAPTER 50. CONFLICT OF INTEREST, CAMPAIGN
DISCLOSURE AND REGULATION OF LOBBYING

Articles 2, 3. & 5.

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2 AAC 50.310. FILING. (a) All reports that are required to be filed under the provisions of AS 15.13 and this chapter must be received by the commission on or before the due date. Except for the 24 Hour Report, "received" means either

(1) hand-carried to the commission's central office or its branch office in the state capital; or

(2) postmarked. The date shown by the postmark is presumed to be the date it was deposited in the United States mail.

(b) The 24 Hour Report required by AS 15.13. 110(b) must be filed with the commission's central office either by a collect telegram or by actual physical delivery within the prescribed time. 24 hour Reports may not be mailed.

(c) All forms will be available at the commission's central and branch offices, at district offices during state election years, and at the participating municipalities. (Eff. 5/14/80, Register 74)

Authority: AS 15.13.020(j) and (k); AS 15.13.030(10)
AS 15.13.110(a) and (b)

2 AAC 50.313. DEFINITION OF "CONTRIBUTION." (a) In 2 AAC 50.310 — 2 AAC 50.405, except as otherwise provided in this section, "contribution" includes a payment, gift, subscription, loan, advance, transfer, deposit of money, services, or anything of value made by a person or group for the purpose of influencing an election for state or municipal office or influencing the passage or defeat of a ballot proposition or question; and includes a personal contribution as described in 2 AAC 50.316.

(b) In this section and in 2 AAC 50.321, "loan" includes a guarantee, endorsement, and any other form of security. The following apply to loans:

(1) A loan that exceeds the contribution limitations of AS 15.13.070 is unlawful, whether or not it is repaid.

(2) A loan is a contribution at the time it is made.

(3) Except for a personal contribution loan as described in 2 AAC 50.316(d), a loan is a contribution by each endorser or guarantor. Each endorser or guarantor is considered to have contributed that portion of the total amount for which he or she agreed to be liable in a written agreement. If the agreement does not state the portion of the loan for which each endorser or guarantor is liable, the loan is considered a loan by each endorser or guarantor in the same proportion that each endorser or guarantor bears to the total number of endorsees or guarantors.

(c) In this section, "money" includes currency of the United States or of any foreign nation, checks, money orders, or any negotiable instruments payable on demand.

(d) In this section, "anything of value" includes facilities, equipment, polling information, supplies, advertising services, membership lists, mailing lists, any item of real or personal property, and personal services of any kind, the cost or consideration for which is paid by a person other than the candidate or group for whom the services are rendered.

(e) The provision of goods or services without charge, or at a charge which is less than the usual and normal charge for the goods and services in the market, is a contribution. If goods or services are provided at less than the usual or normal charge in the market, the amount of the nonmonetary contribution is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged.

(f) The entire amount paid to attend or participate in a fundraiser or other political event, and the entire amount paid as the purchase price for a fundraising item sold by a group or candidate, is a contribution.

(g) The payment by a person of compensation for the personal services of another person to a group or candidate for any purpose, except for legal and accounting services necessary to complete reports, is a contribution. No contribution results in the following circumstances:

(1) when an employee paid on an hourly or salaried basis engages in political activity during what would otherwise be a regular work period, if the time spent is made up by the employee within a reasonable period of time;

(2) when an employee paid on a commission or piecework basis, or an employee paid only for work actually performed whose time is considered the employee's own, engages in political activity during normal working hours;

(3) if time used by the employee during normal working hours to engage in political activity is bona fide vacation or other earned leave time.

(h) The extension of credit by a person to a candidate or political group for a length of time beyond normal business practice is a contribution, unless the creditor has made a commercially reasonable attempt to collect the debt, or pursued its remedies in a manner similar in intensity to that employed by the creditor in pursuit of a non-political debtor, including lawsuits if filed in similar circumstances.

(i) A debt owed by a political group or candidate, which is forgiven or settled for less than the amount owed is a contribution. The commission will, in its discretion, consider the following factors before directing staff to commence a preliminary investigation:

(1) whether, at the time the debt was incurred, both the creditor and the candidate or political group expected full repayment within a reasonable period of time;

(2) whether the campaign has made a good faith effort to repay all outstanding debts;

(3) whether the creditor has taken steps it normally takes against debtors in the same financial condition as the campaign;

(4) whether the proposed settlement agreement between the creditor and the campaign is similar to previous settlements made by the creditor and other debtors;

(5) whether the campaign has treated equally all creditors since it became aware of the difficulty in repaying all debts;

(6) whether the proposed settlement agreement is similar to others proposed by the campaign.

(j) An expenditure made by a person in cooperation, consultation, or in concert with, or at the request or suggestion of a candidate, the candidate's campaign committee, campaign agents, or campaign consultants is a contribution to the candidate. The financing by a person of the issuance, republication, or distribution of a broadcast or of a written, graphic, or other form of campaign material provided by the candidate, the candidate's campaign committee, campaign agents, or campaign consultants is a contribution to the candidate. This includes an expenditure:

(1) based on information about the candidate's plans, projects, or needs provided by the candidate or the candidate's campaign agents;

(2) made by or through a person who is, or has been, authorized to raise or expend money for the candidate, who is, or has been, an agent of a candidate's campaign, or who has received any form of compensation or reimbursement from the candidate, members of the candidate's campaign committee, campaign agents, or campaign consultants;

(3) made by any person or group based on data from a candidate's pollster or campaign consultant or any other person who has received, or is receiving, compensation or reimbursement from the campaign;

(4) made by a political group for soliciting contributions to be paid or delivered directly to a candidate or the candidate's campaign agents.

(k) In (j) of this section, "campaign agents" includes all officers, campaign managers, treasurers, deputy treasurers, campaign consultants, and persons who reasonably appear to have authority to make expenditures and solicit contributions for a candidate's campaign.

(1) In 2 AAC 50.310 — 2 AAC 50.405, "contribution" does not include the following payments, services, or other things of value:

(1) costs incurred in covering or carrying a news story by a broadcasting station, newspaper, or periodical of regular publication, unless the

facility is owned by or controlled by a political party, political group, or candidate; in that case, the cost of the news story is a contribution, unless the news story is a bona fide news account that is part of a general pattern of campaign-related news accounts which gives reasonably equal coverage to all opposing candidates in the circulation or listening area.

(2) a non-monetary contribution or in-kind donation of a single item with a usual and normal cost of \$50.00 or less.

(3) a payment made by any individual for his or her own travel expenses, if such payments are voluntary and are made without any understanding that they will be directly or indirectly repaid.

(4) a payment is made by a business, corporation, trade association, labor organization, or other organization not organized primarily to influence elections to communicate directly with its members or employees, or their families, on any subject, if the communication is of the same format and nature used by the organization when it has communicated in the past on nonpolitical subjects, does not request members or their families to do anything other than exercise the right to vote, and does not solicit individual contributions to a clearly identified candidate or group chosen by the organization.

(5) a gift, subscription, loan, advance, or deposit of money or anything of value made with respect to a recount of a state or municipal election.

(m) A contribution made by a married individual is not attributed to that individual's spouse, unless otherwise specified in writing by the spouse at the time the contribution is made. (Eff. 1/4/86, Register 97)

Authority: AS 15.13.030(10)
AS 15.13.040

AS 15.13.070
AS 15.13.130

2 AAC 50.314. DEFINITION OF "GROUP"; REPORTING BY BUSINESS. (a) In 2 AAC 50.310 — 2 AAC 50.405, "group" includes

(1) every combination of two or more persons who are elected, appointed, or otherwise chosen, or who cooperate for the purpose of raising, soliciting, collecting, or disbursing money or anything of value, or for directing or controlling those activities to secure or defeat the election to public office of an individual or candidate or to secure or defeat a ballot proposition;

(2) a political action committee, draft group, association, club, corporation, partnership, trade association, incorporated or unincorporated association, or labor organization organized to aid or promote the nomination, election, defeat, or recall, of any candidate for political office or to aid the passage or defeat of a ballot proposition;

(3) two or more persons who jointly make a contribution in the name of another as described in 2 AAC 50.357.

