

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
5065 HSTA HB 128 - HB 137

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Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

HOUSE BILL 133

FILE CONTENTS

1. HB 133: AN ACT RELATING TO ELIGIBILITY FOR PERMANENT FUND DIVIDENDS; AND PROVIDING FOR AN EFFECTIVE DATE.
2. MEMORANDUM FROM REPRESENTATIVE PEARCE TO REPRESENTATIVE ULMER, DATED 2/17/87
3. MEMORANDUM FROM TAMARA BRANDT COOK TO REPRESENTATIVE PEARCE, DATED 2/17/87

FISCAL NOTES

- A. DEPARTMENT OF EDUCATION, POSTSECONDARY COMMISSION, STUDENT LOAN ADMINISTRATION: -0-
- B. DEPARTMENT OF EDUCATION, POSTSECONDARY COMMISSION, STUDENT LOAN FUND: -0-
- C. DEPARTMENT OF REVENUE, ENFORCEMENT: \$273,700
- D. DEPARTMENT OF REVENUE, PUBLIC SERVICES: -0-
- E. DEPARTMENT OF REVENUE, ADMINISTRATIVE SERVICES: \$23,300

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/16/87

FURTHER REFERRALS: HESS
Finance

DATE: 3-11-87

The State Affairs Committee has considered HB 133

"An Act relating to eligibility for permanent fund dividends; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 133 (SA) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- 2 fiscal impact same as previous fiscal note published _____
- 1 zero fiscal note same as previous zero fiscal note published _____
- 2 zero with analysis

SIGNING DO PASS:

[Signature]

Cliff Davidson

[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]

[Signature]

Chairman's signature

Original sponsors: Pearce, Larson,
Gruenberg, et al.

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 133 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to eligibility for permanent fund
7 dividends; and providing for an effective date."

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

9 * Section 1. AS 43.23.005(a) is amended to read:

10 (a) An individual is eligible to receive one permanent fund
11 dividend each year in an amount to be determined under AS 43.23.025 if
12 the individual applies to the department, and if on the date of appli-
13 cation the individual

14 (1) is a state resident; [AND]

15 (2) has been a state resident for a period of at least six
16 consecutive months immediately preceding the date of application; and

17 (3) is no more than 60 days delinquent on any payment due
18 on an education loan made to the individual under AS 14.43.

19 * Sec. 2. AS 43.23.015(b) is amended to read:

20 (b) The department shall prescribe and furnish an application
21 form for claiming a permanent fund dividend. The application must
22 contain a statement of eligibility and a certification of residency in
23 substantially the following form:

24 I certify that

25 () I am a state resident on the date of this application, [AND] I
26 have been a state resident for at least six months immediately preced-
27 ing the date of this application, and I am no more than 60 days delin-
28 quent on any payment due on or before the date of this application on
29 an education loan that has been made to me under AS 14.43; or

1 () (name), the individual on whose behalf I am applying, is a state
2 resident, [AND] has been a state resident for at least six months
3 immediately preceding the date of this application, and is no more
4 than 60 days delinquent on any payment due on or before the date of
5 this application on an education loan that has been made to the indi-
6 vidual under AS 14.43.

7 I understand that a false claim of residency or false claim f
8 being no more than 60 days delinquent on education loan payments to
9 obtain a permanent fund dividend for myself or for another is a
10 criminal offense and that if convicted I will forfeit future permanent
11 fund dividends and that I must repay all permanent fund dividends that
12 have been paid to me. I understand that this penalty is in addition
13 to any criminal penalties imposed.

14
15 _____
16 (signature of individual, parent, guardian,
17 or other authorized representative)

18 * Sec. 3. AS 43.23.015(c) is amended to read:

19 (c) Except as provided in (d) of this section or as may be
20 provided by regulation adopted by the department, an individual must
21 personally sign the application for permanent fund dividends, includ-
22 ing the certification of eligibility [RESIDENCY] required under (b) of
23 this section.

24 * Sec. 4. AS 43.23.015(d) is amended to read:

25 (d) The application and certification of eligibility [RESIDENCY]
26 of an unemancipated individual under 18 years of age or of an incompe-
27 tent individual must be signed by the individual's parent, legal
28 guardian, or other authorized representative.

29 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

CS HB # 133

BY PEARCE, LARSON, GRUENBERG,
ULMER, DAVIDSON, NAVARRE AND
FRANK

1 IN THE HOUSE

2

HOUSE BILL NO. 133

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to eligibility for permanent fund
7 dividends; and providing for an effective date."

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13 cation the individual

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15 (2) has been a state resident for a period of at least six
16 consecutive months immediately preceding the date of application; and

→ 17 GO DAYS → (3) is no more than 30 days delinquent on any payment due
18 on an education loan made to the individual under AS 14.43.

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21 form for claiming a permanent fund dividend. The application must
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23 substantially the following form:

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27 ing the date of this application, and I am no more than 30 days delin-
28 quent on any payment due on or before the date of this application on
29 an education loan that has been made to me under AS 14.43; or

1 () (name), the individual on whose behalf I am applying, is a state
2 resident, [AND] has been a state resident for at least six months
3 immediately preceding the date of this application, and is no more
4 than 30 days delinquent on any payment due on or before the date of
5 this application on an education loan that has been made to the indi-
6 vidual under AS 14.43.

7 I understand that a false claim of residency or false claim of
8 being no more than 30 days delinquent on education loan payments to
9 obtain a permanent fund dividend for myself or for another is a
10 criminal offense and that if convicted I will forfeit future permanent
11 fund dividends and that I must repay all permanent fund dividends that
12 have been paid to me. I understand that this penalty is in addition
13 to any criminal penalties imposed.

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21 ing the certification of eligibility [RESIDENCY] required under (b) of
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23 * Sec. 4. AS 43.23.015(d) is amended to read:

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25 of an unemancipated individual under 18 years of age or of an incompe-
26 tent individual must be signed by the individual's parent, legal
27 guardian, or other authorized representative.

28 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).



Alaska State Legislature House of Representatives

6035 TANAINA DRIVE
ANCHORAGE ALASKA 99502
1907, 243-8110

REPRESENTATIVE DRUE PEARCE
DISTRICT 9, SEAT A

WHILE IN JUNEAU
PO BOX V
JUNEAU ALASKA 99811
907) 465-4993

MEMORANDUM

TO: Representative Fran Ulmer
Chair, House State Affairs Committee

FROM: Representative Drue Pearce *Pearce*

DATE: February 17, 1987

RE: HB 133 and HB 134 referred to
House State Affairs Committee

House State Affairs is the first committee of referral for HB 133 (An Act relating to eligibility for permanent fund dividends; and providing for an effective date.") and for HB 134 ("An Act permitting payment of certain permanent fund dividends into the principal of the permanent fund.")

HB 133 represents a move to reduce the number of students who are delinquent or who default on the repayment of their student loans by providing a disincentive to tardy payments. There is currently a law on the books that allows for attachment of dividend checks for those who owe the state money. However, due primarily to a backlog in the court system, only 800 dividends were attached last year of the 2,000 recipients whose loans were in default. Since the number of delinquencies (30 days or more in arrears) far exceeds the number of those in default (120 days or more in arrears), the positive impact to the state could be substantial.

HB 134 would allow Alaskans who do not wish to receive their Permanent Fund Dividends personally the option of directing that their dividend be paid directly into the corpus of the Permanent Fund. I was encouraged to reintroduce this legislation by individuals who expressed a desire to have their money stay in the Permanent Fund.

Fiscal notes for both of these bills have been requested from the Department of Revenue and will be forwarded to your committee as soon as they are received. I would appreciate your consideration in scheduling an early hearing on both of these bills.

STATE OF ALASKA
THE LEGISLATURE

3

FOURTH STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 17, 1987

SUBJECT: Eligibility for permanent fund dividends
(HB 133)

TO: Representative Drue Pearce

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Here is the sectional analysis that you requested of the bill relating to eligibility for permanent fund dividends.

Sec. 1. As well as meeting existing requirements, to qualify for a dividend an individual may not be more than 30 days delinquent on any payment due for a state education loan.

Sec. 2. The statement of eligibility on the application form for a dividend includes a statement that the individual is not more than 30 days delinquent on any state education loan payment.

Secs. 3., 4. The references to a certification of residency are changed to certification of eligibility, to reflect the fact that residency is not the only eligibility requirement.

Sec. 5. The bill has an immediate effective date.

TBC:mkr
m9/024

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH FP
 JUNEAU, ALASKA 99811
 PHONE: (907) 465-2854

M E M O R A N D U M

TO: The Honorable Drue Pearce
 Alaska State Representative

FROM: Kerry D. Romesburg, Executive Director
 Alaska Commission on Postsecondary Education

SUBJECT: Garnishment of Permanent Fund Dividends

DATE: February 17, 1987

If the Alaska Student Loan Program had been able to garnish the Permanent Fund Dividend Checks for those Alaskans in default on their student loans, without requiring a court judgement, the State would have realized over \$500,000 in FY87. At present, we need a judgement in order to attach the dividend.

In FY87 we ran a tape match of Permanent Fund applicants and student loan borrowers in default (120 or more days past due). We matched just over 2,000 persons, but only had final judgement on 800. If we had been able to attach the other 1,200, it would have substantially enhanced our loan receipts.

The State would not receive 100% of the garnishment on these defaulted accounts, since the loans are turned over to collection agencies (under contract) when they enter default status. Under the contract, the collectors would receive from 11% to 22% of the amount, dependent upon the stage of collection activity for the individual account.

In any case, using the FY87 example and a dividend check of around \$560, the result of automatic garnishment would be:

<u>%</u>	<u>Accounts</u>	<u>State</u>	<u>Collection Agency</u>
11%	1,200	\$598,080	\$ 73,920
22%	1,200	\$524,160	\$147,840

Under either scenario, it certainly would be worth the state's effort to garnish these dividends.

A

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____
Revision Date: 2-16-87
Title: Re: Eligibility for Permanent
Fund Dividends
Sponsor: Pearce and Hanley
Requestor: House HESS

Bill Version: 2-16-87 HB 133
Publish Date: _____

Agency Affected: Education
BRU: Postsecondary Commission
Compos: Student Loan Admin.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	N.A.	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No new cost, since a computer match between loans and dividends is already done. Potentially, this could enhance loan collection by discouraging late payments and default.

Prepared by: Kerry D. Romeshura Phone: 465-2854
Division: Postsecondary Education Commission Date: 2-19-87

Approved by Commissioner: _____ Date: _____
Agency: _____

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

B

REQUEST _____

Bill Version: HB 133

Publish Date: _____

Revision Date: _____

Agency Affected: Revenue

Title: An act relating to eligibility for permanent fund dividends

BRU: Permanent Fund Dividend

Sponsor: Pearce, Larson, et al

Components: Administrative Services

Requestor: State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	12.2	6.6	6.6	6.6	6.6
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.1	0.1	0.1	0.1	0.1
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	23.3	17.7	17.7	17.7	17.7
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (PFD)	-	23.3	17.7	17.7	17.7	17.7
TOTAL	-	23.3	17.7	17.7	17.7	17.7

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	2	1	1	1	1
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared By: Ervin B. Jones
Division: Administrative Services Division

Phone: 465-2313
Date: 3/2/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/2/87

Distribution (by Agency preparing fiscal note):

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

SEE NOTE ON PERMANENT FUND

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
HB 133
3/2/87

Assumptions:

1. The provisions of this bill would have no effect until the 1988 dividend year and application. The 1987 dividend application has already been printed.
2. The Department of Education has available and will provide a list of persons who were 30 days or more delinquent on AS 14.43 loans as of each day included between April 1 and July 15. This list will be provided on or before September 1 of each year on magnetic tape or electronic transfer through the Juneau Data Center.
3. Any appeal of a denial of dividend based on this law will be made to the Department of Revenue. Such appeal must be filed within 60 days of the date of denial (AS 43). Only if the Department of Education notified the Department of Revenue that the information provided the Department of Revenue was in error will the Department of Revenue overturn the denial decision.23).
4. All incremental costs of administering this law will be borne by the same source of funding as the general administration of the PFD program, currently the dividend fund.
5. The incremental costs of computer resources will result in a chargeback by the Department of Administration.
6. Whereas the costs of programming will be a one-time cost, the data capture costs and the data processing chargeback costs are continuing.

Program Summary:

In order for the department to comply with the provisions of the bill, it will be necessary to do the following:

- a) Data capture the date of signature on each of approximately 540,000 PFD applications.
- b) Match, via computer, the date of signature for each application against the electronic list of persons who were 30 days or more in arrears on that date. This match will have to be by name and birthdate, to try to ensure that the "right" applicants are subsequently denied.
- c) Mail a computer-generated denial notice to the unsuccessful applicant.

1. Positions:

1 PPT Analyst/Programmer V, R21 @ \$5,638.47/Mo,
including salary and benefits for 1 month = \$5.6

PCN 1125 would be funded for an additional one month, to design, write, and test program for data capture, matching, and generation of notices. Maintenance of programs would be accomplished by existing staff.

1 PPT Data Processing Clerk I, R8 @ \$2,221.64/Mo,
including salary and benefits for 3 months = \$6.6

This position will assist in the data capture of approximately 540,000 dividend applications. This represents the equivalent value of capturing 540,000 application dates.

TOTAL Personal Services \$12.2

2. Other expenditures:

a) Travel: None.

b) Contractual:

1. Data Processing Chargeback	\$5.0	
2. Add 1 page to PFD booklet	\$6.0	
TOTAL Contractual		\$11.0

c) Supplies:

\$0.1

d) Equipment: Use existing.

TOTAL \$23.3

3. Funding: Permanent Fund Dividend Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments:

1) Amend Sec. 3, line 21 to read as follows:

" . . . ing the certification of eligibility and residency required under (b) of the section."

2) Amend Sec. 4, line 24 to read as follows:

" (d) The application and certification of eligibility and residency"

It is important to emphasize that the primary requirement of eligibility for a permanent fund dividend is residency.

Attachments: None.

C

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version : 2-16-87
Publish Date : _____

Revision Date: 2-16-87
Title: An Act: security for Collection
of student loans
Sponsor: Pearce and Hanley
Requestor: House HESS

Agency Affected: Education
BRU: Postsecondary Commission
Components: Student Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	N.A.	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

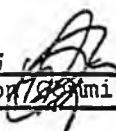
GENERAL FUND	N.A.	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The only fiscal impact is potentially an increase in program receipts resulting from better success in collection or defaulted accounts.