(b) A corporation, partnership, sole proprietorship, trade association, fraternal or charitable organization, incorporated or unincorporated association, firm, or business trust may report its contributions and expenditures as required by AS 15.13.040(d) and (e) as an individual* if

(1) all contributions and expenditures to influence the outcome of an election are made from the organization's general day-to-day operating account;

(2) the organization does not conduct a fundraising drive or assessment among its members or employees for the purpose of influencing an election;

(3) the organization does not exercise direction, control, or discretion over the choice of the recipient candidate or group, and the organization does not exercise direction, control, or discretion over the expenditure of money or other things of value collected, pooled, solicited, or otherwise paid by others for the purpose of influencing an election. (Eff. 1/4/86, Register 97)

Authority: AS 15.13.030(10)
AS 15.13.040

AS 15.13.130(3)

2 AAC 50.315. CONTRIBUTION LIMITATION EXEMPTION. (a) Groups that nominated a candidate for governor who received at least three percent of the total vote cast at the 1982 general election for governor are considered to be exempt from the contribution limitation set out in AS 15.13.070(a).

(b) Until the effective date of a statutory definition of "political party" that replaces AS 15.60.010(20) as it exists on the effective date of this section (and was held invalid in Wocler v. Miller, 660 P.2d 1192 [Alaska 1983]), a group, other than a group described in (a) of this section, desiring an exemption from the contribution limitation set out in AS 15.13.070(a) must submit to the commission an application for exemption. In accordance with (c) of this section, the commission will review the application and, in its discretion and on a case-by-case basis, grant the exemption.

(c) Among the criteria which will be considered in deciding whether to grant an exemption are:

(1) an organized membership, composed of registered voters, which represents a political program;

*APOC Note: Groups report on "Campaign Disclosure Statements." Individuals report on "Statement of Contributions" Form 15-3 or on "Statement of Expenditures" Form 15-6.

2 AAC 50.314
2 AAC 50.315

(2) prior history as a political group under AS 15.13.050 including the receipt of substantial contributions and the disbursement of substantial expenditures made for the purpose of influencing the election of legislative candidates in more than one district; and

(3) the percentage of votes received by a statewide candidate nominated in the name of the group in the preceding general election.

(d) Groups satisfying the criteria of (a) of this section and groups granted exemptions under (b) of this section are subject to the requirement that political parties report contributions and expenditures as provided by AS 15.13. (Eff. 6/29/84; Register 90; am 1/4/86, Register 97)

Authority: AS 15.13.030(10)
AS 15.13.040

AS 15.13.070

2 AAC 50.316. PERSONAL CONTRIBUTIONS BY A CANDIDATE. (a) A candidate may make unlimited personal contributions from assets which, under Alaska law, the candidate had legal right of access to or control over and to which the candidate had legal and rightful title at the time he or she became a candidate. These assets include salary and other earned income from bona fide employment; dividends; proceeds from the sale of investments; bequests to the candidate; income from trusts established before candidacy; income from trusts established by bequest after candidacy; and gifts of a personal nature which had been customarily received before candidacy.

(b) A candidate may use a portion of jointly owned assets as a personal contribution. The portion of the jointly owned assets that may be used is the candidate's share under the instruments of conveyance or ownership. With respect to spouses, if no specific share is indicated by an instrument of conveyance or ownership, the value of one-half of the property used is considered the personal funds of the candidate. In the case of property jointly owned by a non-spouse, if there is no instrument of conveyance or ownership, the portion of the asset belonging to the candidate is the pro rata share of the purchase price paid by the candidate, or, if no purchase was made, the amount determined by dividing the present value by the number of owners.

(c) A candidate's donation of goods remaining from a prior campaign is a personal contribution.

(d) A loan of money by a regulated banking institution to a candidate is a personal contribution if the loan is made in accordance with applicable banking laws and regulations; bears the usual and customary interest rate for the category of the loan involved; is evidenced by a written instrument; and is subject to a due date or amortization schedule. Loans under this section are reported as a candidate's personal contribution.

2 AAC 50.315
2 AAC 50.316

(e) The absolute sale of all legal and equitable interest of a candidate's real or personal property is not a contribution from the purchasers if the proceeds are received by a candidate in a legitimate arm's length transaction documented in writing. Sale proceeds used by a candidate in a campaign must be reported as personal contributions. (Eff. 1/4/86, Register 97)

Authority: AS 15.13.030(10)
AS 15.13.040

AS 15.13.070
AS 15.13.130

2 AAC 50.319. DESIGNATED CAMPAIGN DEPOSITORY. (a) Each candidate and political group intending to raise or spend more than \$5,000 in a calendar year shall designate on a registration statement or on the first campaign disclosure statement filed with the commission, one or more regulated banking institutions as its campaign depository or depositories. Each account title must indicate that it is a campaign account.

(b) All monetary contributions to, and expenditures by, a candidate or political group must be deposited to or made from a designated campaign depository.

(c) A candidate or political group required by (a) of this section, to designate a campaign depository may obtain and use credit cards in making travel-related campaign expenditures for transportation, lodging, meals, and other expenses in connection with traveling for campaign purposes. The credit card account name must indicate that it is a campaign account.

(d) Contributions that appear to be illegal must, within ten days after receipt, be returned to the contributor.

(e) A campaign treasurer shall make his or her best efforts to determine the legality of a contribution. If a contribution cannot be determined to be legal, a refund must be made within a reasonable time, and the treasurer shall note the refund by amending the current report or noting the change on the next required report. Alternatively, the contribution may be deposited into the campaign depository and reported. If it is deposited, the treasurer shall make and retain a written record noting the basis for the appearance of illegality. A statement noting that the legality of the contribution is in question must be included in the next required report. (Eff 1/4/86, Register 97)

Authority: AS 15.13.030
AS 15.13.050

AS 15.13.060
AS 15.13.070

2 AAC 50.320. GENERAL BOOKKEEPING REQUIREMENTS FOR CANDIDATES AND GROUPS. (a) Every candidate and group required to report contributions or expenditures under the provisions of AS 15.13 shall maintain detailed records of all contributions received and expenditures made in accordance with the uniform methods of bookkeeping set out in the commission's bookkeeping guide.

(b) A candidate or his treasurer, and the treasurer of a group, may issue a receipt, and shall record the receipt of every contribution received, unless otherwise exempted by this chapter, regardless of the dollar amount or value of the contribution. While the identity of a person who has contributed no more than \$100 to a campaign is not required to be individually reported by the treasurer on a campaign disclosure report, the name of such a contributor, along with the amount and type of his contribution, must be recorded by the treasurer and maintained by the treasurer, for comparative purposes, in case that person makes additional contributions which total over \$100.

(c) The identity of a person who has contributed over \$100 in the aggregate per year to a candidate's or group's campaign must be reported in accordance with 2 AAC 50.321.

(d) Each bookkeeping record required under this section shall be maintained by the candidate or the treasurer of a group and may not be destroyed for a period of four years from the date of the contribution. The records shall be available for inspection by the commission upon request of the commission. (Eff. 5/14/80, Register 74)

Authority: AS 15.13.020(2)
AS 15.13.030(10)

AS 15.13.040
AS 15.13.120(e)

2 AAC 50.321. REPORTING CONTRIBUTIONS AND EXPENDITURES. (a) Each candidate or group filing reports under AS 15.13 must identify

(1) each monetary contribution, or aggregate of contributions from the same contributor, which totals in excess of \$100 by reporting

- (A) the date received;
- (B) the check number;
- (C) the name and address of the contributor;
- (D) the principal occupation and employer of the contributor; and
- (E) the amount;

(2) each non monetary contribution, or aggregate of non monetary contributions from the same contributor, valued at more than \$100 a year, by reporting

- (A) the date received;
- (B) the name and address of the contributor;

(C) the principal occupation and employer of the contributor;

(D) a description of the contributions; and

(E) its estimated fair market value;

(3) each loan, or aggregate of loans from the same contributor which totals in excess of \$100, by reporting

(A) the date received;

(B) the name and address of the lender, guarantor or cosigner;

(C) the principal occupation and employer of the lender, loan guarantor or cosigner;

(D) the interest rate; and

(E) the amount;

(4) each paid expenditure by reporting

(A) the date of the payment;

(B) the check number;

(C) the name and address of the payee;

(D) the purpose of the expenditure; and

(E) the amount;

(5) each accrued expenditure by reporting

(A) the date the expenditure was incurred;

(B) the name and address of the business or individual with whom the debt was incurred;

(C) the purpose of the accrued expenditure; and

(D) the amount.

(b) When reporting monetary and non-monetary contributions or loans, a cumulative total must be kept by each candidate or group of the contributions (including loans) made to it, regardless of the total, and reported pursuant to (a) of this section when

(1) monetary contributions by the same contributor bring the total to over \$100; or

(2) nonmonetary contributions by the same contributor bring the estimated total value to over \$100; or

(3) loans by the same lender, guarantor, or cosigner bring the total to over \$100; or

(4) a combination of monetary or nonmonetary contributions or loans by the same contributor brings the total to over \$100. (Eff. 7/22/78, Register 67)

Authority: AS 15.13.030(10) AS 15.13.130(2) and (4)
AS 15.13.040(a) and (b)

2 AAC 50.322. RECORDKEEPING REQUIREMENTS FOR AUCTIONS AND GARAGE SALES. Repealed 5/14/80.

2 AAC 50.323. RECORDKEEPING REQUIREMENTS FOR CONTRIBUTIONS RECEIVED FROM THE SALE OF CAMPAIGN MATERIAL. Repealed 5/14/80.

2 AAC 50.324. SHARED CAMPAIGN REPORTING. Except for expenditures by the candidates for governor and lieutenant governor of the same political party who have been nominated to run in the general election, the following provisions apply to all candidates and groups, other than a political party, subject to the provisions of AS 15.13 and this chapter:

(1) The use, by one candidate, of the money, goods or services raised or generated by his campaign, to influence the election of another candidate, is considered a contribution and cannot exceed the \$1000 limitation set by AS 15.13.070(a); nothing in AS 15.13 or this chapter, however, limits an individual's right to make any expenditure whatsoever to influence the election of a candidate, so long as that expenditure is not made at the suggestion of that candidate, directly or indirectly paid for by that candidate, or otherwise controlled by that candidate.

(2) An expenditure made by one group, other than a political party, on behalf of another group which is controlled by a candidate is considered a contribution and may not exceed the \$1000 limitation set by AS 15.13.070(a).

(3) A candidate may not join his campaign committee with that of one or more candidates in order that they may file a single report of their joint campaign, nor may a group join with one or more groups in order that they may file a single report of their joint efforts.

(4) Candidates or groups prohibited from forming a joint campaign under (3) of this section may share in campaign efforts, under (5) of this section, so long as they keep separate campaign accounts and file separate statements of their contributions and expenditures under AS 15.13 and 2 AAC 50.

(5) Two or more candidates, or two or more groups, may share in campaign efforts so long as the cost of, and receipts from, shared efforts are allocated equally to each participating candidate or group's campaign.

(6) So long as the costs of, and receipts from, shared efforts are allocated equally to each participant of a shared campaign, neither the costs or receipts are considered as a contribution from one participant to any of the other participants.

(7) Each candidate or group filing reports pursuant to AS 15.13 and 2 AAC 50 must complete an APOC Form 15-3A, the "Shared Campaign Activities" form, which represents his or its proportionate share of the receipts and expenditures of a shared campaign effort.

(8) A proportionate share of the amount of an expenditure benefiting one or more candidates, or one or more groups, of a shared campaign effort, but paid for in full by one of the candidates, or by one of the groups, will be considered a contribution by

(A) the paying candidate to the other candidates; or

(B) the paying group to the other groups.

(9) Media communications regarding a shared campaign activity are considered properly identified so long as the identification includes the words "paid for by" and the name of each candidate or group sharing in the cost of the communications. The address and treasurer* of each participating candidate or group need not be listed. However, if a communication is paid for in its entirety by only one of the participants then, in accordance with 2 AAC 50.369, full and proper identification is required. (Eff. 7/22/78, Register 67; am 5/14/80, Register 74; am 6/29/84, Register 90)

Authority: AS 15.13.030(10)
AS 15.13.040(a) and (b)

AS 15.13.070(a)
AS 15.13.090

2 AAC 50.325. RECORDKEEPING REQUIREMENTS FOR NONMONETARY CONTRIBUTIONS.
~~Repealed 1/4/86.~~

2 AAC 50.326. RECORDKEEPING REQUIREMENTS AND EXEMPTIONS WHEN REPORTING A FUND-RAISER. (a) A candidate or his treasurer, and the treasurer of a group, shall report all the contribution and expenditure activity related to a campaign fund-raiser in a format designated by the commission, and in accordance with this section. Fund-raisers sponsored in conjunction with several candidates or groups are viewed as shared fund-raising activities and, while subject to the provisions of this section, must be reported separately on APOC Form 15-3SA and in accordance with 2 AAC 50.324.

* has been changed to chairman in the statute.

(b) When reporting a fund-raiser, a candidate or his treasurer, and the treasurer of a group, shall state the total number of contributing participants, the date and place where the event was held, if applicable, a description of the type of fund-raising activity, and the total costs of, and receipts from, the event.

(c) For the purposes of this section, "fund-raiser" includes, but is not limited to, a garage sale; a raffle or drawing; an auction; a spaghetti feed or pot-luck dinner; the sale of campaign material, such as posters, buttons, stickers, clothing, key chains and ashtrays; or a sponsored concert.

(d) The requirement in AS 15.13.040 and 2 AAC 50.320 that a candidate or his treasurer, or the treasurer of a group, must record the name of every person making a contribution, regardless of the amount of that contribution, does not apply to events which meet the following criteria:

(1) fund-raisers, similar in nature to spaghetti feeds, bingo games, dances, or concerts, where

(A) there are 25 or more paying participants; and

(B) except as described in (f) of this section, the cash amount received from any one person does not exceed \$50;

(2) fund-raisers, such as a raffle, lottery or a drawing, where

(A) 25 or more tickets are sold; and

(B) except as described in (f) of this section, the price of a ticket or the amount received from any one person purchasing chances does not exceed \$50;

(3) fund-raisers, the income from which is based on the sale of campaign material, where, except as described in (g)

(A) the price of an item being sold does not exceed \$10; or

(B) the amount received from any one person purchasing items does not exceed \$50;

(4) fund-raisers, such as garage sales and auctions, where, except as described in (g)

(A) the fair market value of an item donated for sale or auction does not exceed \$50; or

(B) the amount received from any one person purchasing items at the garage sale or auction does not exceed \$50.

(e) When reporting receipts from a fund-raiser which meets the recording exemption set out in (d) of this section, the candidate or his treasurer, or

the treasurer of a group, need only report the total amount of contributions received from or generated by the fundraiser, along with the total number of paying participants, tickets sold, or items purchased, as applicable.

(f) If a person contributes in excess of the exempted amounts stated in (d)(1)(B) or (d)(2)(B) of this section, then the name of that person, and the amount and type of that contribution, must be recorded as set out in 2 AAC 50.320.

(g) If the cost of or value of an item exceeds the exempted amount, or if a person contributes or pays in excess of the exempted amounts stated in (d)(3) or (4), then the name of that contributor or buyer must be recorded as set out in 2 AAC 50.320.

(h) A contribution made by a person to attend or otherwise participate in a "fund-raiser," as defined in (c) of this section, whether or not exempted from full recording under this section, may not be received by or on behalf of a candidate in violation of AS 15.13.070(a). (Eff. 5/14/80, Register 74; am 5/24/81, Register 78; am 6/29/84, Register 90)

Authority: AS 15.13.030(10)
AS 15.13.040

2 AAC 50.330 REPORTING CAMPAIGN EXPENDITURES FOR TRANSPORTATION.
Repealed 1/4/86.

2 AAC 50.332. REPORTING ZERO CONTRIBUTION OR EXPENDITURE ACTIVITY.
(a) Each candidate or group required to file a full report of all contributions received and expenditures made in accordance with AS 15.13 and this chapter shall report in accordance with the reporting schedule set out in AS 15.13.110(a), regardless of the amount of their reportable contributions or expenditures. In the absence of any contribution or expenditure activity whatsoever during a reporting period, each candidate or group not already exempt from reporting under (b) or (c) of this section shall submit by the appropriate due date the "Short Form" on Schedule A of the Campaign Disclosure Statement certifying that no contributions have been received or expenditures made.

(b) A candidate who does not intend to receive or accept contributions, or make expenditures during his campaign for municipal or state public office, including any personal campaign contributions or expenditures, may file APOC Form 15-0, the "Campaign Reporting Exemption Form." A candidate who files the exemption form is not required to submit any other reports to the commission concerning his campaign. The reporting exemption is revoked if a candidate accepts contributions or spends money to influence his election. A candidate whose exemption is revoked must immediately register his change of status on APOC Form 15-1 and, in accordance with AS 15.13.110, must disclose his campaign contribution and expenditure activity beginning with the first campaign disclosure report due following his change in status. Failure to report campaign

contribution or expenditure activity after the reporting exemption is revoked subjects the candidate to both civil and criminal penalties for noncompliance with the reporting requirements of AS 15.13 and 2 AAC 50.