Prepared by: Kerry D. Romesburg  Phone: 465-2854
Division: Postsecondary Education Commission Date: 2-19-87

Approved by Commissioner: _____ Date: _____
Agency: _____

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

D

REQUEST

Revision Date: _____
 Title: An Act relating to eligibility for permanent fund dividends
 Sponsor: Pearce, Larson, Gruenberg, Ulmer, Davidson, Navarre, and Frank
 Requestor: House State Affairs

Bill Version: HB 133
 Publish Date: _____

Agency Affected: Revenue
 BRU: Permanent Fund Dividend

Components: Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	210.0	216.0	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	20.0	20.0	-	-	-
SUPPLIES	-	1.5	1.5	-	-	-
EQUIPMENT	-	42.2	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	273.7	237.5	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	273.7	237.5	-	-	-
TOTAL	-	273.7	237.5	-	-	-

POSITIONS:

FULL-TIME	-	6	6	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Please attached analysis.

Prepared By: Thomas C. Williams
 Division: Enforcement Division

Phone: 465-2366
 Date: March 2, 1987

Approved by Commissioner: [Signature]
 Agency: _____

Date: 3/2/87

Distribution (by Agency preparing fiscal note):

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

NOTE: MIGHT BE EASIER TO LET THEM APPLY AND THEN GRAB THE CHECK - THIS ALASKA DEPARTMENT OF REVENUE

MAR 02 1987

page 1 of 3

OFFICE OF THE COMMISSIONER

THIS PROPOSAL WILL GREATLY INCREASE ANNUAL COSTS AND PRODUCE CHANGE OF COSTS...

ALASKA DEPARTMENT OF REVENUE
ENFORCEMENT DIVISION
ANALYSIS OF HB 133
March 2, 1987

Assumptions

1. Applicants who are delinquent in an education loan can be determined by a computer tape match with the Post-Secondary Education and can be denied by current investigative personnel.
2. There are approximately 9,500 education loans in default status (delinquent for more than 120 days). Another 2,500 loans are greater than 30 days but less than 120 days delinquent.
3. Approximately one-third (or 4,000) of these people will not apply for a permanent fund dividend.
4. All 8,000 remaining people who apply will be denied. Approximately 75% of these applicants will appeal yielding 6,000 appeals.
5. Each PFD Specialist in the Juneau Dividend Appeals unit will be able to resolve 1,000 appeals per year.
6. The number of individuals who would be delinquent and apply for a PFD would decrease over time.

Computations

Personal Services

6 PFD Specialist I (range 13, @ 35.0/year) \$210.0

Total Personal Services 210.0

Contractual Services

Long distance telephone charges, postage, printing, etc. 20.0

Total Contractual 20.0

Commodities

Miscellaneous office supplies (6 employees @ \$250/year) 1.5

Total Commodities 1.5

ALASKA DEPARTMENT OF REVENUE
ENFORCEMENT DIVISION
ANALYSIS OF HB 133
March 2, 1987

Equipment

6	Workstations for Support Personnel	@ \$5,273.73	31.6
6	Swivel-Tilt Chairs with arms	@ \$640.81	3.8
1	File cabinets (5 drawer legal w/lock)	@ \$341.35	.3
6	12 digit Desk Calculators (printing)	@ \$135.03	.8
3	IBM Computer Terminals	@ \$1,200.00	3.6
6	Telephones	@ \$343.00	<u>2.1</u>

Total Equipment 42.2

Total \$273.7

Program Effects

The Permanent Fund Corporation is currently estimating the value of the 1987 dividend to be over \$700. If this figure is accurate, then passage of this bill would reduce available funds for attachment by Post-Secondary Education by at least \$5,600,000 (8,000 denied applicants x \$700).

Additionally, there would be no PFD monies available for attachment by other state or federal agencies trying to collect debts from these individuals.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

E

Bill Version: HB 133

REQUEST _____
Revision Date: _____
Title: Act Relating to Eligibility for
Permanent Fund Dividends
Sponsor: Pearce, Larson, Gruenberg, Ulmer
Requestor: Hlth. Ed., & Social Services

Publish Date: _____
Agency Affected: Revenue
BRU: Public Services - Permanent Fund
Dividend
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared by: Sally Smith *Sally Smith* Phone: 465-2392
Division: Public Services Date: February 20, 1987

Approved by: J. Malone *J. Malone* Date: 3/2/87
Commissioner: _____
Agency: Revenue

Distribution (by Agency preparing fiscal note) (SEE NOTE
Legislative Finance
Legislative Sponsor
Requestor
Office of Management & Budget
Impacted Agency(ies)
Senate Secretary
ON ENFORCEMENT
FISCAL NOTE. *HW*)

H B

1 3 4



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

HOUSE BILL 134

FILE CONTENTS

1. HB 134: AN ACT PERMITTING PAYMENT OF CERTAIN PERMANENT FUND DIVIDENDS INTO THE PRINCIPAL OF THE PERMANENT FUND.
2. MEMORANDUM FROM REPRESENTATIVE PEARCE TO REPRESENTATIVE ULMER, DATED 2/17/87
3. MEMORANDUM FROM TAMARA BRANDT COOK TO REPRESENTATIVE PEARCE, DATED 2/17/87

FISCAL NOTES

- A. DEPARTMENT OF REVENUE, ADMINISTRATIVE SERVICES: \$33,100
- B. DEPARTMENT OF REVENUE, PUBLIC SERVICES: -0-

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/16/87

FURTHER REFERRALS: Finance

DATE: 3-4-87

The State Affairs Committee has considered HB 134

"An Act permitting payment of certain permanent fund dividends into the principal of the permanent fund."

RECOMMENDS:

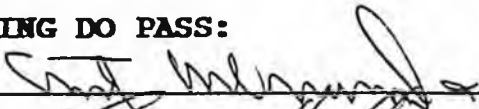
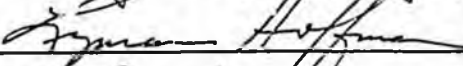
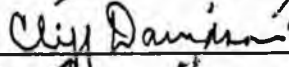
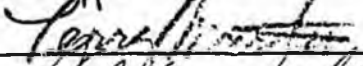
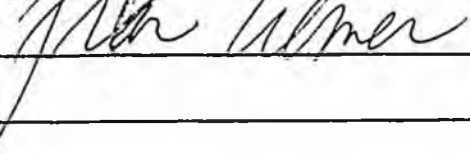
- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

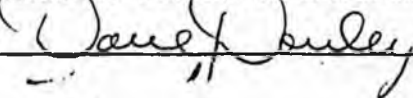
ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

 NO REC


 Chairman's signature



Alaska State Legislature House of Representatives

6035 TANAINA DRIVE
ANCHORAGE ALASKA 99502
(907) 243-8110

REPRESENTATIVE DRUE PEARCE
DISTRICT 9, SEAT A

WHILE IN JUNEAU
PO BOX V
JUNEAU ALASKA 99801
(907) 465-4993

MEMORANDUM

TO: Representative Fran Ulmer
Chair, House State Affairs Committee

FROM: Representative Drue Pearce *Drue Pearce*

DATE: February 17, 1987

RE: HB 133 and HB 134 referred to
House State Affairs Committee

House State Affairs is the first committee of referral for HB 133 (An Act relating to eligibility for permanent fund dividends; and providing for an effective date.") and for HB 134 ("An Act permitting payment of certain permanent fund dividends into the principal of the permanent fund.")

HB 133 represents a move to reduce the number of students who are delinquent or who default on the repayment of their student loans by providing a disincentive to tardy payments. There is currently a law on the books that allows for attachment of dividend checks for those who owe the state money. However, due primarily to a backlog in the court system, only 800 dividends were attached last year of the 2,000 recipients whose loans were in default. Since the number of delinquencies (30 days or more in arrears) far exceeds the number of those in default (120 days or more in arrears), the positive impact to the state could be substantial.

HB 134 would allow Alaskans who do not wish to receive their Permanent Fund Dividends personally the option of directing that their dividend be paid directly into the corpus of the Permanent Fund. I was encouraged to reintroduce this legislation by individuals who expressed a desire to have their money stay in the Permanent Fund.

Fiscal notes for both of these bills have been requested from the Department of Revenue and will be forwarded to your committee as soon as they are received. I would appreciate your consideration in scheduling an early hearing on both of these bills.

4B 134

3

STATE OF ALASKA THE LEGISLATURE

ALASKA STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 17, 1987

SUBJECT: Permitting payment of permanent fund dividends into the principal of the permanent fund (Work Order 5-0238A)

TO: Representative Drue Pearce

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Here is the sectional analysis that you requested of the bill permitting the payment of permanent fund dividends into the principal of the permanent fund.

Sec. 1. A new provision is added which permits a person to elect to receive a permanent fund dividend in cash or have it deposited into the principal of the permanent fund. A person claiming a dividend on behalf of another may only receive the dividend in cash.

Sec. 2. A public agency that claims a dividend on behalf of another may only receive cash. Existing law requires the agency to hold the dividend in trust for the individual.

Sec. 3. The permanent fund dividend application form must be prepared to allow an applicant to elect to receive cash or to have the dividend deposited into the permanent fund.

Sec. 4. The provision that permits the state to recover the payment of a dividend that was improperly made is limited to cash payments.

Sec. 5. The Department of Revenue is required to pay dividends to individuals who elect to receive cash and to make payments to the permanent fund for individuals who elect to have that done. The department's regulations must include procedures and time limits for electing to have the dividend paid into the permanent fund.

Sec. 6. The exemption from any remedy for the collection of debt is limited to cash permanent fund dividend payments.

Sec. 7. The exceptions to the exemption from any remedy for the collection of debt are limited to cash dividend payments.

Sec. 8. The Department of Revenue shall require an individual to take a dividend in cash if the department receives notice of a legal remedy for the collection of a past due debt of a type for which the exemption does not apply.

Sec. 9. "Permanent fund dividend" is redefined to include an election to have the payment deposited into the principal of the permanent fund, as well as a cash payment.

TBC:mkr
m9/022

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 2, 1986

SUBJECT: Permanent fund dividends
(Work Order 15-0238)

TO: Representative Drue Pearce

FROM: Tamara Brandt Cook *ABC*
Director
Division of Legal Services

Enclosed is the draft you requested allowing people to elect to have permanent fund dividends paid into the principal of the Alaska permanent fund. You asked for a reintroduction of last session's HB 462 and I have had to change the draft substantially. For this reason, please review the draft carefully to be sure it accomplishes your purpose.

Some of the changes were necessary to accommodate the amendment to AS 43.23.065 made last session. (Chapter 138, Section 67, SLA 1986) In addition, as you are undoubtedly aware, the voters approved the proposed change to the longevity bonus program creating an annuity option paid for in part from permanent fund dividends. Setting up the annuity program involves extensive revisions to AS 43.23 which were enacted two years ago but do not become effective until the legislature acts to implement the results of the advisory vote. In case that occurs, I have drafted this version to incorporate to the maximum extent possible the language that will become effective if the annuity program goes forward. Differences between the two bills can then be reconciled by the revisor without having to make changes to your bill, since the provisions in the two bills will not be in direct conflict.

The only substantive difference between this draft and HB 462 is in the treatment of a permanent fund dividend paid to a person on behalf of another. HB 462 let the guardian elect to have the payment made into the permanent fund. I note that under AS 43.23.055(3) provision is made to allow a person upon emancipation to apply for dividends not received

Representative Pearce
Page 2
December 2, 1986

during minority. In keeping with that provision, it seems to me to be preferable to require a person applying for a dividend for another to take it in cash or not at all, so that the legitimate recipient can eventually elect for himself whether to take it or place it in the permanent fund. Please let me know if you would like this aspect of your bill treated differently.

TBC:mkr
m7/040

Enclosure

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

A

REQUEST _____

Bill Version: HB 134
Publish Date: _____

Revision Date: _____
Title: An act permitting payment of certain PFD's into the Permanent Fund
Sponsor: Pearce, Pourchot
Requestor: House State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend

Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	21.9	10.7	10.7	10.7	10.7
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	33.1	21.9	21.9	21.9	21.9
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (PFD)	-	33.1	21.9	21.9	21.9	21.9
TOTAL	-	33.1	21.9	21.9	21.9	21.9

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	2	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 3/2/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/2/87

Distribution (by Agency preparing fiscal note):

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

NOTE: SOME PEOPLE DO THIS ALSO. THEY JUST SEND THE BUDGET TO THE COMMISSIONER FOR DEBIT TO THE CORPORATION AS "CITIZEN CONTRIBUTIONS" [Signature]

IT IS SHOWING ON page ___ of ___

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
HB 134
3/2/87

Assumptions:

1. The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
2. There are seven other bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application, in addition to the existing Olympic Fund checkoff. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All incremental costs of administering this law will be borne by the same source of funding as the general administration of the PFD program, currently the dividend fund.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Elections will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions and elections will then be honored in the order listed on the form schedule, which will be in the order they become law.

Program Summary:

The provision of an election on the dividend application to have the dividend deposited into the principal of the permanent fund will cause additional administrative cost in several areas:

- a) An additional page added to each booklet and a schedule of contribution election decisions on each application.
- b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the Permanent Fund (see Attachment A).
- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the election decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.

1. Positions

1 PPT Analyst/Programmer V, R21
@ \$5,638.47/Mo including salary
and benefits for 2 months = \$11.2

PCN 04-1125 would be funded for an
additional two months, in accordance
with Attachment A. Ongoing maintenance
of new programs would be accomplished
by existing staff.

1 PPT Document Processor I, R7
@ \$2,117.76/Mo, including salary and
benefits for 3 months = \$6.3

This position would assist in the manual
review and coding of 540,000 applications
for the new election decision. This
position represents the equivalent of the
additional time and effort.

1 PPT Data Processing Clerk I, R8,
@ \$2,221.64/Mo, including salary and
benefits for 2 months = \$4.4

This position would assist in the data
capture of the additional election
decision. The position represents the
equivalent value of the additional time
and effort.

TOTAL Personal Services \$21.9

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0

Add a page to the PFD Booklet \$6.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$33.1

3. Funding: Permanent Fund Dividend Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments: None.

Attachments: Attachment A: "Summary of DP Needs"

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
HB 134
Summary of Data Processing Requirements
3/2/87

Wang data entry processing	75.0 hours
Includes:	Data entry Batch lists Corrections Wang to IBM transfer
IBM Update jobs	30.0 hours
Includes:	Edits Batch listings Log sheets
DMS Online programs for lookup and changes	37.5 hours
Nightly Update of Changes	22.5 hours
Warrant Jobs	90.0 hours
Includes:	Printing warrants with different amounts. Include check stub messages. Modify warrant registers as needed for balancing. Create new program(s) for transferring accumulated decisions to the Permanent Fund, and to account for the reserve necessary due to returned and cancelled PFD warrants.
Miscellaneous	45.0 hours
Includes:	Setting up test files on IBM Systems testing Administrative functions, i.e. paper work required by Admin. DP to add files and programs to tables.
TOTAL HOURS	300.0 hours

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

B

Bill Version: HB 134

Publish Date: _____

REQUEST _____

Revision Date: _____
Title: An Act Permitting Payment of
certain PFD into the principal of the PF.
Sponsor: Pearce and Pourchot
Requestor: State Affairs and Finance

Agency Affected: Revenue
BRU: Public Services - Permanent Fund
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: *Attach a separate page if necessary

Prepared by: Sally Smith *Sally Smith* Phone: 465-2392
Division: Public Services Date: February 20, 1987

Approved by: H. Malone *H. Malone* Date: 3/2/87
Commissioner: _____
Agency: Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)
- Senate Secretary

Handwritten cursive letter 'B' with two rounded humps.