(c) The treasurer of a political party subdivision or political action committee previously registered with the commission which does not intend to receive or accept contributions, or make expenditures, during a municipal campaign may, in accordance with the requirements set forth in (b) of this section, file APOC Form 15-0. (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10) AS 15.13.110
AS 15.13.040(a) and (b)

2 AAC 50.333. REPORTABLE DATE OF A CONTRIBUTION. A contribution is considered received, and reportable as such, on the day in which that contribution is in the possession of a candidate, or a treasurer or deputy treasurer of a candidate or group, in accordance with AS 15.13.070(e) and this chapter. (Eff. 7/22/78, Reg. 67)

Authority: AS 15.13.030(10)
AS 15.13.070(e)

2 AAC 50.334. PERSONS WHO MAY ACCEPT CONTRIBUTIONS. (a) A candidate's campaign committee, or a group, may authorize a person who is not registered as a deputy treasurer to accept or solicit campaign contributions on its behalf for any single event. Campaign committees or groups are not in violation of AS 15.13.070(e) if contributions collected by the authorized person are turned over to a candidate, treasurer, or deputy treasurer of the intended committee or group within 72 hours.

(b) An individual who is, or will be, fund-raising on a regular basis throughout a political campaign must be registered as a deputy treasurer in accordance with AS 15.13.060(e).

(c) Individuals that have not been "authorized" to accept campaign contributions by either a candidate or his treasurer, or the treasurer of a group, are prohibited from collecting campaign contributions on behalf of a candidate's campaign committee or a group. (Eff. 4/28/79, Register 70; am 5/14/80, Register 74)

Authority: AS 15.13.030(10) AS 15.13.070(e)
AS 15.13.060 AS 15.13.130(2)

2 AAC 50.340. EXPENDITURES TO ADVERTISING AGENCIES OR CAMPAIGN MANAGEMENT SERVICES. Whenever a required report includes an expenditure to an advertising agency, or to an individual or business which provides campaign

consultation or management services, the report shall be accompanied by a statement* detailing all services rendered, including the identity of each business from which campaign goods or services were purchased or subcontracted, or media advertising placed, and their costs. (Eff. 5/16/76, Register 58; am 5/14/80, Register 74).

*Staff will request this information when clarification of a report is needed.

Authority: AS 15.13.030(10)
AS 15.13.040(f)

2 AAC 50.342. REGISTRATION OF GROUPS SUPPORTING OR OPPOSING BALLOT ISSUES. Each group, before making an expenditure in support of or in opposition to a ballot proposition, shall register with the commission on forms provided by the commission. (Eff. 5/14/80, Register 74)

Authority: AS 15.13.010(b) AS 15.13.040(b)
AS 15.13.030(10) AS 15.13.050

2 AAC 50.350. CONTRIBUTION OF PROFESSIONAL SERVICES. ~~Repealed~~
1/4/86.

2 AAC 50.351. INDEPENDENT EXPENDITURES. (a) An independent expenditure is a disbursement of funds which is made expressly to support or oppose an individual's candidacy or a ballot issue. An independent expenditure is not made with the cooperation, consent, in consultation with, or at the request or suggestion of, a candidate, a candidate's campaign committee, or a group, and must be reported in accordance with AS 15.13.040(d)(2) and (e) by the maker of the expenditure.

(b) An expenditure made at the request of, in consultation with, or at the suggestion of a candidate, a candidate's campaign committee, or a group supporting or opposing a ballot issue, is considered an in-kind contribution by the person making the expenditure, and must be reported in accordance with AS 15.13.040(a) by the candidate or group benefiting from the contribution, and by the "contributor" in accordance with AS 15.13.040 (d)(1) and (e).

(c) There is no limit on the amount or frequency of independent expenditures.

(d) The report of an expenditure to influence the outcome of a ballot issue required to be filed under AS 15.13.040(d)(2) will be closed to the public only if the commission determines, in response to a written request, that the individual who makes the expenditure would likely be subject to undue harassment, threats, or economic reprisals as the result of public disclosure. After publication, the person granted an exemption shall provide the commission with

a copy of the communication in order to enable the commission to verify which communications were sponsored by that person. (Eff. 5/14/80, Register 74; am 6/29/84, Register 90)

Authority: AS 15.13.030(10)
AS 15.13.040

AS 15.13.090

2 AAC 50.355. LOANS. Repealed 1/4/86.

2 AAC 50.357. CONTRIBUTIONS IN THE NAME OF ANOTHER. (a) No contribution may be made, directly or indirectly, by a person other than in the legal name of the original source of the contribution.

(b) No person, employer, principal, supervisor, or contractor may lend, pay, advance, or reimburse employees, agents, or other persons for contributions to a candidate or group in the employee's, agent's, or other person's name, or in a name other than the original source of the contribution.

(c) A contribution made at the direction of another person, including a parent organization, subsidiary, division, department, branch, or local unit, is a contribution in the name of another. Contributions by two or more organizations to the same recipient are in the name of another if the organizations

- (1) share the majority of members of their board of directors;
- (2) share two or more corporate or organizational officers;
- (3) are owned or controlled by the same shareholders or members;
- (4) are in a parent-subsidiary relationship.

(d) If a minor makes a contribution of money or any thing of value given to the child by a parent for that purpose, the parent has made a contribution in the name of another. (Eff. 1/4/86, Register 97)

Authority: AS 15.13.030(10)
AS 15.13.040

AS 15.13.070
AS 15.13.130

2 AAC 50.360. MUNICIPALITIES. (a) If a municipality seeks to influence the outcome of an election, using budgeted municipal funds, it shall report as an individual under AS 15.13.040(d) and (e).

(b) All communications which are paid for by a municipality and which are related to an election are considered to be intended to influence the outcome of an election unless they are only notices of the election or unless they are required by statute, charter, or ordinance.

(c) The municipality shall file with the commission a list of candidates and their mailing addresses within seven days following the deadline for filing for municipal office.

(d) If a municipality seeks to influence the outcome of an election using funds contributed to it for that purpose, it shall register and report as a group under AS 15.13.040(b) and (c) and AS 15.13.050. (Eff. 5/16/76, Register 58; am 1/4/86, Register 97)

Authority: AS 15.13.010 AS 15.13.040 AS 15.13.090
AS 15.13.030(10) AS 15.13.050

2 AAC 50.361. REPORTING BY SPECIAL INTEREST GROUPS. Repealed 10/18/81.

2 AAC 50.362. DRAFT GROUPS. (a) A draft group must report its contribution and expenditure activity as a group, under the requirements of AS 15.13 and this chapter.

(b) A draft group

(1) may make expenditures in order to raise, through contributions to the group, the money necessary to

(A) defray its own administrative costs; and

(B) attempt to draft persons to become candidates, including the expenditure of money to

(i) extoll the qualities of persons the group is attempting to draft; and

(ii) inform the general public both of the group's position on issues, as well as the qualities of leadership it seeks in potential candidates; and

(2) may not

(A) engage in any political activity other than an activity described in (b)(1) and (c) of this section;

(B) accept contributions in excess of \$1000 from any person or group;

(C) except for personal travel expenses, opinion surveys, or polls, make any expenditure that might benefit a person who the group has successfully drafted for office and who has made it known that he or she will be seeking election to public office; however, the group may continue in its attempts to draft other persons for elective office; and

(D) except as provided in (c) of this section, make contributions to, contribute previously produced material to, or expend funds on behalf of, any person who has declared that he or she is seeking office or who has filed a declaration of candidacy or nominating petition or become a candidate by any other means.

(c) A draft group that expends more than 50 percent of its funds in an effort to draft one individual or, in the case of gubernatorial and lieutenant gubernatorial candidates, a team of individuals, to campaign for public office is, for the purposes of AS 15.13.130(3) and this chapter, considered a controlled group. If the person or team subject to the draft formally declares for public office, then the amount contributed to the draft group must be added to any contributions made the same year to the drafted candidate's or team's own campaign committee, in order to determine whether a contributor has made the maximum allowable contribution as outlined in AS 15.13.070(a). As a controlled group, the draft group may contribute the maximum allowed by law to the candidate or team of candidates. (Eff. 7/22/78, Register 67; am 5/14/80, Register 74; am 6/29/84, Register 90)

Authority:	AS 15.13.010	AS 15.13.040(b)	AS 15.13.100
	AS 15.13.030(10)	AS 15.13.070(a)	AS 15.13.130(2), (3) and (4)

2 AAC 50.363. SUBCOMMITTEES OF A CANDIDATE'S CAMPAIGN COMMITTEE OR OF A CONTROLLED GROUP. A subcommittee may be created within a candidate's campaign committee or within a controlled group. These subcommittees are not considered separate groups and shall not maintain separate bank accounts and records or file separate reports. The name of the candidate or controlled group must be a part of the name of the subcommittee. The name of the subcommittee shall not be used when identifying political advertising under AS 15.13.090 and 2 AAC 50.369. (Eff. 7/22/78, Register 67; am 5/14/80, Register 74)

Authority:	AS 15.13.030(10)	AS 15.13.040(a)
	AS 15.13.050	AS 15.13.090

2 AAC 50.369. PROPER IDENTIFICATION OF POLITICAL COMMUNICATIONS. (a) Except as provided in (d) of this section, "proper identification" of a communication intended to influence the election of a candidate or the outcome of a ballot issue means that the communication is clearly identified with the words "paid for by," followed by the name and full address of the candidate, group, or individual actually paying for the advertising. The name of the campaign chairman must also be identified. If the candidate and the chairman are the same person, the name need not be repeated.

(b) Standard English abbreviations may be used in the written identification.

(c) "Clearly identified," as used in AS 15.13.090, means that

(1) in all printed communications, the proper identification must be visible, separate from the text of the advertisement itself, and large enough to be read by a person with average vision without the aid of corrective lenses;

(2) in all audio-visual communications, the proper identification must either

(A) be visual, and of sufficient size and duration to be read in full by the viewer; or

(B) be spoken, and played at the same audio level as the text of the communication itself; or

(C) be both visual and spoken, in accordance with (A) and (B) of this paragraph;

(3) in all audio communications, the proper identification must be spoken at the same audio level as the text of the communication itself.

(d) If the commission determines, under 2 AAC 50.351(d), that an expenditure report will not be made public, the political communication intended to influence the outcome of a ballot proposition or question is properly identified if, in place of the "paid for by" phrase, the communication includes, in the manner required by (c) of this section, the commission waiver identification number assigned by the Commission to that communication.

(e) In this section and in AS 15.13.090, "communications" include all material related to campaign fund-raisers, campaign letterhead, thank you notes, and press releases but does not include envelopes paid for by the campaign which are used solely to convey the campaign's properly identified communications. (Eff. 4/28/79, Register 70; am 10/13/81, Register 80; am 6/29/84, Register 90; am 1/4/86, Register 97)

Authority: AS 15.13.030(10)
AS 15.13.090

2 AAC 50.370. OBJECTS TOO SMALL TO CONTAIN THE PROPER IDENTIFICATION. If the size of an object used for a campaign advertisement is such that it is impractical to print the identification of the candidate, group, or person paying for the advertisement on the object, the advertisement must instead be identified in a regular expenditure report to the commission. Objects considered too small for full identification include pencils, pens, buttons, and other objects that are smaller than 3 1/2" x 5" in size. All media advertisements must be identified, regardless of size. (Eff. 5/16/76, Register 58; am 5/14/90, Register 74; am 1/4/86, Register 97)

Authority: AS 15.13.030(10)
AS 15.13.090

(b) The report continues to be delinquent and subject to a civil penalty until received.

(c) Commission staff will send notice to each candidate or group of his or its delinquency under AS 15.13.110(a) within five working days after the due date of the report.

(d) Upon receipt of a delinquent campaign disclosure report of contributions received by a candidate or a group, commission staff will

(1) calculate the initial civil penalty, for each day of delinquency, as follows:

(A) \$10 a day for each 30 day report or 10 day report;

(B) \$10 a day for each year-end report received after January 16;

(C) \$50 a day for each 7 day report; and

(D) \$50 a day up to a maximum of \$300 for each 24 Hour Report;

(2) send notice of the civil penalty assessed against the candidate or group within five working days after receipt of a delinquent report, or in the case of non-receipt of a report required by AS 15.13.110(b), within 15 working days after receiving the information, and include

(A) a statement of the amount of the assessment; and

(B) an affidavit appeal form.

(e) A candidate or group subject to a civil penalty assessment may

(1) submit, within 30 days after receipt of the assessment notice described in (d)(2) of this section, an affidavit stating reasons for the late filing to show why a civil penalty should not be assessed; an affidavit

(A) is a statement in writing made under oath and upon penalty of perjury; and

(B) must be sworn to before a notary public, municipal clerk, court clerk, postmaster, or any other person authorized to administer oaths or, if none of the preceding alternatives is available, may be signed by the official without benefit of the oath so long as the official states, in writing, that the affidavit is signed under penalty of perjury; or

(2) pay, within 30 days after receipt of the assessment notice described in (d)(2) of this section, the civil penalty assessed.

(f) If a candidate or group subject to a civil penalty assessment for the late filing of a campaign disclosure report refuses, or fails, within the time

required, to submit an affidavit or make payment, then commission staff will refer the matter to the attorney general for appropriate action. The commission will not hear an appeal if an affidavit is not filed within the time required.

(g) An affidavit timely filed with the commission will be considered at the next regular meeting of the commission. If a candidate or group's appeal is

(1) denied by the commission, commission staff will notify the candidate or group of its decision within 15 days, and require that the civil penalty originally assessed be paid within 30 days after the date of the letter containing notification of the commission's decision; or

(2) accepted by the commission, commission staff will notify the candidate or group of its decision within 15 days, informing him or it that the civil penalty assessment has been waived and that the matter is considered closed; or

(3) accepted, in part, by the commission, commission staff will notify the candidate or group of its decision within 15 days, and require that the reduced civil penalty assessment be paid within 30 days after the date of the letter containing notification of the commission's decision.

(h) A candidate or group may appeal the commission's decision to deny or partially accept reasons for lateness to the superior court within 30 days after his receipt of the notice under Rule 45 of the Appellate Rules of the Alaska Court System. If no appeal is made within 30 days and no payment is made, the matter will be referred to the attorney general for appropriate action.

(i) If, upon review of a report required by AS 15.13.110(a), (b), or (e), the commission's staff finds substantial or continuous noncompliance with AS 15.13 or any provision of this chapter, or with requests by staff for information required to be reported under this chapter, the matter must be brought to the commission for review. The commission will, in its discretion, reduce or waive any initial civil penalty, uphold any initial civil penalty, increase the amount of any initial civil penalty to an amount not exceeding the maximum amount established in AS 15.13.125, or instruct its staff to begin preliminary investigation into the matter. Where no initial civil penalty has been assessed, the commission will, in its discretion, assess a civil penalty up to the maximum amount established in AS 15.13.125 if the candidate or group in question does not comply. (Eff. 7/22/78, Register 67; am 5/14/80, Register 74; am 5/24/81, Register 78; am 10/18/81, Register 80; am 6/29/84, Register 90; am 1/4/86, Register 97)

Authority: AS 15.13.010
AS 15.13.030(10)

AS 15.13.125

2 AAC 50.395. REPORTING BY A BUSINESS ENTITY OR LABOR ORGANIZATION.

Repealed 1/4/86.

2 AAC 50.397. REPORTING BY PERSONS OUTSIDE THE STATE. Persons residing outside the State of Alaska are subject to the same reporting requirements, restrictions, and responsibilities under AS 15.13 as those placed upon persons residing within the state. (Eff. 4/28/79, Register 70)

Authority: AS 15.13.030(10)

2 AAC 50.400. DISBURSEMENT OF A SURPLUS BALANCE IN A CAMPAIGN ACCOUNT.
(a) The disbursement of a surplus balance of a candidate or group's campaign account must be reported to the commission within 10 days after final disposition of the balance.

- (b) A candidate disbursing the surplus balance in his campaign account may
- (1) give the money to charity;
 - (2) repay his contributors;
 - (3) repay himself, if he made contributions to his own campaign;
 - (4) take, as income, any money which exceeds the amount which he personally contributed to his campaign;
 - (5) leave the money in a campaign account until the next time he campaigns for elective office; however, any interest realized from a surplus in a campaign account must remain in the account and be reported on the first report required of him when he is again a candidate for elective office;
 - (6) contribute the money to another candidate or a group controlled by a candidate, not to exceed the \$1000 limitation, or to a political party or group supporting a ballot proposition or question; or
 - (7) transfer the money to his office allowance fund.

- (c) A group disbursing the surplus balance in its campaign account may
- (1) give the money to charity; or
 - (2) repay its contributors; or
 - (3) leave the money in a campaign account until the following election, if the group plans to remain active; however, any interest realized from a surplus in a campaign account must remain in the account and be reported on the first report required of the group when it is again active in an election; or
 - (4) contribute the money to a candidate or a group controlled by a candidate, subject to the \$1,000 limitation and other prohibitions under AS 15.13 and 2 AAC 50, or to a political party or group supporting a ballot proposition or question.