Handwritten cursive letter 'H' with a vertical stem and horizontal bars.

Handwritten cursive letter 'L' with a vertical stem and a curved top.

Handwritten cursive letter 'C' with a circular shape and a tail.

Handwritten cursive letter 'I' as a simple vertical stroke.

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

House State Affairs:

January 15, 1988

13. Jane Barcott
APOC
2221 East Northern Lights
Anchorage, AK 99504
1. Rep. Kay Brown
P.O. Box V
Juneau, AK 99811
(907) 465-3784
Testified on HB 137
11. Prent Gazaway
1521 West 14th Avenue
Anchorage, AK 99501
(907) 277-2073
14. Katie Hurley
Box 870157
Wasilla, AK 99687
(907) 376-5736
POM supporting HB 137
7. Greg O'Claray
MEBA PAC
124 Front Street
Juneau, AK 99801
(907) 586-6040
2. Eve Reckley
League of Women Voters
Box 210242
Auke Bay, AK 99821
(907) 789-9392
All campaign & election form
5. Margo Waring
1215 Fifth Street
Douglas, AK 99824
(907) 364-3155
10. Jeff Bowman
Executive Director
AKPIRG
Box 101093
Anchorage, AK 99510
(907) 278-3661
Supports HB 137
9. Karla Forsythe
Executive Director
Alaska Public Offices Comm.
2221 East Northern Lights
Anchorage, AK 99504
(907) 276-4176
Presented APOC Position on HB 137
12. Annie Laurie Howard
Chair
Alaska Public Offices Comm.
3220 Amber Bay Circle
Anchorage, AK 99515
(907) 344-0289
3. Brooke Miles
APOC
P.O. Box CO
Juneau, AK 99811
(907) 465-4864
Testified on HB 137 and HB 234
4. Rep. Pat Pourchot
P.O. Box V
Juneau, AK 99811
(907) 465-3879
Testified on HB 137 and HB 234
6. E.M. Tucker
1050 Salmon Creek Lane, #D201
Juneau, AK 99801
8. John Yarbor
EPIC PAC
Box 671073
Chugiak, AK
(907) 688-0861



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

STATE AFFAIRS COMMITTEE HOUSE BILL 137

FILE CONTENTS

1. HB 137: AN ACT RELATING TO ELECTIONS
2. MEMORANDUM FROM RICHARD BRADLEY TO REPRESENTATIVE KAY BROWN, SECTIONAL ANALYSIS, DATED 2/19/87
3. MEMORANDUM FROM HEIDI BORSON PAINE TO REPRESENTATIVE DON CLOCKSIN, RESEARCH REQUEST 85-032, DATED 11/7/84
4. POSITION PAPER, ALASKA PUBLIC OFFICES COMMISSION, DATED 3/5/87
5. MEMORANDUM TO ALL INTERESTED LEGISLATORS FROM ALASKA LEAGUE OF WOMEN VOTERS, DATED 3/5/87
6. LETTER TO REPRESENTATIVES ULMER AND BROWN FROM ALASKA PUBLIC INTEREST RESEARCH GROUP, DATED 3/5/87
7. MEMORANDUM FROM REPRESENTATIVE KAY BROWN TO REPRESENTATIVE FRAN ULMER, DATED MARCH 5, 1987
8. TABLE OF CAMPAIGN FINANCE LAWS: LIMITATIONS ON CONTRIBUTIONS BY ORGANIZATION AS OF JANUARY 1986
9. (A) PROPOSED AMENDMENTS 3/5/87
9. (B) PROPOSED AMENDMENTS 4/22/87
10. (A) PROPOSED CS FOR HOUSE BILL 137 (STATE AFFAIRS)
10. (B) PROPOSED SPONSOR SUBSTITUTE FOR HOUSE BILL 137
11. "LEGISLATORS TACKLE CAMPAIGN REFORM," ANCHORAGE DAILY NEWS, MARCH 7, 1987
12. MEMORANDUM FROM REPRESENTATIVE KAY BROWN TO REPRESENTATIVE ULMER, DATED APRIL 8, 1987, WITH PROPOSED AMENDMENTS AND SUPPORTING DATA
13. MEMORANDUM FROM REPRESENTATIVE ULMER TO STATE AFFAIRS COMMITTEE MEMBERS, DATED APRIL 21, 1987, WITH ATTACHMENTS
14. LETTER FROM GAY LESLIE TO REPRESENTATIVE ULMER, DATED MARCH 6, 1987

* 15. INTERIM WORK SESSION SUMMARIES OF SS HB 137 AND HB 234

* 16. WORK DRAFT FOR CS SS HB 137 (SA)

FISCAL NOTE

A. 1987, DEPARTMENT OF ADMINISTRATION, PUBLIC OFFICES
COMMISSION: \$25,000

* B. 1988, DEPARTMENT OF ADMINISTRATION, PUBLIC OFFICES
COMMISSION: PENDING

* MATERIALS ADDED TO PACKET IN 1988 SESSION

HOUSE AMENDMENT

#3
as amended

TO: CSSSHB 137 (fin)

BY: Pettyjohn

Page 7 Line 14

New section 14 as follows:
Renumber all Sec. 14 as Sec. 15

"Sec. 14.

A.S.15.13.090 is amended to read:

Sec. 15.13.090 IDENTIFICATION OF COMMUNICATION. All advertisements, billboards, paid-for television and radio announcements and other communications designed to injure or defeat any candidate for nomination or election to any public office by reflecting upon his personal character or political action [INTENDED TO INFLUENCE THE ELECTION OF A CANDIDATE OR OUTCOME OF A BALLOT PROPOSITION OR QUESTION] shall be clearly identified by the words "paid for by" followed by the name and address of the candidate, group or individual paying for the advertising. In addition, candidates and groups must identify the name of their campaign chairman.

The Candidate's

for S/ACo file
5655

Submit original amendment to the Chief Clerk.
It will then be numbered and duplicated.

Visiting grandma with Mitch Abood

Maybe Sen. Mitch Abood has been reading too much Little Red Riding Hood. When looking at the state's campaign watchdog agency, he apparently sees a wolf where a friendly but toothless grandma should be.

At a press conference this past week, Sen. Abood discussed his plans for revamping state campaign laws. The Alaska Public Offices Commission figured prominently in his ideas. He believes the agency's rules are often confusing and its relationships with candidates have, at times, been unnecessarily adversarial.



"In the past they've (APOC) been portrayed as a saber-toothed snow tiger. . . . But they're not that way. We're going to try to straighten it out so they're friendly . . . like grandma. And you go to grandma and you can get the answers."

That transformation would certainly make life easier for officials like Sen. Abood, who've had their run-ins with APOC. But Alaskans will be losers if legislators trade a watchdog with sharp teeth for someone with dentures.

Lawmakers have already created one friendly grandma: the legislative ethics committee. This guardian of capitol ethics includes six legislators and three members of the public. The committee's advice, investigations and hearings are confidential unless the legislator under scrutiny says otherwise. In its three-plus years, the panel has never recommended sanctioning anyone.

When it comes to legislative ethics, the ethics committee hasn't done much to reassure the public. And when it comes to campaign laws, the same thing will happen if lawmakers pull APOC's teeth and put grandma in charge.

unavail	Int Eq	23.82	26.03	+ .25	HYG86	7.25	7.21	...	Global II	10.97	11.99	+ .02	WHYS	13.58	NL+	-.01
unavail	Invest	6.47	7.29	+ .81	IntSec	6.99	7.34	+ .35	Grwth	11.13	13.34	+ .21	V Prrt	1.26	NL+	-.01
unavail	MATx r	11.96	NL	.....	SEMIHEAL GROUP				Inco	12.23	11.18	+ .03	V ARP	21.31	NL+	-.05
unavail	MATx r	11.99	NL	.....	Balan	12.14	13.29	+ .14	World	13.13	14.35	+ .22	Quar	16.33	NL+	-.03
unavail	MATx r	11.84	NL	+ .01	Bond	4.26	4.84	+ .58	THOMSON ACKERN				STAR	16.07	NL+	-.03
unavail	OnTx r	11.57	NL	.....	Com S	23.28	24.44	+ .16	Global r	9.29	NL	.....	TCR	27.08	NL+	-.07
unavail	NYTx	14.82	17.44	.....	GvSeca	9.44	10.54	+ .10	Grwth r	12.73	NL+	-.01	TCUSe	23.77	NL+	-.08
unavail	OTC E	22.53	24.18	+ .16	Grwth	11.20	12.33	+ .13	Inco r	9.80	NL	.....	GNMA	9.49	NL	.....
unavail	Optn	8.40	9.18	+ .03	Sequl	26.91	NL	-.14	Opnr r	10.29	NL	+.02	HVBND	8.54	NL	.....
unavail	Optmll	9.08	9.92	+ .81	Sequl	10.43	11.34	+ .95	TxEs r	10.92	NL	+.02	IGBND	1.16	NL+	-.03
unavail	Tex Ex	25.14	26.41	.....	SHEARSON FUNDS				USQV r	9.29	NL	.....	SHRTF	10.44	NL	.....
unavail	TFMY r	13.74	NL	-.01	ATIO r	44.37	NL	-.02	YmratIn	11.23	NL	+.09	US Tr	9.54	NL+	-.03
unavail	TFIN r	14.15	NL	.....	ATTIn r	99.18	NL	+.15	YmratFr	12.94	NL	+.07	Inco 300	25.38	NL+	-.04
unavail	USGid	16.56	14.97	-.81	AppGr	12.97	13.45	+.09	TreasFr	9.98	NL	.....	MWHY	9.90	NL	-.01
unavail	Vida	14.56	18.10	+ .34	Appr	24.53	27.73	+ .23	TRUSTFUNDS				MunIt	11.90	NL	-.02
unavail	Vista	18.28	19.99	+.22	CalWau	15.41	16.23	+ .81	Bldis	9.73	NL	+.01	MunLnd	10.21	NL	.....
unavail	QuestF	24.14	NL	+.03	FdVal	5.41	5.49	+ .01	SHIGov	9.02	NL	+.01	MuLg	10.23	NL	.....
unavail	RHC GROUP				Global	22.27	23.44	+ .09	ImVgr	9.73	NL	+.01	MInLg	11.29	NL	.....
unavail	CySec	8.83	9.29	-.41	MIYid	18.13	11.11	+ .02	Eqids	9.02	NL	+.02	MuSht	15.30	NL	.....
unavail	Regy	11.49	12.37	+ .02	RIidCa	16.00	16.84	-.01	Value	8.87	NL	+.01	Callne	9.80	NL	-.01
unavail	WtrWmd	9.14	9.40	-.11	LanIn	15.20	14.99	+ .05	WTH CENTURY				NYVns	9.28	NL	-.01
unavail	ReaGr	13.41	14.38	+ .11	SpIGV r	11.47	NL	.....	GIR r	6.23	4.39	-.85	PennIn	9.78	NL	.....
unavail	ReaTng	13.75	14.38	+ .03	SPL Lf	17.59	NL	.....	Grwth	11.23	NL	.....	VSPF r	10.19	NL	.....
unavail	ReaTr	13.45	NL	.....	MGVGr	12.29	13.21	+ .02	HavrIn	5.34	5.35	-.01	VSPD r	9.29	NL+	-.18
unavail	RIGHTIME GROUP				WALIn	15.02	15.81	+ .81	LTRnd	4.28	NL	+.04	VSPH r	17.44	NL	-.02
unavail	Bloc	35.25	27.03	-.84	NLMOj	51.54	NL	-.13	SelecT	25.74	NL	-.81	VSPR r	13.73	NL	-.04
unavail	BTGf	31.04	NL	-.14	SLMAY	15.91	14.73	-.18	TrElct	19.53	NL	.....	VSPR	10.10	NL	-.04
unavail	CySec	14.24	NL	+.10	SPLAP	14.40	17.34	+ .17	ThElT	17.48	NL	+.04	Wallst	15.23	NL	-.04
unavail	ROCHESTER FDS				SpTxr	13.23	NL	-.01	UNFR r	4.08	6.11	-.01	WallIn	14.17	NL	+.04
unavail	CrvInc	4.91	9.23	+ .03	SpGRd	17.16	NL	-.03	USGV	94.53	NL	-.01	Wndsr	13.42	NL	+.03
unavail	Grwth	4.96	7.43	+ .03	SpOpt r	11.92	NL	-.02	Vlsp r	5.22	5.34	-.07	WidIn	11.73	NL	+.04
unavail	Munl	15.29	16.24	+ .04	SpGro r	13.70	NL	+.04	USAA GROUP				WidInt	10.14	NL	+.05
unavail	Tax	10.17	11.11	+.04	SpPlu r	13.54	NL	.....	Comst	15.49	NL	+.08	WIDUS	7.23	NL	+.01
unavail	RodSqBn	9.84	NL	+.09	SpSec	11.84	NL	+.05	Gold	7.97	NL	-.11	VENTURE ADVISERS			
unavail	RodSqB	8.53	NL	+.02	SpStr	12.48	NL	+.03	Grwth	11.49	NL	-.01	INCI	8.48	9.43	.....
unavail	ROTHSCHILD LP				SpHIn	13.97	NL	+.01	Inco	11.21	NL	-.01	MunI	9.48	NL	+.01
unavail	CpCuh	21.20	21.53	+ .03	SpMn	14.63	NL	+.04	IncoSt	9.81	NL	+.02	M'Y Ven	7.31	7.99	.....
unavail	ImVgD	8.94	9.22	-.28	SpMty	11.24	NL	+.01	Sbit	15.13	NL	.....	RPF B	7.34	NL	+.02
unavail	RidDiv	9.20	9.59	+ .03	SpTxr	16.48	NL	+.01	TxEH	12.74	NL	.....	RPF Er	17.84	NL	-.01
unavail	ROYCE FUNDS				Sherm D	5.43	NL	-.03	TxEsh	10.91	NL	-.01	VixEqIn	13.50	NL	+.02
unavail	Inco r	8.73	NL	-.01	SIGMA FUNDS				TxEsh	11.21	NL	.....	WealthM	4.52	7.13	+.01
unavail	Valu r	7.10	NL	.....	CapIt	8.14	9.90	.....	UNIFIED MOMY				Genl	8.82	NL	.....
unavail	TotR r	4.62	NL	+.01	13IGh	6.55	7.17	+ .01	Grwth	16.32	NL	+.02	Grwth	10.23	NL	.....
unavail	RUSHMORE GROUP				Inco	8.35	9.37	.....	Incl	8.84	NL	+.01	Incl	8.84	NL	+.01
unavail	Gov r	9.79	NL	+.04	Invest	9.85	10.79	+ .03	Mudl	13.49	NL	+.03	Mudl	13.49	NL	+.03
unavail	OTC Idx	11.32	NL	+.03	Spec	8.44	9.22	+ .04	UNITED FUNDS				Accm	5.94	4.51	-.01
unavail	SMP In	11.84	NL	+.03	Trust	12.25	14.48	+ .83	Bond	8.21	4.79	-.02	Com Inc	14.94	16.33	+.04
unavail	SBF	11.90	NL	+.02	USGVt	3.22	3.51	-.01	SIGDv	7.10	7.74	+ .03	SIGDv	7.10	7.74	+.03
unavail	SFT GROUP				Vent	8.23	9.09	+ .02	GvSec	5.00	5.22	+ .01	INIGM	6.12	4.70	-.01
unavail	Direct	10.23	11.18	-.03	WidFd	12.90	14.10	+ .10	HI Inc	12.24	13.28	+ .01	HI Inc	12.24	13.28	+ .01
unavail	Equity	12.03	13.09	+ .03	SHNBG	24.94	NL	-.01	HIIncl	4.40	5.03	.....	HIIncl	4.40	5.03	.....
unavail	US Gv	4.67	7.02	.....	SMITH BARNEY				Incom	14.02	17.49	+.04	Incom	14.02	17.49	+.04
unavail	SAPSCO SECUR				Equi	12.49	13.22	+ .02	Munl	8.97	7.47	-.01	Munl	8.97	7.47	-.01
unavail	CalTF	11.02	NL	.....	IncGro	10.44	11.29	.....	MunHt	4.94	5.11	.....	MunHt	4.94	5.11	.....
unavail	Equi	7.67	NL	.....	IncRet	9.34	9.38	+ .01	NwCpt	4.84	3.29	-.02	Retire	5.08	5.53	-.01
unavail	Grwth	13.40	NL	+.05	MOGvT	12.18	13.49	+ .03	ScEng	5.93	10.20	-.02	ScEng	5.93	10.20	-.02
unavail	Inco	13.46	NL	+.05	MunHt	12.69	12.99	.....	Vnd	5.32	5.81	.....	VND SERVICES			
unavail	Munic	13.13	NL	-.01	USGVt	12.24	13.79	+ .02	USGVt	12.24	13.79	+ .02				
unavail	USGv	9.22	NL	.....	SoGen In	15.82	16.53	+ .81								
unavail	SalemGr	12.49	NL	+.02	SANDVH	11.72	NL	.....							
unavail	SarbBar				SAMVT	9.34	NL	+.01								
unavail					ShesGr	11.47	NL	+.03								
unavail					Sover In	11.41	12.21	+ .03								

GOLD PRICES

Selected World Prices

	Price	Change
morning fixing is	\$455.15	Up \$2.45
afternoon fixing is	\$455.90	Up \$3.20
noon fixing	\$457.34	Up \$3.61
fixing is	\$457.18	Up \$2.53
afternoon bid	\$457.00	Up \$5.15
varman is	\$455.90	Up \$3.20
is	\$457.33	Up \$3.21
fabricated is	\$480.20	Up \$3.37
spot Tue.	\$453.90	Off \$0.20
ational Bank	\$454.50	Off \$0.25

METALS

Tuesday's Prices

otc

Alaska Apollo Mines	46-54
Alaska Bancorporation	1-194
Apple Computer	41-41 1/2
Carver Corp.	4-6 1/4
Coors Brewing	1944-20
Costco	9 1/2-10 1/4
Cypress Minerals	21-21 1/4
Data I/O	5 1/4-5 1/2
First Nat'l Bank Anch	1,340-1,400 w/o
Fred Meyer Inc.	12 1/2-12 3/4
Genentech	39 1/4-39 1/2
Palmer G. Lewis Co.	7-7 1/2
MCI Corp.	10 1/2-10 3/4
Micron Technology Inc.	13-13 1/2
National Bank of Alaska	27 1/2-29
Nika	19 1/2-19 3/4
Nordstrom	23-23 1/4
Northern Air Freight	5 1/2-5 1/4
Pacific Telecom	13-13 1/2
Pay 'n Save	4 1/4-4 1/2
Sea Gallery	1 1/2-1 1/4
Seafoods from Alaska Inc.	7 1/2-7 3/4
Skippers	4 1/4-4 1/2
TCBY	6 1/2-6 1/4
Tyson Foods Inc.	12 1/4-12 1/2
U.S. Healthcare Inc.	7 1/4-7 1/2
Yellow Freight Systems	28 1/4-28 1/2
Quotations provided by	Vince O'Reilly of Boettcher and Company.

penny stocks

Alaska Precious Metals .0225-.0225
 Malibu .03-.0325
 McGregor .04-.04

BILL NUMBER HB 137 **

DATE	ACTION
'13/88	DRAFT NUMBER
'15/88	MOVED FROM COM TO JUDICIARY



Winner, 1976 Pulitzer Prize Gold Medal for Public Service

Gerald E. Grilly
Publisher

Howard Weaver
Managing Editor

Michael Carey
Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983
Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1946 by Norman C. Brown

No wonder this reform is popular

After much searching, state house Reps. Kay Brown and Fran Ulmer have found a campaign financing reform they think is politically feasible. And it's not hard to see why their proposal might be popular with their colleagues. Rep. Brown's reform bill (HB 137), as passed from Rep. Ulmer's House State Affairs committee, might be labelled "The Incumbent Protection Act of 1988."

No one can doubt the two lawmakers' sincerity. They both want to cut the influence of money in state politics. But if this is the best that can be done in the cause of reform, the resistance from their colleagues must be a formidable obstacle, indeed.

The measure bars any legislative candidate — incumbent or challenger — from raising money or starting a formal campaign during an election year until the legislature adjourns.

On the plus side, such a change prevents powerful lawmakers from piling up big warchests that scare off potential challengers. Incumbents won't be able to head home for fundraisers and milk lobbyists who want their votes on pending legislation.

But the bill reinforces built-in advantages that every incumbent enjoys. Cutting fund-raising time hurts challengers, since office holders can almost always raise more money faster.

Lawmakers already get state-paid office allowances to communicate with voters during the session. This bill lets them use surplus funds from previous campaigns for the same purpose. With the limits on campaigning during the session, it will get harder and harder to tell legitimate voter communication from disguised campaigning.

Non-incumbents also would lose one small advantage they now enjoy. While lawmakers are tied to their duties in Juneau, challengers back home won't be able to get a jump on the campaign.

Rep. Brown's bill raises constitutional questions, as well. Any measure that restricts the time or place of political speech, which is what campaigns are, must have a compelling justification. Sponsors haven't even begun to build a case for such restrictions.

The measure does do some good things. It bans post-election fund-raising. It also bars candidates from pocketing leftover campaign funds for personal use.

Taken alone, these would be reforms worthy of the name. But when they're linked with such strong protections for incumbents, they become part of a reform package Alaska campaigns can do without.

Buckle up or less bucks

Motorists everywhere have plenty of well-known reasons to wear seat belts, but folks in Arizona have a

We ex

I once spent playing poker "The Greek" Sr and I won, so being a little for

One of the th ber about that c that he sold talking. He d make sense, but were almost n dotes about athl gamblers, min how poker shou and frequent g phone to place bookie.

When the gar we split up, one players expres that a professi could lose to the

I told him i thing. Although be a simple ga quires some th was clear t couldn't think a same time.

And this la mouth coordin did him in. Som a microphone in he talked but dic

By now, just body knows w

Nine i

I don't know but that Crayo national newsp read in airports pots — and c where time is o gum under seats nervous.

It isn't the b stories, those n

FISCAL NOTE

REQUEST:

Revision Date: 1/12/88
 Title: "An Act relating to the duration & financing of election campaigns"
 Sponsor: Rep. Brown, et. al.
 Requestor: House State Affairs committee

Agency Affected: Alaska Public Offices Commission
 BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		98.7	80.5	80.5	80.5	80.5
TRAVEL			.4	.4	.4	.4
CONTRACTUAL		9.2	.8	.8	.8	.8
SUPPLIES		1.2	.8	.8	.8	.8
EQUIPMENT		4.6	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		113.7	82.5	82.5	82.5	82.5
CAPITAL		0	0	0	0	0
REVENUE		0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND		113.7	82.5	82.5	82.5	82.5
FEDERAL FUNDS						
OTHER						
TOTAL		113.7	82.5	82.5	82.5	82.5

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY		1	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Please see attached page.

Prepared by: Karla L. Forsythe, Executive Director
 Division: Alaska Public Offices Commission

Phone: 276-4176

Date: 1/12/88

Approved by Commissioner: Daniel Patrick O'Tierney
 Agency: Alaska Public Offices Commission

Date: 1/12/88

Distribution (by preparer):

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

SS HB 137
Fiscal Detail

Fiscal Note:

1. Personal Services

Permanent, Fulltime:

Range 12A, Administrative Assistant I, to
monitor and render specific disclosure advice
to those who file reports 35.5

Range 16A, Paralegal II, to assist in investigations
of violations; to present affidavits appealing fines
for failure to comply; to pursue collection of fines 45.0

First Year, Temporary, 6 months:

Range 16A, Research Analyst II, to prepare initial
forms, manuals, revise regulations, develop public
information 18.2

2. Travel

1 trip, annually, for paralegal to pursue investigations
or fine collections in either Fairbanks or Juneau .4

3. Contractual Services

Ongoing costs:
telephone, postage, xeroxing @ .4/position .8

First year costs:
initial, additional costs to redesign manuals 3.0
modification of computer program to prepare
required summaries 5.0
telephone, postage, xeroxing support for Res. Anal. .4

4. Supplies

.4/position annually .8
.4/temporary, first year only .4

5. Equipment

One time costs:
2 double floppy computers, with monochrome monitors,
dot matrix printers 3.2
2 desks and office chairs 1.6

Fiscal Note Analysis

Enactment of this measure would require substantial revision and expansion of the Alaska Public Office Commission's recordkeeping and tracking systems, as well as greater demand for compliance assistance from staff.

Under current law, candidates in all races are subject to the same contribution limits, with unlimited contributions allowed from political parties. Forms, manuals, monitoring systems, and staff assignments to help candidates with compliance questions are based on a division of campaign disclosure work into two functional areas: candidates and groups.

Although the \$1000 contribution limit for individuals, non-party groups, corporations and unions would be retained under SS HB 137, the measure would establish new provisions for cumulative limits on contributions, with amounts depending on the race and the source of the contribution. This means that new forms, manuals, recordkeeping procedures, policy guidelines and regulations would have to be developed, broken down by type of candidate, type of group and type of contributor. Staff would still be required to administer provisions of the law relating to \$1000 contribution limits.

Staff administers the present law by processing campaign disclosure paperwork and by answering questions to assist candidates and groups in complying with the law. Under SS HB 137, requests for advice will also come from contributors, inquiring about the status of candidates' cumulative contribution limits. Additional functional categories based on type of race and contribution level would require even further specialization among staff, and the addition of another staff member to assist with this work.

Existing manuals and forms would need comprehensive revisions. Assuming this measure became effective in mid-summer of 1988, implementation activity would be added to the ongoing workload of the office at the beginning of its busiest time of year. Existing staff could not absorb the work needed to implement the law while continuing to perform ongoing functions. To ensure timely implementation, the office would contract for six months with a position funded at the Range 16 level to redraft forms and manuals, to develop new internal processing procedures, and to review existing regulations for proposed revisions and additions to comport with the new law. Additionally, the new categories which the office would monitor would result in an overall increase in the volume of manuals and forms which the office must print and distribute. The campaign disclosure law also requires summaries of candidate activity. Existing computer programs would be revised to permit data entry and compilation in accordance with these categories, for a contractual services cost of \$5000.

It is anticipated that many more complaints alleging violations of the law would be filed with the commission. An additional staff member with paralegal skills will be needed to carry out the additional investigations, and also to help answer complicated compliance questions (such as those dealing with good faith expenditures by candidates refiling in a race with a lower contribution ceiling).

Since penalties for violations will probably increase, there will be more of an incentive for candidates to appeal fine assessments recommended by staff. However, the cost of these appeals is not included in the fiscal note, since there is no basis for estimating the number of additional appeals.

Dennis F4E

Kay Brown

Alaska State Legislature
House of Representatives

MEMORANDUM

TO: House Judiciary Committee

DATE: February 4, 1988

FROM: Rep. Kay Brown

RE: AKPIRG Position Paper on
CS HB 137 (State Affairs)

Kay

Attached for your information is a position paper from the Alaska Public Interest Research Group regarding the State Affairs version of HB 137. It arrived too late for inclusion in your bill folders last Monday.



AKPIRG

ALASKA PUBLIC INTEREST RESEARCH GROUP

Post Office Box 10-1093 / Anchorage, Alaska 99510 / (907) 278-3661

Kay - FYI

Letters to the Editor
Anchorage Daily News
Box 14-9001
Anchorage, AK 99514-9001

30 January 1988

Editor,

The Daily News is to be commended for being alert to implications of the current version of HB 137 which provides for major improvements to our current campaign financing laws. However, it may be that you have overreacted in your recent editorial to one key feature of the bill--the feature that would shorten all campaigns to begin June 1 and end the day before the election.

You have suggested that this approach will favor incumbents by virtue of giving challengers less time to develop name-recognition and to do fundraising. As one of the principal organizations involved in trying to improve these laws, AKPIRG would like to suggest taking a more open-minded position on what this will actually do. We soon hope to develop some information on just exactly how soon challengers actually start significant fundraising. And until it can be confirmed that much of that activity has occurred prior to June 1, it is premature to make the categorical statements found in that editorial.

Further, there is nothing to suggest that even if much fundraising and campaigning has occurred earlier, that its absence will cause things to change. The British and other democracies operate with abbreviated campaigns to no apparent detriment to the voters.