(d) Any candidate or group wishing to disburse the surplus balance in a campaign account in a manner not described in (b) or (c) of this section may request commission review and approval of the manner in which he or it wishes to disburse the surplus. (Eff. 7/22/78, Register 67; am 10/18/81, Register 80)

Authority: AS 15.13.030(10)

2 AAC 50.401. POST-ELECTION FUNDRAISING BY CANDIDATES AND CONTROLLED GROUPS. (a) A candidate or a candidate's controlled group may make post-election expenditures for the purpose of raising money to discharge a debt from a prior campaign, in accordance with (c) of this section.

(b) Absent a debt arising from a prior campaign, a candidate may not spend money for the purpose of seeking public office unless the individual is in compliance with AS 15.13.100; the early campaigning provisions of 2 AAC 50.380, or an advisory opinion issued under (c) of this section and 2 AAC 50.905.

(c) A candidate who is in debt from a prior campaign and who has not complied with either AS 15.13.100 or 2 AAC 50.380 by December 31st of the year after the election, shall request an advisory opinion under 2 AAC 50.905 concerning the applicability of AS 15.13.100 to further expenditures to pay off the debt. Absent an advisory opinion request, the commission staff may commence a preliminary investigation to review the applicability of AS 15.13.100 to expenditures by the candidate.

(d) A debt arising from a prior campaign includes

(1) a candidate's personal contributions made before the date of the prior election;

(2) campaign debts to others that were reported on a 10 day post-election campaign disclosure statement;

(3) post-election expenditures made for the purpose of discharging a debt arising from a prior campaign; and

(4) the costs reasonably associated with winding up the affairs of the prior campaign, including social events held immediately after the election for the benefit of campaign workers or volunteers, communications of acknowledgement, and legal and accounting fees reasonably incurred to comply with AS 15.13 and 2 AAC 50.310 — 2 AAC 50.405. (Eff. 1/4/86, Register 97)

Authority: AS 15.13.030(10) AS 15.13.070 AS 15.13.110
AS 15.13.040 AS 15.13.100 AS 15.13.130

2 AAC 50.405. DEFINITIONS For 2 AAC 50.310 — 2 AAC 50.405 and AS 15.13.
In 2 AAC 50.310 — 2 AAC 50.405 and in AS 15.13

(1) "business entity" means a sole proprietorship, partnership, corporation or professional corporation, company, firm, business trust, or any other business entity or a combination of these;

(2) "draft group" means a group of two or more persons organized for the purpose of drafting one or more individuals to run for elective office by becoming a candidate as defined in AS 15.13.130(1);

(3) "labor organization" means a local, national, or international union, or labor council, or any other labor organization recognized under state or federal laws;

(4) "contribution" — Repealed 1/4/86. (Eff. 7/22/78, Register 67; am 6/29/84, Register 90; am 1/4/86, Register 97)

Authority: AS 15.13.030(10)
AS 15.13.130

2 AAC 50.450. COMPLAINTS. (a) A complaint filed with the commission must be in writing and must contain the following:

(1) the full name and mailing address of the person making the complaint;

(2) the name of the person or group alleged to be in violation;

(3) allegations of specific facts which, if true, would constitute

(A) a violation of AS 15.13 or of a provision of 2 AAC 50.310 - 2 AAC 50.405;

(B) a violation of AS 24.45 or of a provision of 2 AAC 50.505 - 2 AAC 50.545;

(C) a violation of AS 39.50 or of a provision of 2 AAC 50.010 - 2 AAC 50.200;

(4) the basis of the complainant's knowledge of the alleged facts, differentiating between statements made upon personal knowledge and those made upon other sources of information and belief;

(5) any documentation, relevant to the facts alleged, which is available to the complainant.

(b) The complaint shall be signed by the complainant and the signature shall be verified by a notary public, municipal clerk, court clerk, postmaster, or any person authorized to administer oaths. Notarial service will be provided by the commission without cost.

(c) Upon receipt of a complaint properly filed and sworn, the commission staff shall promptly

(1) acknowledge receipt to the complainant; and

(2) determine whether the complaint sets out facts which, if true, would constitute a violation of law.

(d) If the staff determines that a complaint does not set out facts which, if true, would constitute a violation of the law, it shall promptly inform the complainant, inform the respondent, and close the file. Following a determination under this subsection,

(1) the staff, upon request of the respondent, shall furnish a copy of all of the information in its file on the complaint to the respondent;

(2) the complainant may request that the commission review the staff's determination; the review will be conducted in closed session; following the review, the commission will, by majority vote

(A) uphold the staff's determination and close the matter;

or

(B) determine that the complaint is sufficient on its face, and it will be handled under (e) of this section.

(e) If the staff or the commission under (d)(2)(B) of this section determines that a complaint sets out facts which, if true, would constitute a violation of the law, the staff will

(1) notify the complainant;

(2) notify the respondent, providing a copy of the complaint, any accompanying documents, and a copy of the commission's investigative and hearing procedures;

(3) inform the commission that a complaint has been filed, providing a copy of the complaint and any accompanying documents; and

(4) begin a preliminary investigation.

(f) A person against whom a complaint is filed may file an answer. The answer must

(1) specifically admit or deny all material allegations of the complaint;

(2) state any defenses expected to be raised by the respondent;

(3) include any relevant documentation in the possession of the respondent; and

(4) be a signed and sworn statement. (Eff. 5/16/76, Register 58; am 12/29/77, Register 64; am 6/29/84, Register 90; am 1/4/86, Register 97)

Authority: AS 15.13.030(8) AS 15.13.045 AS 24.45.021(b)
AS 15.13.030(10) AS 15.13.120(d) AS 24.45.131
AS 39.50.050(b)

2 AAC 50.460. PRELIMINARY INVESTIGATION. (a) The commission staff shall undertake a preliminary investigation if

(1) a properly filed and sworn complaint has been found to be sufficient; or

(2) information has been obtained by the commission or staff in the normal course of business which, if true, would constitute a violation of the law.

(b) When the staff initiates an investigation based on (a)(2) of this section, it shall set out in writing the facts, information, and law involved, along with documentation, and process this material in accordance with 2 AAC 50.450(e).

(c) In conducting a preliminary investigation, the staff may use any of the methods set out in AS 15.13.045. It may also

(1) request written and sworn statements from any party, witness, or other person which are relevant to the investigation; and

(2) use the services of the Alaska State Troopers or private investigators to secure factual information pertinent to the investigation.

(d) Upon completion of a preliminary investigation, the staff shall provide a written summary of the investigation to the commission at the next regularly scheduled meeting, or at a special meeting. The summary must include a staff recommendation for dismissal, for continued investigation, that the matter be addressed in a hearing, or that civil penalties be assessed subject to appeal as provided in 2 AAC 50.110(e), 2 AAC 50.135(f), 2 AAC 50.390(e), or 2 AAC 50.507(e). Notice of the meeting and a copy of the summary must be provided to the respondent and complainant in advance of the meeting. The decision of the commission with respect to the findings of the preliminary investigation will be sent by certified mail to the complainant and respondent. (Eff. 5/16/76, Register 58; am 12/29/77, Register 64; am 6/29/84, Register 90; am 1/4/86, Register 97)

Authority: AS 15.13.030(8); AS 15.13.030(10); AS 15.13.045(a); AS 15.13.120(d)
AS 18.65.090; AS 24.45.021(b); AS 24.45.131; AS 39.50.050(b)

2 AAC 50.470. HEARINGS. (a) If the commission decides that a hearing will be held, notice of hearing will be sent to the respondent by personal service or by certified mail, return receipt requested. If the respondent cannot be found after diligent effort, service will be made by publishing notice of the hearing in a newspaper of general circulation once a week for four weeks, the final notice appearing at least 30 days before the hearing.

(b) Notice of a hearing must be provided to all parties at least 30 days before a hearing. The time and place of the hearing will be set with due regard and consideration for the convenience of the parties, and the commission will consider a party's request for a change in the time or place of a hearing. The commission will, in its discretion, for any good cause and upon proper notice, change the time and place of a hearing.

(c) Repealed 1/4/86.

(d) The commission staff is responsible for presenting the facts, verified by investigation, which it has determined appear to constitute a violation of the law. In the course of the hearing, the staff will be given no special consideration, but will be considered as a party to the hearing.

(e) The only parties to the hearing will be the staff, representing the complainant or itself, and the respondent.

(f) A party has the right to present evidence and be represented by an attorney. Entities may be represented by an official within the entity, an authorized agent, counsel, or a combination of these.