We do not disagree that the version of HB 137 that went into the committee, which contained specific limits on different categories of non-individual contributors (corporations, PACs, etc.) and a single "campaign period" beginning Sept. 1 of the year preceeding the election had very attractive features which are worth pursuing. However, the improvements contained in the current version are extremely important and we believe they're worth achieving even with the "half a loaf" represented by the June 1 campaign start date--especially until it's demonstrated otherwise--that such a date truly would impair challengers candidacies. After all, the incumbents won't have nearly as much time to build up their incredible "war chests". And they'll have completed their work in Juneau, so we won't have to worry about whose contribution is buying what.

Jeff Bohman
Jeff Bohman
Executive Director

5-0227P
Bradley
1/15/88

probleur:

Original sponsors: Brown, Ellis,
Davis, et al.

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 137 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of
7 election campaigns; and providing for an effective
8 date."

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

10 * Section 1. AS 15.13 is amended by adding a new section to read:

11 Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A
12 candidate may accept a campaign contribution only during an election
13 campaign after filing a declaration of candidacy or a nominating
14 petition.

[Regular session]

15 (b) In this section, "election campaign" means:

House + senate

16 (1) for a candidate for a nonstatewide state office, the
17 period between the day after the adjournment sine die of the second
18 regular session of the legislature through the day before the date of
19 the general election;

Governor

20 (2) for a candidate for a statewide office, the period
21 between January 2 of the year of the election through the day before
22 the date of the general election;

23 (3) for a candidate for municipal office, the period

24 push into
25 Full running session
26 DURING
* (A) 90 days before the date of the municipal election
through the day before the date of the general election; and

27 (B) from the day after the date of the municipal
28 election through the day before the date of the run-off election,
if one is held.

29 * Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

permissible under APOC - recovered
 before election held
 All activities defined during
 election campaign -
~~15th day of campaign~~

1 (i) An individual who accepts campaign contributions as a candi-
 2 date for public office may not convert surplus campaign funds to
 3 personal income at any time. [A candidate who has advanced funds to
 4 the campaign may recover the amounts advanced.] A candidate shall
 5 dispose of campaign funds that were not spent or obligated during the
 6 election campaign by

7 (1) transferring the funds to an account for a future
 8 election campaign;

9 (2) transferring the funds to an account for the office, in
 10 the case of a successful candidate only, and using the funds only for
 11 communication with constituents and other voters in the state by
 12 telephone, newsletter, or personal contact;

13 (3) donating the funds to an organization that qualifies as
 14 a charitable organization under 26 U.S.C. 501(c);

15 (4) donating the funds to the general fund of the state or
 16 of a municipality of the state organized under AS 29;

17 (5) returning the funds to contributors on a pro rata
 18 basis; or

19 (6) making campaign contributions not in violation of
 20 AS 15.13.070(a) to another candidate or group or by making independent
 21 expenditures. \$1,000

22 * Sec. 3. AS 15.13.125 is amended to read:

23 Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIR-
 24 ED REPORTS]. A person who fails to file a properly completed and
 25 certified report within the time required by AS 15.13.110(a)(1), (3),
 26 (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10
 27 a day for each day the delinquency continues as determined by the
 28 commission subject to right of appeal to the superior court. A person
 29 who fails to file a properly completed and certified report within the

1 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a
 2 civil penalty of not more than \$50 a day for each day the delinquency
 3 continues as determined by the commission subject to right of appeal
 4 to the superior court. A candidate who accepts a contribution in
 5 violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty
 6 of not more than five times the amount of the contribution accepted.

7 An affidavit stating facts in mitigation may be submitted to the
 8 commission by a person against whom a civil penalty is assessed.
 9 However, the imposition of the penalties prescribed in this section or
 10 in AS 15.13.120 does not excuse that person from filing reports re-
 11 quired by this chapter.

12 * Sec. 4. AS 15.25.040 is amended by adding a new subsection to read:

13 (e) A statewide candidate may not file a declaration before
 14 January 2 of the year in which the election will be held. Except for
 15 a statewide candidate, a declaration may not be filed before the day
 16 after the adjournment sine die of the second regular session of the
 17 legislature.

18 * Sec. 5. AS 15.25.150 is amended by adding a new subsection to read:

19 (b) A statewide candidate may not file a petition before
 20 January 2 of the year in which the election will be held. Except for
 21 a statewide candidate, a petition may not be filed before the day
 22 after the adjournment sine die of the second regular session of the
 23 legislature.

24 * Sec. 6. AS 24.60.030(f) is amended to read:

25 (f) It is a conflict of interest for a ~~member~~ *PRECLUDE FROM*
 26 to accept campaign contributions except during an election campaign
 27 described in AS 15.13.065 [MONEY FROM AN EVENT HELD WITHIN THE CAPITAL
 28 CITY DURING THE SESSION IF A SUBSTANTIAL PURPOSE OF THE EVENT IS TO
 29 RAISE MONEY ON BEHALF OF THE MEMBER FOR STATE LEGISLATIVE CAMPAIGN
RAISING DURING SESSION

PURPOSES OR FOR OTHER STATE LEGISLATIVE POLITICAL PURPOSES].

* Sec. 7. AS 29.26.020 is amended by adding a new subsection to read:

(c) A nominating petition or declaration of candidacy may not be filed more than 90 days before the date of the election.

* Sec. 8. The prohibition in AS 15.13.065, as added in sec. 1 of this Act, against the acceptance of campaign contributions outside of an election campaign does not apply to the acceptance of campaign contributions to retire campaign debt in existence on November 8, 1988, and a candidate may accept campaign contributions to retire debt in existence on November 8, 1988, at any time.

QUANTUM OF DEBT LAW EXISTING DEBT - LAW EFFECT JUL 1 -

* Sec. 9. ~~AS 15.13.070(a)~~ and ~~AS 24.60.030(g)~~ are repealed. ^{IS}

* Sec. 10. APPLICABILITY. The provisions of this Act are applicable to state election campaigns started after November 8, 1988. The provisions of this Act are applicable to municipal election campaigns started after the day after the first municipal election occurring after July 1, 1988.

* Sec. 11. This Act takes effect July 1, 1988.

elect. sec. AS 15.13.070 -

Delete

Original sponsors: Brown, Ellis,
Davis, et al.

ROXANNE TURNER

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 137 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of
7 election campaigns."
8

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

10 * ~~Section 1. AS 15.13 is~~ amended by adding a new section to read:

11 *Keep* Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A
12 candidate may accept a contribution only during an election campaign.

13 (b) During the election campaign, a candidate for the office of
14 governor or lieutenant governor may not accept

15 (1) more than \$1,000 in contributions from a person, a
16 corporation, a labor union, or a group other than a political party
17 and its subdivisions;

18 (2) a cumulative total of more than \$40,000 in contribu-
19 tions from corporations, labor unions, and groups other than political
20 parties and their subdivisions;

21 (3) a cumulative total of more than \$40,000 in contribu-
22 tions from political parties and their subdivisions.

23 (c) During the election campaign, a candidate for the state
24 senate may not accept

25 (1) more than \$1,000 in contributions from a person, a
26 corporation, a labor union, or a group other than a political party
27 and its subdivisions;

28 (2) a cumulative total of more than \$20,000 in contribu-
29 tions from corporations, labor unions, and groups other than political
parties and their subdivisions;

1 (3) a cumulative total of more than \$20,000 in contribu-
2 tions from political parties and their subdivisions.

3 (d) During the election campaign, a candidate for the state
4 house of representatives may not accept

5 (1) more than \$1,000 in contributions from a person, a
6 corporation, a labor union, or a group other than a political party
7 and its subdivisions;

8 (2) a cumulative total of more than \$10,000 in contribu-
9 tions from corporations, labor unions, and groups other than political
10 parties and their subdivisions;

11 (3) a cumulative total of more than \$10,000 in contribu-
12 tions from political parties and their subdivisions.

13 (e) Except for a candidate for mayor, during an election cam-
14 paign a candidate for municipal office and a candidate for office not
15 described in (b) - (d) of this section may not accept

16 (1) more than \$1,000 in contributions from a person, a
17 corporation, a labor union, or a group other than a political party
18 and its subdivisions;

19 (2) a cumulative total of more than \$10,000 in contribu-
20 tions from corporations, labor unions, and groups other than political
21 parties and their subdivisions;

22 (3) a cumulative total of more than \$10,000 in contribu-
23 tions from political parties and their subdivisions.

24 (f) Except as provided under (g) of this section, during an
25 election campaign a candidate for mayor may not accept

26 (1) more than \$1,000 in contributions from a person, a
27 corporation, a labor union, or a group other than a political party
28 and its subdivisions;

29 (2) a cumulative total of more than \$10,000 in

1 contributions from corporations, labor unions, and groups other than
2 political parties and their subdivisions;

3 (3) a cumulative total of more than \$10,000 in contribu-
4 tions from political parties and their subdivisions.

5 (g) Notwithstanding (f) of this section, a candidate for mayor
6 in a municipality that contains more than one house election district
7 within its boundaries may accept contributions during an election
8 campaign with a cumulative total under (f)(2) and (3) of this section
9 multiplied by the number of house election districts that are located
10 within the municipality.

11 ~~(h) A candidate is subject to the limitations established in
12 this section only for the office for which the candidate most recently
13 filed a declaration of candidacy or nominating petition. A candidate
14 who withdraws as a candidate for an office and refiles for an office
15 with a lower limitation on the acceptance of campaign contributions
16 shall return the amount of each contribution that exceeds the limita-
17 tions established for the current candidacy. Notwithstanding the
18 provisions of this subsection, a candidate is not required to return a
19 contribution spent in a good faith effort to seek election to the
20 office with the higher limitation.~~

21 (i) In this section, "election campaign" means:

22 (1) for a candidate for a nonstatewide state office, the
23 period between ^{the date of the general election} ~~September 1~~ of the year before the year in which the
24 election will be held through the day before the date of the general
25 election;

26 (2) for a candidate for a statewide office, the period
27 between ^{SAW} ~~September 1~~ of the year that is two years before the year in
28 which the election will be held through the day before the date of the
29 general election;

90 days before the election

1 (3) for a candidate for municipal office, either of the
2 following periods, considered separately:

3 (A) the period one year before the date of the municipi-
4 pal election through the day before the date of the general
5 election;

6 (B) the period from the day after the date of the
7 municipal election through the day before the date of the run-off
8 election, if one is held.

9 * Sec. 2. AS 15.13.070 is amended by adding a new subsection to read:

10 (i) An individual who accepts campaign contributions as a candi-
11 date for public office may not convert surplus campaign funds to
12 personal income at any time. A candidate shall dispose of campaign
13 funds that were not spent during the election campaign by

14 (1) transferring the funds to an account for a future state
15 election campaign;

16 (2) transferring the funds to an account for the office, in
17 the case of a successful candidate only, and using the funds only for
18 communication with constituents and other voters in the state by
19 telephone, newsletter, or personal contact;

20 (3) donating the funds to an organization that qualifies as
21 a charitable organization under 26 U.S.C. 501(c);

22 (4) donating the funds to the general fund of the state or
23 of a municipality of the state organized under AS 29;

24 (5) returning the funds to contributors on a pro rata
25 basis; or

26 (6) making campaign contributions to another candidate.

27 * Sec. 3. AS 15.13.125 is amended to read:

28 Sec. 15.13.125. CIVIL PENALTIES [PENALTY: LATE FILING OF REQUIR-
29 ED REPORTS]. A person who fails to file a properly completed and

1 certified report within the time required by AS 15.13.110(a)(1), (3),
2 (4) or 15.13.110(d) is subject to a civil penalty of not more than \$10
3 a day for each day the delinquency continues as determined by the
4 commission subject to right of appeal to the superior court. A person
5 who fails to file a properly completed and certified report within the
6 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a
7 civil penalty of not more than \$50 a day for each day the delinquency
8 continues as determined by the commission subject to right of appeal
9 to the superior court. A candidate who accepts a contribution in
10 violation of AS 15.13.065 or 15.13.070 is subject to a civil penalty
11 of not more than five times the amount of the contribution accepted.
12 An affidavit stating facts in mitigation may be submitted to the
13 commission by a person against whom a civil penalty is assessed.
14 However, the imposition of the penalties prescribed in this section or
15 in AS 15.13.120 does not excuse that person from filing reports re-
16 quired by this chapter.

17
18 * Sec. 4. AS 15.25.040 is amended by adding a new subsection to read:

19 (e) A statewide candidate may not file a declaration before
20 ^{SAW 1} September ~~1~~ of the year that is two years before the year in which the
21 election will be held. Except for a statewide candidate, a declara-
22 tion may not be filed before ^{SAW 1} September ~~1~~ of the year before the year
23 in which the election will be held.

24 * Sec. 5. AS 15.25.150 is amended by adding a new subsection to read:

25 (b) A statewide candidate may not file a petition before
26 ^{SAW 1} September ~~1~~ of the year that is two years before the year in which the
27 election will be held. Except for a statewide candidate, a petition
28 may not be filed before ^{SAW 1} September ~~1~~ of the year before the year in
29 which the election will be held.

* Sec. 6. AS 24.60.030(f) is amended to read:

1
2 (f) It is a conflict of interest for a member of the legislature
3 to accept campaign contributions [MONEY FROM AN EVENT HELD WITHIN THE
4 CAPITAL CITY] during the session [IF A SUBSTANTIAL PURPOSE OF THE
5 EVENT IS TO RAISE MONEY ON BEHALF OF THE MEMBER FOR STATE LEGISLATIVE
6 CAMPAIGN PURPOSES OR FOR OTHER STATE LEGISLATIVE POLITICAL PURPOSES].

7 * Sec. 7. AS 29.26.020 is amended by adding a new subsection to read:

8 (c) A nominating petition or declaration of candidacy may not be
9 filed more than one year before the date of the election.

10 * Sec. 8. The prohibition in AS 15.13.065, as added by sec. 1 of this
11 Act, against a candidate accepting a contribution after the date of the
12 general election through the dates specified in AS 15.13.065 does not apply
13 to contributions accepted by a candidate or elected public official after
14 the effective date of this Act that are used to retire campaign debt in
15 existence on January 1, 1988.

16 * Sec. 9. AS 15.13.070(a) and AS 24.60.030(g) are repealed.
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Rep. Kay Brown
Jan. 15, 1988

CHANGES IN PROPOSED CS SS HB 137 (STATE AFFAIRS)
Work Draft 1-15-88

Several sections have been modified in the new proposed CS, including:

- Sections 1 (b); 4, 5.** • Campaigns could begin the day after adjournment of the legislative session, in the election year, for House and Senate races; Jan. 2 of the election year for statewide races; and 90 days before the election for municipal races.
- Sec. 2 (i)** • A candidate may recover loans he made to his own campaign.
- Sec. 10** • Applicability: state election campaigns started after November 8, 1988 and municipal elections started after the day after the first municipal election occurring after July 1, 1988.
- Sec. 11** • Effective Date of July 1, 1988. ✓

Rep. Kay Brown
Jan. 15, 1988

PROPOSED CS SS HB 137 (State Affairs)
(Work Draft 1-15-88)

The new proposed Committee Substitute would:

- shorten the length of campaigns for statewide (Governor/ Lieutenant Governor), Senate, House, and Municipal elections
- prohibit post-election fundraising
- prohibit use of contributions as personal income
- establish civil penalties for accepting an illegal contribution
- not apply to existing campaign debt; and
- add effective dates for statewide, House and Senate, and municipal candidates.

The new proposed Committee Substitute **deletes** sections that would:

- set cumulative limits for contributions from
 - political parties
 - labor unions, corporations and PAC's

PROPOSED CS SS HB 137 (State Affairs)

The proposed Committee Substitute is comprehensive in scope.

The bill covers Governor/Lieutenant Governor (statewide), Senate, House, and Municipal campaigns.

The bill also:

- sets limits on campaign duration
- prohibits post-election fundraising
- sets cumulative limits for contributions from
 - political parties
 - labor unions, corporations and PAC's
- prohibits use of contributions as personal income
- establishes civil penalties for accepting an illegal contribution; and
- does not apply to existing campaign debt.

Rep. Kay Bro
Jan. 13, 1988

NEW FEATURES IN PROPOSED CS SS HB 137 (STATE AFFAIRS)

Several sections have been modified in the proposed CS, including:

Sections 1 (i); 4, 5. • Campaigns could begin Sept. 1 of the year before the election for House and Senate races; Sept. 1 two years before the election for statewide races; and one year before the election for municipal races.

14
2-5

Section 6 • Accepting a campaign contribution during a legislative session is prohibited.

Section 1 (f), (g). • Mayoral contribution limits are based on number of house districts in a municipality (See Chart)

~~26 months~~
1 yr
12

Section 1(i)(3) • Run-off elections are treated as a separate election campaign for purposes of contribution limits.

Section 2 • Use of campaign funds as personal income is prohibited. Ways to dispose of excess campaign funds are specified.

Rep. Kay Brown
Jan. 13, 1988
Proposed CS SS HB 137 (State Affairs)
Section 1 (g)

**IMPACT OF CAP ON MAYORAL RACE CONTRIBUTIONS
IN MUNICIPALITIES WITH ONE OR MORE HOUSE DISTRICTS**

MUNICIPALITY	NUMBER OF HOUSE DISTRICTS	POTENTIAL FROM CORPS, UNIONS, PACS	POTENTIAL FROM POLITICAL PARTIES	POTENTIAL FROM INDIVIDUALS	TOTAL POTENTIAL
Anchorage	9 (17 seats)	\$90,000	\$90,000	Unlimited	\$180,000 +
Fairbanks	4 (5 seats)	\$40,000	\$40,000	Unlimited	\$ 80,000 +
Juneau	1 (2 seats)	\$10,000	\$10,000	Unlimited	\$ 20,000 +
Kenai Borough	1 (2 seats)	\$10,000	\$10,000	Unlimited	\$ 20,000 +
North Slope Borough	1 (1 seat)	\$10,000	\$10,000	Unlimited	\$ 20,000 +
Ketchikan	1 (2 seats)	\$10,000	\$10,000	Unlimited	\$ 20,000 +
Mat-Su Borough	1 (2 seats)	\$10,000	\$10,000	Unlimited	\$ 20,000 +

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

M E M O R A N D U M

February 19, 1987

SUBJECT: HB 137: Elections
TO: Representative Kay Brown
FROM: Richard A. Bradley
Legislative Counsel

You have requested a sectional analysis of the above described bill.

As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 of the bill states the legislative findings.

Section 2 of the bill adds certain sections to AS 15.13, a chapter relating to campaign financing.

Sec. 15.13.041 relates to "prohibited contributions."

Sec. 15.13.041(a) provides that a person may not contribute and a candidate may not accept a contribution during the times stated in the subsection. The period during which contributions may not be accepted starts on election day and continues through the day on which the candidate files a declaration of candidacy (AS 15.25.030) or a nominating petition (AS 15.25.180). Note also Secs. 4 and 5 of the bill.

Sec. 15.14.041(b) is a section parallel to Sec. 15.13.041(a) that relates to municipal elections. See also Sec. 6 of the bill.

Sec. 15.13.041(c) is a section parallel to Sec. 15.13.041(a) that relates to special elections. Under the present provisions of the election code, the only special election that is subject to AS 15.13 is the one occurring under AS 15.40.230 - 15.40.310.

Sec. 15.13.041(d) provides that the provisions of the section do not apply to a candidate for statewide office. I observe that since the only candidates that may be voted on at a state special election subject to AS 15.13 are candidates for governor and lieutenant governor, the interaction of (c) and (d) renders (c) unnecessary.

Section 3 of the bill amends AS 15.13.070(a). The amendment eliminates some obsolete law and

(1) provides for a contribution limit of \$1,000 for statewide candidates;

(2) provides for a contribution limit of \$500 for nonstatewide candidates.

The section eliminates references to expenditures because it is generally agreed that the decision in Buckley v. Valeo effectively precluded limitations on "independent expenditures."

Section 4 of the bill provides that a declaration of candidacy may not be filed before January 2 of the year of the election. The section does not apply to statewide candidates.

Section 5 of the bill provides that a nominating petition may not be filed before January 2 of the year of the election. The section does not apply to statewide candidates.

Section 6 provides that a nominating petition or declaration of candidacy for municipal office may not be filed more than 150 days before the date of the election.

The bill does not have an explicit effective date; the bill therefore takes effect 90 days after enactment. Art. II, sec. 18, Alaska Constitution.

If I may be of further assistance, please advise.

RAB:mkr
m9/028



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y. State Capitol
Juneau, Alaska 99811
(907) 465-3991

November 7, 1984

MEMORANDUM

TO: Representative Don Clocksin
FROM: Heidi Borson Paine ~~HRP~~
Legislative Analyst
RE: Corporate Campaign Contributions
Research Request 85-032

This memorandum responds to your request for information on laws prohibiting corporate campaign contributions. You specifically asked that we provide information on: 1) the federal law prohibiting corporate campaign contributions; 2) states with similar laws; 3) the development of laws limiting contributions by corporations; 4) any legal issues involved, i.e. free speech for corporations; and 5) the pros and cons of prohibiting corporate campaign contributions, with a focus on how political action committees (PACs) are affected by such prohibitions.

Current Federal Law

The Federal Election Campaign Act (FECA) prohibits corporations and labor organizations from using general treasury funds to make contributions or expenditures in connection with federal elections.¹ (Code of Federal Regulations, Title 11, Section 114.2 b--See attachment A). In addition, national banks and corporations organized by any law of Congress are prohibited from expending their treasury funds in connection with any election: local, state or federal (114.2 a). However, existing federal law allows corporations and labor organizations to use treasury monies to establish, operate and solicit contributions for political committees called separate segregated funds (Code of Federal Regulations, Title 11, Section 114.5 b). Administrative units of these funds are commonly referred to as political action committees (PACs). A separate segregated fund accepts voluntary contributions that are used to make contributions or expenditures on behalf of federal candidates and other political committees.

¹Direct contributions from national banks, and incorporated membership organizations, trade associations and cooperatives are also prohibited.

Representative Clocksin
November 7, 1984
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According to the Federal Elections Committee, separate segregated funds (or corporate PACs) are distinguished from other political committees in three respects: 1) their administrative and solicitation expenses may be paid by the sponsor organization; 2) if paid by the sponsor organization, these expenses do not have to be reported to the Federal Election Committee; and 3) the PACs and their sponsor organizations may solicit contributions only from a restricted class of individuals associated with the sponsor organization. The restricted class for a corporation is currently defined as its executive and administrative personnel and families, and its stockholders and their families. However, corporations are permitted to solicit other employees twice a year for contributions to their corporate PACs.

Development of Federal Prohibitions on Corporate Campaign Spending

The first federal prohibition of corporate campaign contributions was enacted in 1907. Backed by President Theodore Roosevelt, the Tillman Act of 1907 made it illegal for a corporation or national bank to make "a money contribution in connection with any election" of candidates for federal office. The Federal Corrupt Practices Act of 1925 expanded the prohibition to include "a gift, subscription, loan, advance, or deposit of money, or anything of value." In 1943, the War Disputes Act extended the prohibition on political contributions to include labor unions. Finally, the Taft-Hartley Act of 1947 broadened the ban to cover primaries as well as general elections.

The Federal Election Campaign Act (FECA) of 1971 modified the federal ban on corporate campaign contributions by allowing the use of corporate funds and union treasury money for the "establishment, administration and solicitation of contributions to a separate, segregated fund to be utilized for a political purpose." Amendments to FECA in 1974 resulted in an increase in corporate PACs. Previous law prevented government contractors from establishing or administering PACs. The range of corporate solicitation was narrowed from all employees to management personnel and stockholders by the FECA amendments of 1976.

Effect on PACs

After the 1974 FECA amendments allowed government contractors to fund PACs, the number of PACs and their level of activity greatly increased. In December 1974, there were approximately 600 PACs. By November 1982, the number of PACs had increased to about 3,400. In 1975, PACs spent about \$23 million on congressional races; they contributed approximately \$80 million in 1982.² In 1972, 14 percent of all contributions to

²Drew, Elizabeth, Politics and Money: The New Road to Corruption, (New York: Macmillan Publishing Company, 1983) p. 10.

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House and Senate general election candidates were from PACs. By 1980, the proportion had increased to 25 percent.

Two other actions also increased corporate PAC numbers and activity levels: 1) the 1974 FECA amendments ended unrestricted individual contributions and imposed a \$1,000 limit on individual contributions to a House or Senate candidate in a primary or general election; and 2) the 1975 Federal Election Committee's ruling on a case involving Sun Oil Company reaffirmed the legality of corporate PACs. According to Elizabeth Drew in Politics and Money, between 1974 and 1982, the number of corporate PACs increased from 89 to 1,479.

Development of State Laws

The Federal Election Campaign Act of 1971 and its amendments in 1974, as well as public outrage after the Watergate exposures, produced a nationwide trend towards campaign finance reform on the state level. According to Common Cause, over 40 states including Alaska have enacted new campaign finance reform laws since the early 1970s. Most reform has been directed at regulating the role of money in politics. According to Herbert Alexander, director of the Citizens' Research Foundation, recent state campaign finance legislation reflects three central themes: public disclosure, expenditure limits and contribution restrictions. Mr. Alexander also notes that in recent years, corporate, labor and trade association PACs have proliferated on the state level as they have on the federal level.

Laws in Other States

Twenty states currently prohibit direct corporate contributions.³ Four other states, Georgia, Kansas, New Jersey and Oregon prohibit contributions from certain corporations only. For example, in Georgia, public utility corporations regulated by the Public Services Commission are prohibited from making direct or indirect contributions to political campaigns. It appears that most states prohibiting corporate campaign contributions modeled their legislation after the Federal Elections Campaign Act. Where they differ, however, is in their laws concerning corporate PACs and the regulation of PAC contributions.

Most states, including those that prohibit direct corporate and union contributions, permit corporations and unions to establish and administer PACs. According to Common Cause, only Massachusetts, New Hampshire,

³Arizona, Connecticut, Iowa, Kentucky, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, West Virginia, Wisconsin, and Wyoming.

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corporations. Thus, if the Johnson Initiative goes into effect, the commission anticipates that about 21 percent of the current contributions will disappear. In California's 1982 elections, approximately 34 percent of all campaign contributions were given by PACs, including corporate and other PACs.

Legal Issues

The United States Supreme Court has upheld the constitutionality of prohibiting corporate campaign contributions. In Buckley v. Valeo (1976), the United States Supreme Court upheld limitations on individual and group contributions to candidates and political committees. It follows that the state prohibitions on corporate campaign contributions are also constitutional.

The laws in several states also limited corporate and union contributions to ballot initiative campaigns. But in 1978, in First National Bank v. Bellotti, the U.S. Supreme Court ruled unconstitutional a Massachusetts law prohibiting corporations from making expenditures to influence ballot issue campaigns that did not directly affect a corporation's business. The court held that the statute abridged freedom of speech in violation of the First and Fourteenth Amendments and contended that the abridgment was unjustified because ballot measures, unlike candidate campaigns, do not offer the potential for purchasing influence.

In 1981, the U.S. Supreme Court also struck down a Berkeley, California municipal ordinance limiting to \$250 the amount an individual or corporation could contribute to a committee supporting or opposing a ballot measure. In this decision, the court held that the ordinance restrained rights of association and individual and collective rights of expression. The court also ruled that the ordinance did not advance a legitimate governmental interest significant enough to justify its infringement on First Amendment rights.

Other state court decisions concerning corporate campaign activities have upheld limits on the group of people which corporations may solicit for contributions to their PACs and have prohibited corporations from paying candidates' advertising expenses. In addition, in Frias v. Board of Trustees (1979), the Texas Court of Civil Appeals upheld the right of corporations to make contributions to political committees, which had been forbidden by state statute.

Pros and Cons

The pros and cons of prohibiting corporate campaign contributions vary according to whether they are viewed from a citizen's, candidate's or corporation's perspective. Consequently, this section of the memorandum will focus on some issues involved in prohibiting corporate campaign

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contributions on the state level. From a citizen's perspective, prohibiting corporate contributions could encourage greater citizen participation. In the absence of large corporate contributions, candidates would rely more on individual contributions giving the individual a greater voice in state politics.

From a candidate's perspective, an important consideration in prohibiting corporate contributions is its effect on who gets elected. Prohibiting corporate campaign contributions would force many candidates to rely more on their own financial resources, in addition to broadening their base of contributions. Furthermore, it is generally agreed that incumbents have an advantage in congressional and legislative elections. As such, challengers are often in greater need of campaign funds. Prohibiting campaign contributions by any group removes a potential funding source for candidates already hard pressed for money. On the other hand, it appears most corporate money is directed at the candidate they believe is most likely to win, which in most cases is the incumbent.

Another issue is the effect of such legislation on PAC activity. As indicated earlier, there appears to be a relationship between the enactment of legislation prohibiting direct corporate contributions and an increase in the number of PACs. The pros and cons of PACs are debated among political theorists. Some contend that PACs offer a central, well organized way of participating politically. Others argue that PACs are a corrupting influence on the political process because they exert undue influence on legislative decisions. Opponents also point out that PACs steer most of their money to incumbents and claim that PACs and especially corporate PACs are generally pro-Republican. However, in the 1981-1982 election cycle, Democrats received 54 percent of all PAC funds contributed to congressional candidates, whereas Republicans received 45 percent. During that same period, corporate PACs gave approximately 66 percent of their funds to Republicans and 34 percent to Democrats.⁴

Another consideration in assessing the impact of prohibiting corporate campaign contributions is the balance between union and corporation giving. Although federal law prohibits direct contributions by corporations and labor unions, only nine of the twenty states which prohibit corporate contributions also prohibit direct labor union contributions.