(g) The rules of evidence are the same as in AS 44.62.460. In addition

(1) documentary evidence may be presented in the form of copies if the original is not readily available; upon request, the parties will be given the opportunity to compare the copy to the original;

(2) in the discretion of the ~~hearing officer~~ ^(WAS 'COMMISSION OR THE DESIGNEE'), nonparties may present a sworn statement; if such a statement is presented, all parties will be given an opportunity to challenge, cross-examine, or rebut;

(3) depositions or affidavits may be presented if a witness is unable to testify at a hearing.

(h) Repealed 1/4/86.

(i) Depositions must be taken according to AS 44.62.440(a).

(j) Before the hearing, upon request during regular business hours, the respondent will have access to read or copy at cost any information contained in the case file held by the staff, with the exception of internal memos and documents privileged under the attorney-client privilege.

(WAS 'COMMISSION')

(k) At the discretion of the hearing officer, all or part of the hearing may be conducted by telephone, audio or video teleconferencing, or other electronic means, provided the parties have an opportunity to participate in the hearing while it is taking place.

(l) The hearing will be recorded by tape recording or stenographic notes at the commission's expense. The recording will be maintained with the public file of the proceedings. The commission will not prepare a transcript unless such a requirement is imposed by law. If the hearing is open, and at the commission's discretion, any person may pay for additional recordings or for a transcript from the commission's recording. If a transcript is prepared by the commission, the respondent may have access to it for the purpose of duplication.

(m) A hearing will be open to the public except when the respondent requests a closed hearing and the hearing officer finds that it should be closed under AS 44.62.310. If the hearing is open but is conducted by telephone, audio or video teleconferencing, or other electronic means, the public notice will designate at least one public access place.

(n) Repealed 1/4/86.

(o) Repealed 1/4/86.

(p) Repealed 1/4/86.

(q) If the commission decides to forward a case to the attorney general's office for prosecution, the staff shall prepare and send to the attorney general's office a record comprised of

(1) a copy of the commission's hearing decision, including its findings of fact and conclusions of law;

(2) a verbatim transcript of the proceedings before the commission; and

(3) copies of all documentary evidence, memoranda, exhibits, correspondence, and other tangible evidence contained in the public file of the proceeding.

(r) The commission will, in its discretion, reconsider its decision in accordance with AS 44.62.540. A request for reconsideration must be filed within 10 days after the vote under (o) of this section has been taken, and must state specific grounds upon which reconsideration is requested. A decision will be reconsidered only if

(1) there was a substantial procedural error in the original proceeding;

(2) the commission acted without jurisdiction in the original proceeding;

* NOTE: '(O)' WAS REPEALED.

(3) the original vote was based on fraud, misrepresentation, material mistake of fact or law; or

(4) new evidence has come to light.

(s) Contempt before the commission will be handled under AS 44.62.590.

(t) A commission member is disqualified from participation in a hearing if the member has a substantial financial relationship with the complainant or with the alleged violator. A commission member is disqualified from participation in a hearing if the member feels, and states on the public record, that he or she is unable to consider the complaint in an unbiased manner and reach a fair and impartial decision.

(u) A commission member has a conflict of interest if the member, a person in the member's immediate family, the member's employer, business, or business associate has a financial relationship with the complainant or the alleged violator or with an immediate family member, business, or business associate of the complainant or alleged violator. The commission member shall state publicly the nature of the conflict and a majority of the remaining members present may authorize the member to participate. Other relationships with the principals of the hearing, which may cause an appearance of impropriety or conflict, must be publicly disclosed by a member, and the member's participation is subject to approval by the majority of the remaining members present. In conflict cases, approval to participate will depend upon whether

(1) the financial relationship or interest is relatively insignificant; and

(2) the interest held by the member or the member's family, business, or business associate is similar to that possessed by a large class of persons; or

(3) the nonfinancial relationship is such that a reasonable person would believe the member capable of fair and impartial judgment. (Eff. 6/29/84, Register 90; am 1/4/86, Register 97)

Authority: AS 15.13.030(8); AS 15.13.030(10); AS 15.13.045; AS 15.13.120(d)
AS 24.45.021(b); AS 24.45.131; AS 39.50.050(b)

2 AAC 50.905. ADVISORY OPINIONS. (a) A person or group may request an advisory opinion concerning AS 15.13, AS 39.50, AS 24.45, or this chapter.

(b) Each advisory opinion request must describe a specific transaction or activity that the requesting person or group is presently engaged in, or intends to undertake in the future. Advisory opinion requests must include a complete description of all relevant facts. Requests posing a hypothetical situation, or regarding the activities of third parties, will not be considered by the commission staff.

(c) The commission staff shall review all requests for advisory opinions submitted under this section. If the staff determines a request is incomplete or does not qualify for consideration under (a) and (b) of this section, it shall notify the requesting person or group and specify the deficiencies in the request.

(d) Advisory opinion requests and advisory opinions are public records.

(e) The commission staff shall issue a proposed advisory opinion approving or disapproving of the activity, and may make other recommendations to the commission.

(f) The commission will review the proposed advisory opinion and will, in its discretion, review written or oral comments by any person, or any other relevant evidence. The commission will approve, disapprove, or modify the proposed advisory opinion. The commission will approve an advisory opinion by the affirmative vote of at least four members, or else the advisory opinion will be considered disapproved.

(g) An advisory opinion rendered by the Commission may be relied upon to the extent that commission staff may not commence a preliminary investigation under 2 AAC 50.390(i), 2 AAC 50.460, or 2 AAC 50.507(i) of

(1) any person involved in the specific transaction or activity with respect to which an advisory opinion approving of the activity was rendered.

(2) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which an advisory opinion was rendered.

(h) The commission will, in its discretion, reconsider an advisory opinion at any time upon the motion of a commissioner who voted with the majority that originally approved the opinion, and if the commission adopts the motion to reconsider by the affirmative vote of at least four members. Adoption of a motion to reconsider vacates the advisory opinion to which it relates. Actions taken in good faith reliance by the requesting party before they receive written notice of reconsideration may not be the subject of a preliminary investigation under 2 AAC 50.390(i), 2 AAC 50.460, or 2 AAC 50.507(i). (Eff. 1/4/86, Register 97)

Authority: A.S. 15.13.030

2 AAC 50.910. AVAILABILITY OF REPORTS FILED WITH THE COMMISSION. Except as provided under 2 AAC 50.351(d), copies of any report required to be filed with the commission may be obtained at cost. (Eff. 5/16/76, Register 58; am 1/4/86, Register 97)

Authority: AS 15.13.030(10); AS 15.13.040(f); AS 15.13.110(c);
AS 39.50.020(b); AS 39.50.050(c)

Alaska State Legislature

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Senator Mitch Abood
CHAIRMAN

Senate Committee on State Affairs

On February 28, 1985, Senate State Affairs Committee held a special committee meeting at 1:00 p.m. in Senator Kelly's office.

The purpose of the meeting was to approve the contract for legal counsel to the Senate State Affairs Committee. The justification for a sole source contract to the law firm of Gross and Burke and the contract itself was approved by the committee.

2/28/85

A handwritten signature in cursive script, appearing to read "Mitch Abood".

Senator Mitch Abood, Chairman

A handwritten signature in cursive script, appearing to read "Elaine M. Bales".

Elaine M. Bales
Senate State Affairs Committee Secretary

JUSTIFICATION FOR SOLE SOURCE CONTRACT
UNDER AS 24.23.075(c)

The Senate State Affairs Committee proposes to enter into a contract with the firm of Gross & Burke for a comprehensive review and revision of the existing statutes which govern campaign practices in the State of Alaska. The proposed contract is appended to this statement of justification. The committee proposes to retain the firm of Gross & Burke because it believes that the firm has particular and unique expertise in this area of legislation. The senior partner of the firm, Avrum M. Gross, served as attorney general of the State of Alaska for a period of nearly six years immediately following the adoption of the campaign practices laws which are the subject of the contract. In that capacity it was Mr. Gross' responsibility to write the initial opinions which interpreted the laws and to review for possible prosecution all cases referred to him by the Alaska Public Offices Commission. Mr. Gross and members of his staff acted as counsel to the APOC during that period, which enabled him to gain a unique understanding of the functions of the commission, difficulties in enforcement and prosecution of the laws, and the need for amendatory legislation. In addition, Mr. Gross has been involved as an advisor and consultant in numerous campaigns for public office and is particularly aware of the problems faced by candidates in seeking to comply with campaign disclosure laws as they now exist.