One final consideration is how prohibitions against corporate campaign contributions affect corporations. According to Gary Lipkin, Associate General Counsel to the National Association of Manufacturers, other

⁴Alexander, Herbert E. Financing Politics: Money, Elections, and Political Reform. 3rd edition. (Washington, D.C. Congressional Quarterly Inc.) p.104.

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than disliking government regulations on how they spend their money, corporate executives are pleased with the ban on corporate campaign contributions. A ban takes the pressure off them to give because competitive interests are also prevented from giving. Candidates and political parties no longer lobby them for contributions.

Corporate Campaign Contributions in Alaska

I also contacted the Alaska Public Offices Commission (APOC) for information on the level of corporate campaign financing in Alaska. According to Theda Pittman, APOC director, APOC has no available figures on the total levels of corporate and PAC contributions. However, she indicated that some research produced by the Senate State Affairs Committee staff in September 1984 indicated that direct corporate contributions to political campaigns have increased significantly in recent years. Reportedly, in 1978, corporations contributed \$768,634, or 14 percent, of total campaign expenditures for legislative offices. In 1982, corporate contributions amounted to 24 percent of the total political expenditures or \$2.1 million.

According to Ms. Pittman, in 1978, APOC proposed regulations to prohibit campaign contributions by wholly owned subsidiaries, but withdrew the proposed regulations after public hearings. She indicated that the regulations would have discriminated against corporations by prohibiting corporate contributions and not labor union contributions. In addition, concern was expressed that the regulations would drive corporate money into PACs. Ms. Pittman noted that PAC reporting requirements entail more administrative work for APOC and tend to provide the public with less disclosure. However, Ms. Pittman indicated that APOC could propose a similar measure again.

* * * * *

I hope this information is helpful. Please contact me if you have any additional questions or concerns.

HBP

Attachment

§ 113.3

dent Commissioner to, the Congress on the date of the enactment of the Federal Election Campaign Act Amendments of 1979 (January 8, 1980), no such amounts may be converted by any person to any personal use, other than: to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office, or to repay to a candidate any loan the proceeds of which were used in connection with his or her campaign.

§ 113.3 Deposits of funds donated to a Federal or State officeholder (2 U.S.C. 132(b)).

All funds donated to a federal officeholder, or State officeholder who is a candidate for federal office, shall be deposited into one of the following accounts:

- (a) An account of the officeholder's principal campaign committee or other authorized committee pursuant to 11 CFR Part 103;
- (b) An account to which only funds donated to an individual to support his or her activities as a holder of federal office are deposited (including an office account).

§ 113.4 Contribution and expenditure limitations (2 U.S.C. 411a).

- (a) Any contributions to, or expenditures from an office account which are made for the purpose of influencing a federal election shall be subject to 2 U.S.C. 441a and 11 CFR Part 110 of these regulations.
- (b) If any treasury funds of a corporation or labor organization are converted to an office account, no funds from that office account may be transferred to a political committee account or otherwise used in connection with a federal election.

PART 114—CORPORATE AND LABOR ORGANIZATION ACTIVITY

Sec.

- 114.1 Definitions.
- 114.2 Prohibitions on contributions and expenditures.
- 114.3 Disbursement for communications in connection with a Federal election to the restricted class.

Title 11—Federal Elections

Sec.

- 114.4 Expenditures for communications in connection with a Federal election to the restricted class and the general public.
- 114.5 Separate segregated funds.
- 114.6 Twelve yearly solicitations.
- 114.7 Membership organizations, cooperatives, or corporations without capital stock.
- 114.8 Trade associations.
- 114.9 Use of corporate or labor organization facilities and means of transportation.
- 114.10 Extension of credit and settlement of corporate debts.
- 114.11 Employer participation plans.
- 114.12 Miscellaneous provisions.

Authority: Sec. 310(b), Pub. L. 92-225, added by sec. 208, Pub. L. 93-443, 88 Stat. 1279, and amended by secs. 105 and 107(a)(1), Pub. L. 94-203, 90 Stat. 481 (2 U.S.C. 437d(a)(8)), and sec. 315(a)(10), Pub. L. 92-225, 86 Stat. 16, amended by secs. 208(a) and (c)(1), and 209(a)(1) and (b)(1), Pub. L. 93-443, 88 Stat. 1279, 1287, and sec. 105, Pub. L. 94-203, 90 Stat. 481 (2 U.S.C. 438(a)(10)), unless otherwise noted.

Source: 41 FR 35955, Aug. 25, 1976, unless otherwise noted.

§ 114.1 Definitions.

- (a) For purposes of Part 114 and section 12(b) of the Public Utility Holding Company Act (15 U.S.C. 79r(b))—
 - (1) The term "contribution or expenditure" shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a State bank, a federally chartered depository institution (including a national bank) or a depository institution whose deposits and accounts are insured by the Federal Deposit Insurance Corporation, the National Savings and Loan Insurance Corporation, or the National Credit Union Administration, if such loan is made in accordance with 11 CFR 100.7(b)(11) to any candidate, political party or committee, organization, or any other person in connection with any election to any of the offices referred to in § 114.2(a) or (b) as applicable.
 - (2) The term contribution and expenditures shall *not* include—
 - (i) Communications by a corporation to its stockholders and executive or administrative personnel and their

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families or by a labor organization to its members and executive or administrative personnel, and their families, on any subject;

(ii) Nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families or by a labor organization aimed at its members and executive or administrative personnel, and their families;

(iii) The establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock;

(iv) An honorarium, including actual travel and subsistence, as defined in § 110.12;

(v) The sale of any food or beverage by a corporate vendor for use in a candidate's campaign or for use by a political committee of a political party at a charge less than the normal of comparable commercial rate, if the charge is at least equal to the costs of such food or beverage to the vendor, to the extent that the aggregate value of such discount by the vendor on behalf of a single candidate does not exceed \$1,000 with respect to any single election; and on behalf of all political committees of each political party does not exceed \$2,000 in a calendar year.

(vi) The payment for legal or accounting services rendered to or on behalf of any political committee of a political party other than services attributable to activities which directly further the election of a designated candidate or candidates for Federal office if the corporation or labor organization paying for the services is the regular employer of the individual rendering the services. This exclusion shall not be applicable if additional employees are hired for the purpose of rendering services or if additional employees are hired in order to make regular employees available;

(vii) The payment for legal or accounting services rendered to or on behalf of an authorized committee of a candidate or any other political committee solely for the purpose of ensuring compliance with this Act or chap-

ter 95 or 96 of the Internal Revenue Code of 1954 if the corporation or labor organization paying for the services is the regular employer of the individual rendering the services, but amounts paid or incurred for these services shall be reported in accordance with Part 104. This exclusion shall not be applicable if additional employees are hired for the purpose of rendering services or if additional employees are hired in order to make regular employees available;

(viii) Activity permitted under 11 CFR 9008.7 with respect to a presidential nominating convention;

(ix) A gift, subscription, loan, advance, or deposit of money or anything of value to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office, except that any gift, subscription, loan, advance, or deposit of money or anything of value, and any such cost, shall be reported in accordance with 11 CFR 104.3(g) or

(x) Any activity which is specifically permitted by Part 114.

(b) "Establishment, administration, and solicitation costs" means the cost of office space, phones, salaries, utilities, supplies, legal and accounting fees, fund-raising and other expenses incurred in setting up and running a separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock.

(c) "Executive or administrative personnel" means individuals employed by a corporation or labor organization who are paid on a salary rather than hourly basis and who have policymaking, managerial, professional, or supervisory responsibilities.

(1) This definition includes—

(i) The individuals who run the corporation's business such as officers, other executives, and plant, division, and section managers; and

(ii) Individuals following the recognized professions, such as lawyers and engineers.

141 FR 35955, Aug. 25, 1976, as amended at 44 FR 76736, Dec. 27, 1979; 48 FR 50506, Nov. 2, 1983, 48 FR 52432, Nov. 10, 1983

§ 114.5 Separate segregated funds.

(a) *Voluntary contributions to a separate segregated fund.* (1) A separate segregated fund is prohibited from making a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment or by monies obtained in any commercial transaction. For purposes of this section, fees or monies paid as a condition of acquiring or retaining membership or employment are monies required as a condition of membership or employment even though they are refundable upon request of the payor.

(2) A guideline for contributions may be suggested by a corporation or a labor organization, or the separate segregated fund of either, provided that the person soliciting or the solicitation informs the persons being solicited—

(i) That the guidelines are merely suggestions; and

(ii) That an individual is free to contribute more or less than the guidelines suggest and the corporation or labor organization will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute.

A corporation or labor organization or the separate segregated fund of either may not enforce any guideline for contributions.

(3) Any person soliciting an employee or member for a contribution to a separate segregated fund must inform such employee or member of the political purposes of the fund at the time of the solicitation.

(4) Any persons soliciting an employee or member for a contribution to a separate segregated fund must inform the employee or member at the time of such solicitation of his or her right to refuse to so contribute without any reprisal.

(5) Any written solicitation for a contribution to a separate segregated fund which is addressed to an employee or member must contain statements which comply with the requirements of paragraphs (a)(3) and (4) of this section, and if a guideline is suggested, statements which comply with the requirements of paragraph (a)(2) of this section.

(b) *Use of treasury monies.* Corporations, labor organizations, membership organizations, cooperatives, or corporations without capital stock may use general treasury monies, including monies obtained in commercial transactions and dues monies or membership fees, for the establishment, administration, and solicitation of contributions to its separate segregated fund. A corporation, labor organization, membership organization, cooperative, or corporation without capital stock may not use the establishment, administration, and solicitation process as a means of exchanging treasury monies for voluntary contributions.

(1) A contributor may not be paid for his or her contribution through a bonus, expense account, or other form of direct or indirect compensation.

(2) A corporation, labor organization, membership organization, cooperative, or corporation without capital stock may, subject to the provisions of 39 U.S.C. 3005 and Chapter 61, Title 18, United States Code, utilize a raffle or other fundraising device which involves a prize, so long as State law permits and the prize is not disproportionately valuable. Dances, parties, and other types of entertainment may also be used as fundraising devices. When using raffles or entertainment to raise funds, a reasonable practice to follow is for the separate segregated fund to reimburse the corporation or labor organization for costs which exceed one-third of the money contributed.

(3) If the separate segregated fund pays any solicitation or other administrative expense from its own account, which expense could be paid for as an administrative expense by the collecting agent, the collecting agent may reimburse the separate segregated fund no later than 30 calendar days after

the expense was paid by the separate segregated fund.

(c) *Membership in separate segregated funds.* (1) A separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock may provide that persons who contribute a certain amount to its separate segregated fund will become "members" of its separate segregated fund, so long as—

(i) The fund accepts contributions of all amounts, subject to the limitations of Part 110;

(ii) Subject to paragraph (c)(1)(iii) of this section, nothing of value may be given in return for or in the course of membership;

(iii) The fund may use membership status for intangible privileges such as allowing members only to choose the candidates to whom the fund will contribute.

(2) The fact that the separate segregated fund of a corporation, labor organization, membership organization, cooperative, or corporation without capital stock is a "membership group" does not provide the corporation, labor organization, membership organization, cooperative, or corporation without capital stock with any greater right of communication or solicitation than the corporation, labor organization, membership organization, cooperative, or corporation without capital stock is otherwise granted under this part.

(d) *Control of funds.* A corporation, membership organization, cooperative, corporation without capital stock, or labor organization may exercise control over its separate segregated fund.

(e) *Disclosure.* Separate segregated funds are subject to the following disclosure requirements:

(1) A corporation or labor organization is not required to report any payment made or obligation incurred which is not a contribution or expenditure, as defined in § 114.1(a), except those reporting requirements specifically set forth in this section.

(2) A membership organization or corporation is not required to report the cost of any communication to its members or stockholders or executive or administrative personnel, if such

membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office, except that—

(i) The costs incurred by a membership organization, including a labor organization, or by a corporation, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election, be reported in accordance with 11 CFR 100.8(b)(4); and

(ii) The amounts paid or incurred for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 paid by a corporation or labor organization which is the regular employer of the individual rendering such services, shall be reported in accordance with the provisions of Part 104.

(3) A separate segregated fund is subject to all other disclosure requirements of political committees as set forth in Part 104.

(f) *Contribution limits.* Separate segregated funds are subject to the contribution limitations for political committees set forth in Part 110. (See particularly § 110.3).

(g) *Solicitations.* Except as specifically provided in §§ 114.6, 114.7, and 114.8, a corporation and/or its separate segregated fund or a labor organization and/or its separate segregated fund is subject to the following limitations on solicitations:

(1) A corporation, or a separate segregated fund established by a corporation is prohibited from soliciting contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families. A corporation may solicit the executive or administrative personnel of its subsidiaries, branches, divisions, and affiliates and their families.

(2) This definition does not include —
(i) Professionals who are represented by a labor organization;

(ii) Salaried foremen and other salaried lower level supervisors having direct supervision over hourly employees;

(iii) Former or retired personnel who are not stockholders; or

(iv) Individuals who may be paid by the corporation or labor organization, such as consultants, but who are not employees, within the meaning of 26 CFR 31.3401(e)-1, of the corporation or labor organization for the purpose of income withholding tax on employee wages under Internal Revenue Code of 1954, section 3402.

(3) Individuals on commission may be considered executive or administrative personnel if they have policymaking, managerial, professional, or supervisory responsibility and if the individuals are employees, within the meaning of 26 CFR 31.3401(e)-1 of the corporation for the purpose of income withholding tax on employee wages under the Internal Revenue Code of 1954, section 3402.

(4) The Fair Labor Standards Act, 29 U.S.C. 201, et seq. and the regulations issued pursuant to that Act, 29 CFR 541, may serve as a guideline in determining whether individuals have policymaking, managerial, professional, or supervisory responsibilities.

(d) "Labor organization" means any organization of any kind, or any agency or employee representative committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(e) "Members" means all persons who are currently satisfying the requirements for membership in a membership organization, trade association, cooperative, or corporation without capital stock and in the case of a labor organization, persons who are currently satisfying the requirements for membership in a local, national, or international labor organization. Members of a local union are considered to be members of a national or international union in which the local

union is a part and of any federation with which the local, national, or international union is affiliated. A person is not considered a member under this definition if the only requirement for membership is a contribution to a separate segregated fund.