The firm of Gross & Burke has worked with legislative committees in the past and has demonstrated their ability to provide the services anticipated under this contract. Moreover, the firm combines that general expertise with a unique knowledge of how the campaign practices laws work in practice. It is my opinion and the opinion of the committee that the firm of Gross & Burke can clearly perform the services required by the contract more satisfactorily than other persons or firms because of the prior work and experience of the individuals in that firm.

Feb 28, 1985

Date



Senator Mitchell Abood
Chairman, Senate State
Affairs Committee

Approved by:

Billy Berrier
Billy Berrier, Director
Div. of Legal Svcs.

Date: Feb 28, 1985

Encumbrance # - CC 315035
Account Code - 31-92-2-023-37

CONTRACT BETWEEN

STATE OF ALASKA
SENATE STATE AFFAIRS COMMITTEE
Pouch V
Juneau, Alaska 99811

and

GROSS & BURKE

Contract Amount:

\$40,500.00

The parties to this contract are the SENATE STATE AFFAIRS COMMITTEE, hereinafter referred to as the "COMMITTEE" and GROSS AND BURKE, A PROFESSIONAL CORPORATION, hereinafter referred to as the "CONTRACTOR."

THE PURPOSE OF THIS CONTRACT is to provide legal counsel and representation for the COMMITTEE.

CLAUSE I - SCOPE OF WORK TO BE PERFORMED BY THE CONTRACTOR

The CONTRACTOR shall act as legal counsel to the COMMITTEE with regard to proposed changes or clarifications to Alaska's election and/or campaign practices laws. CONTRACTOR shall provide such legal assistance, including legal opinions, assistance in drafting and appearance at legislative hearings, as the Project Director may request. The CONTRACTOR shall undertake a complete review of existing statutes, identify problems of interpretation and administration of the laws, and within the limits of compensation provided hereunder draft provisions which will satisfactorily address those problems under the direction of the COMMITTEE.

CLAUSE II - PROJECT DIRECTOR

The Project Director is Senator Mitchell Abood, Chair, Senate State Affairs Committee.

CLAUSE III - PERIOD AND DATES OF PERFORMANCE

The work under this contract shall be performed beginning February 28, 1985. Unless extended by written agreement, this contract expires on May 15, 1986.

CLAUSE IV - COMPENSATION AND METHOD OF PAYMENT

For the work specified in this contract, the CONTRACTOR shall be compensated at the rate of \$135 per hour. The COMMITTEE agrees to reimburse the CONTRACTOR for expenses incurred under this contract by the CONTRACTOR.

The total sum expended under this contract shall not exceed \$40,500, including expenses. CONTRACTOR'S billing statements shall be submitted monthly and shall be itemized to show the time spent, a task description and the date that task is performed.

CLAUSE V - OFFICE SPACE, EQUIPMENT, CLERICAL AND LOGISTICAL SUPPORT

Routine office space, equipment and clerical support of the CONTRACTOR that will be necessary to carry out the obligations under this contract shall be supplied by the CONTRACTOR. Additional logistical support, such as Senate staff, are not included within this contract but may be made available to the CONTRACTOR by the COMMITTEE as the Project Director after consultation with the CONTRACTOR determines.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The CONTRACTOR shall maintain accurate records including time records as may be required by the Project Director. The records are subject to inspection by the COMMITTEE at all reasonable times.

CLAUSE VII - TERMINATION

This contract may be terminated by either party upon written notice to the other. If this contract is terminated, the CONTRACTOR shall be compensated for services rendered under the terms of this contract to the date of termination.

CLAUSE VIII - ASSIGNMENT, TRANSFER AND SUBCONTRACTING

No assignment, transfer, or subcontracting of this contract may be made unless all parties agree in writing.

CLAUSE IX - MODIFICATIONS AND PREVIOUS AGREEMENTS

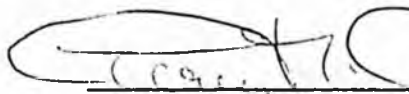
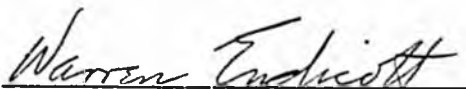
This contract contains the entire agreement between the parties, and no statements, promises, or inducements made by either party, or agents of either party, which are not contained in the written contract, shall be valid or binding. This contract shall not be enlarged, modified, or altered except upon written agreement signed by all parties to the agreement; provided that this

contract may be enlarged if, in the opinion of the COMMITTEE, additional legal services are required to complete the tasks assigned in Clause I of this contract.

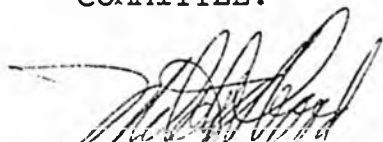
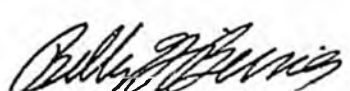
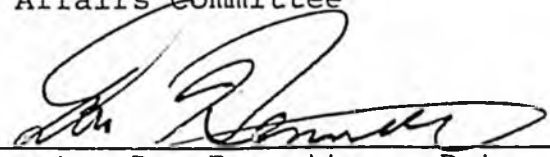
CLAUSE X - CERTIFICATION

Execution of this contract by the Executive Director of the Legislative Affairs Agency, or his designee, hereby constitutes a certification that funds have been appropriated and encumbered for the amount of this contract.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted.

	<u>2/28/85</u>		<u>2/28/85</u>
Gross & Burke Contractor	Date	Warren Endicott Executive Director	Date

COMMITTEE:

	<u>Feb 28, 1985</u>		<u>2/28/85</u>
Senator Mitchell Abood Chairman, Senate State Affairs Committee	Date	Billy G. Berrier Legislative Legal Counsel	Date
	<u>Feb. 28, 1985</u>		
Senator Don Bennett President of the Senate	Date		

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

February 27, 1986

FEB 27 RECD

The Honorable Edna DeVries
Chair, Senate Committee on Community
and Regional Affairs
Alaska State Legislature
P.O. Box "V"
Juneau, AK 99811

Re: CSSB 356; Revision of campaign
financing laws

Dear Senator DeVries:

I understand that CSSB 356 has been referred to your committee for review. As you know, the Department of Law identified a variety of problems with SB 356 as originally introduced by the Senate Affairs Committee. While CSSB 356 is an improvement over the original bill, I regret to say that it is still far from perfect. One provision in particular troubles me greatly.

This is proposed section 15.14.200, "Solicitation of Contributions." The committee substitute prohibits public employees from soliciting contributions to candidates, political action committees and political parties from other public employees "while on the premises of a state or municipal office." This is fine as far as it goes. However, CSSB 356 exempts officials "elected to office by popular vote" from this prohibition. See proposed section 15.14.200(d). Furthermore, the bill allows candidates, lobbyists, or any other person connected with a political campaign to solicit contributions from public employees on public premises.

Proposed section 15.14.200 should be strengthened to prohibit any person from soliciting political campaign contributions from public employees on public premises. This prohibition should include elected officials, lobbyists, and campaign workers. Any time an elected official or a candidate for elective office (especially a gubernatorial candidate) solicits contributions from a public employee, there is a substantial risk of perception on both the part of the state employee and the public that the contribution was less than voluntary. This is especially true in the case of public employees in the exempt and partially-exempt service, who ultimately serve at the pleasure of elected officials.

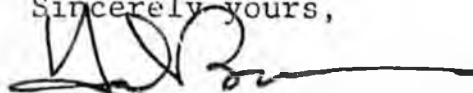
The Honorable Edna DeVries, Chair
Senate Committee on Community and
Regional Affairs
Re: CSSB 356

February 27, 1986
Page 2

For example, every attorney in the Department of Law is either partially-exempt or exempt under the state's personnel laws. I cannot help but think that solicitations on behalf of any gubernatorial candidate in our offices would create the impression that an attorney's job may be at risk unless he or she contributes to the campaign. While prohibiting campaign solicitations on public premises would not prevent solicitation from public employees at home, the risk of an impression that refusing to contribute would result in retaliation is much less than it would be if the solicitation was made at the workplace. Consequently, I believe it is entirely appropriate to draw a bright line and prohibit any campaign fundraising from public employees on public premises.

Thank you very much in advance for your consideration of my concerns. Please let me know if the Department of Law can be of any assistance to your committee in its review of CSSB 356.

Sincerely yours,



Harold M. Brown
Attorney General

HMB:RDM:cck

cc: The Honorable Frank Ferguson
Alaska State Senate

The Honorable John B. Coghill
Alaska State Senate

The Honorable Vic Fischer
Alaska State Senate

The Honorable Arliss Sturgulewski
Alaska State Senate

Theda S. Pittman, Executive Director
Alaska Public Offices Commission
Anchorage