(f) "Method of facilitating the making of contributions" means the manner in which the contributions are received or collected such as, but not limited to, payroll deduction or check off systems, other periodic payment plans, or return envelopes enclosed in a solicitation request.

(g) "Method of soliciting voluntary contributions" means the manner in which the solicitation is undertaken including, but not limited to, mailings, oral requests for contributions, and hand distribution of pamphlets.

(h) "Stockholder" means a person who has a vested beneficial interest in stock, has the power to direct how that stock shall be voted, if it is voting stock, and has the right to receive dividends.

(i) "Voluntary contributions" are contributions which have been obtained by the separate segregated fund of a corporation or labor organization in a manner which is in compliance with § 114.5(a) and which is in accordance with other provisions of the Act

(2 U.S.C. 431(b)(1)(B)(i), 432(e)(3), 438(a)-441b; 2 U.S.C. 441b, 437(a)(8))

(41 FR 35955, Aug. 25, 1976, as amended; 44 FR 63045, Nov. 1, 1979; 45 FR 15125, Mar. 7, 1980; 45 FR 21210, Apr. 1, 1980; 46 FR 50500, Nov. 2, 1981)

§ 114.2 Prohibitions on contributions and expenditures.

(a) National banks, or corporations organized by authority of any law of Congress, are prohibited from making a contribution or expenditure, as defined in § 114.1(a), in connection with election to any political office, including local, State and Federal offices, or in connection with any primary election or political convention or caucus held to select candidates for any political office, including any local, State or Federal office.

(1) Such national banks and corporations may engage in the activities permitted by this part, except to the

extent that such activity is foreclosed by provisions of law other than the Act.

(2) The provisions of this part apply to the activities of a national bank or corporation organized by any law of Congress in connection with both State and Federal elections.

(b) Any corporation whatever or any labor organization is prohibited from making a contribution or expenditure, as defined in § 114.1(a) in connection with any Federal election.

(c) A candidate, political committee, or other person is prohibited from knowingly accepting or receiving any contribution prohibited by this section.

(d) No officer or director of any corporation or any national bank, and no officer of any labor organization shall consent to any contribution or expenditure by the corporation, national bank, or labor organization prohibited by this section.

§ 114.3 Disbursements for communications in connection with a Federal election to restricted class.

(a) *General.* (1) A corporation may make communications including partisan communications to its stockholders and executive or administrative personnel and their families on any subject. A labor organization may make communications including partisan communications to its members and executive or administrative personnel and their families on any subject. Corporations and labor organizations may also make the nonpartisan communications permitted under 11 CFR 114.4 to their restricted class or any part of that class. No corporation or labor organization may make contributions or expenditures for partisan communications to the general public in connection with a federal election and no national bank or corporation organized by authority of any law of Congress may make contributions or expenditures for partisan communications to the general public in connection with any election to any political office including any State or local office.

(2) Any incorporated membership organization, incorporated trade association, incorporated cooperative or cor-

poration without capital stock may communicate with its members and executive or administrative personnel, and their families, as permitted in 11 CFR 114.3 (a)(1) and (c), and shall report disbursements for partisan communications to the extent required by 11 CFR 100.8(b)(4) and 104.6.

(b) *Reporting partisan communications.* Disbursements for partisan communications made by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and executive or administrative personnel and their families shall be reported to the extent required by 11 CFR 100.8(b)(4) and 104.6.

(c) *Means of making partisan communications.* The means of making partisan communications for which disbursements must be reported under 11 CFR 114.3(b) include, but are not limited to, the examples set forth in 11 CFR 114.3(c) (1) through (4).

(1) *Partisan publications.* Printed material of a partisan nature may be distributed by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and executive or administrative personnel and their families, provided that:

(i) The material is produced at the expense of the corporation or labor organization; and

(ii) The material constitutes a communication of the views of the corporation or the labor organization, and is not the republication or reproduction in whole or in part, of any broadcast, transcript or tape or any written, graphic, or other form of campaign materials prepared by the candidate, his or her campaign committees, or their authorized agents. A corporation or labor organization may, under this section, use brief quotations from speeches or other materials of a candidate that demonstrate the candidate's position as part of the corporation's or labor organization's expression of its own views.

(2) *Partisan candidate and party appearances.* A corporation may allow a candidate or party representative to address its stockholders and executive

(2) A labor organization, or a separate segregated fund established by a labor organization is prohibited from soliciting contributions to such a fund from any person other than its members and executive or administrative personnel, and their families.

(h) *Accidental or inadvertent solicitation.* Accidental or inadvertent solicitation by a corporation or labor organization, or the separate segregated fund of either, of persons apart from and beyond those whom it is permitted to solicit will not be deemed a violation, provided that such corporation or labor organization or separate segregated fund has used its best efforts to comply with the limitations regarding the persons it may solicit and that the method of solicitation is corrected forthwith after the discovery of such erroneous solicitation.

(i) *Communications paid for with voluntary contributions.* A separate segregated fund may, using voluntary contributions, communicate with the general public, except that such communications may not solicit contributions to a separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock, unless such solicitation is permitted under paragraph (g) of this section.

(j) *Acceptance of contributions.* A separate segregated fund may accept contributions from persons otherwise permitted by law to make contributions.

(k) *Availability of methods.* Any corporation, including its subsidiaries, branches, divisions, and affiliates, that uses a method of soliciting voluntary contributions or facilitating the making of voluntary contributions from its stockholders or executive or administrative personnel and their families, shall make that method available to a labor organization representing any members working for the corporation, its subsidiaries, branches, divisions, and affiliates for soliciting voluntary contributions or facilitating the making of voluntary contributions from its members and their families. Such method shall be made available on the written request of the labor organization and at a cost sufficient only

to reimburse the corporation for the expenses incurred thereby. For example—

(1) If a corporation, including its subsidiaries, branches, divisions, or affiliates utilizes a payroll deduction plan, check-off system, or other plan, which deducts contributions from the dividend or payroll checks of stockholders or executive or administrative personnel, the corporation shall, upon written request of the labor organization, make that method available to members of the labor organization working for the corporation, its subsidiaries, branches, divisions, or affiliates, who wish to contribute to the separate segregated fund of the labor organization representing any members working for the corporation, or any of its subsidiaries, branches, divisions, or affiliates. The corporation shall make the payroll deduction plan available to the labor organization at a cost sufficient only to reimburse the corporation for the actual expenses incurred thereby.

(2) If a corporation uses a computer for addressing envelopes or labels for a solicitation to its stockholders or executive or administrative personnel, the corporation shall, upon written request, program the computer to enable the labor organization to solicit its members. The corporation shall charge the labor organization a cost sufficient only to reimburse the corporation for the actual expenses incurred in programming the computers and the allocated cost of employee time relating to the work, and the materials used.

(3) If a corporation uses corporate facilities, such as a company dining room or cafeteria, for meetings of stockholders or executive or administrative personnel at which solicitations are made, the corporation shall upon written request of the labor organization allow that labor organization to use existing corporate facilities for meetings to solicit its members. The labor organization shall be required to reimburse the corporation for any actual expenses incurred thereby, such as any increase in the overhead of the corporation and any cost involved in setting up the facilities.

(4) If a corporation uses no method to solicit voluntary contributions or to facilitate the making of voluntary contributions from stockholders or executive or administrative personnel, it is not required by law to make any method available to the labor organization for its members. The corporation and the labor organization may agree upon making any lawful method available even though such agreement is not required by the Act.

(5) The availability of methods of twice yearly solicitations is subject to the provisions of § 114.6(e).

(l) *Methods permitted by law to labor organizations.* Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members and executive or administrative personnel.

(2 U.S.C. 441b, 437d(a)(8))

141 FR 35955, Aug. 25, 1976, as amended at 45 FR 21210, Apr. 1, 1980; 46 FR 26303, June 7, 1983; 48 FR 50508, Nov. 2, 1983

§ 114.6 Twice yearly solicitations.

(a) A corporation and/or its separate segregated fund may make a total of two written solicitations for contributions to its separate segregated fund per calendar year of its employees other than stockholders, executive or administrative personnel, and their families. Employees as used in this section does not include former or retired employees who are not stockholders. Nothing in this paragraph shall limit the number of solicitations a corporation may make of its stockholders and executive or administrative personnel under § 114.5(g).

(b) A labor organization and/or its separate segregated fund may make a total of two written solicitations per calendar year of employees who are not members of the labor organization, executive or administrative personnel, or stockholders (and their families) of a corporation in which the labor organization represents members working for the corporation. Nothing

in this paragraph shall limit the number of solicitations a labor organization may make of its members under § 114.5(g).

(c) *Written solicitation.* A solicitation under this section may be made only by mail addressed to stockholders, executive or administrative personnel, or employees at their residences. All written solicitations must inform the recipient—

(1) Of the existence of the custodial arrangement described hereinafter;

(2) That the corporation, labor organization, or the separate segregated fund of either cannot be informed of persons who do not make contributions; and

(3) That persons who, in a calendar year make a single contribution of \$50 or less, or multiple contributions aggregating \$200 or less may maintain their anonymity by returning their contributions to the custodian.

(d) *The custodial arrangement.* In order to maintain the anonymity of persons who do not wish to contribute and of persons who wish to respond with a single contribution of \$50 or less, or multiple contributions aggregating \$200 or less in a calendar year, and to satisfy the recordkeeping provisions, the corporation, labor organization, or separate segregated fund of either shall establish a custodial arrangement for collecting the contributions under this section.

(1) The custodian for a separate segregated fund established by a corporation shall not be a stockholder, officer, executive or administrative personnel, or employee of the corporation, or an officer, or employee of its separate segregated fund. The custodian for a separate segregated fund established by a labor organization shall not be a member, officer or employee of the labor organization or its separate segregated fund.

(2) The custodian shall keep the records of contributions received in accordance with the requirements of Part 102 and shall also—

(i) Establish a separate account and deposit contributions in accordance with the provisions of Part 103;

(ii) Provide the fund with the identification of any person who makes a single contribution of more than \$50

and the identification of any person who makes multiple contributions aggregating more than \$200. The custodian must provide this information within a reasonable time prior to the reporting date of the fund under Part 04.

(iii) Periodically forward all funds in the separate account, by check drawn on that account, to the separate segregated fund; and

(iv) Treat all funds which appear to be illegal in accordance with the provisions of § 103.3(b).

(3) The custodian shall not--

(i) Make the records of persons making a single contribution of \$50 or less, or multiple contributions aggregating \$200 or less, in a calendar year, available to any person other than representatives of the Federal Election Commission, the Clerk of the House or the Secretary of the Senate, as appropriate, and law enforcement officials or judicial bodies.

(ii) Provide the corporation or labor organization or the separate segregated fund of either with any information pertaining to persons who, in a calendar year, make a single contribution of \$50 or less or multiple contributions aggregating \$200 or less except that the custodian may forward to the corporation, labor organization or separate segregated fund of either the total number of contributions received; or

(iii) Provide the corporation, labor organization, or the separate segregated fund of either with any information pertaining to persons who have not contributed.

(4) The corporation, labor organization, or the separate segregated fund of either shall provide the custodian with a list of all contributions, indicating the contributor's identification and amount contributed, which have been made directly to the separate segregated fund by any person within the group of persons solicited under this section.

(5) Notwithstanding the prohibitions of paragraph (d)(1) of this section, the custodian may be employed by the separate segregated fund as its treasurer and may handle all of its contributions, provided that the custodian reserves the custody of the con-

tributors as required by this section. The custodian shall file the required reports with the Federal Election Commission, the Clerk of the House, or the Secretary of the Senate, as appropriate. A custodian who serves as treasurer is subject to all of the duties, responsibilities, and liabilities of a treasurer under the Act, and may not participate in the decision making process whereby the separate segregated fund makes contributions and expenditures.

(c) *Availability of methods.* (1) A corporation or labor organization or the separate segregated fund of either may not use a payroll deduction plan, a check-off system, or other plan which deducts contributions from an employee's paycheck as a method of facilitating the making of contributions under this section.

(2) The twice yearly solicitation may only be used by a corporation or labor organization to solicit contributions to its separate segregated fund and may not be used for any other purpose.

(3) A corporation is required to make available to a labor organization representing any members working for the corporation or its subsidiaries, branches, divisions, or affiliates the method which the corporation uses to solicit employees under this section during any calendar year.

(4) If the corporation uses a method to solicit any employees under this section, the corporation is required to make that method available to the labor organization to solicit the employees of the corporation who are not represented by that labor organization, and the executive or administrative personnel and the stockholders of the corporation and their families.

(5) If the corporation does not wish to disclose the names and addresses of stockholders or employees, the corporation shall make the names and addresses of stockholders and employees available to an independent mailing service which shall be retained to make the mailing for both the corporation and the labor organization for any mailings under this section.

(6) If the corporation makes no solicitation of employees under this section during the calendar year, the corporation is not required to make any

method or any names and addresses available to any labor organization.

(4) The corporation shall notify the labor organization of its intention to make a solicitation under this section during a calendar year and of the method it will use, within a reasonable time prior to the solicitation, in order to allow the labor organization opportunity to make a similar solicitation.

(5) If there are several labor organizations representing members employed at a single corporation, its subsidiaries, branches, divisions, or affiliates, the labor organizations, either singularly or jointly, may not make a combined total of more than two written solicitations per calendar year. A written solicitation may contain a request for contributions to each separate fund established by the various labor organizations making the combined mailing.

2 U.S.C. 4310(b)(3), 432e(3), 4300(a)

141 FR 35955, Aug. 25, 1976, as amended at 45 FR 15125, Mar. 7, 1980

§ 114.7 Membership organizations, cooperatives, or corporations without capital stock.

(a) Membership organizations, cooperatives, or corporations without capital stock, or separate segregated funds established by such persons may solicit contributions to the fund from members and executive or administrative personnel, and their families, of the organization, cooperative, or corporation without capital stock.

(b) Nothing in this section waives the prohibition on contributions to the separate segregated fund by corporations, national banks, or labor organizations which are members of a membership organization, cooperative, or corporation without capital stock.

(c) A trade association whose membership is made up in whole or in part of corporations is subject to the provisions of § 114.8 when soliciting any stockholders or executive or administrative personnel of member corporations. A trade association which is a membership organization may solicit its noncorporate members under the provisions of this section.

(d) The question of whether a professional organization is a corporation is determined by the law of the State

in which the professional organization exists.

(e) There is no limitation upon the number of times an organization under this section may solicit its members and executive or administrative personnel, and their families.

(f) There is no limitation under this section on the method of solicitation or the method of facilitating the making of voluntary contributions which may be used.

(g) A membership organization, cooperative, or corporation without capital stock and the separate segregated funds of the organizations are subject to the provisions in § 114.5(a).

(h) A membership organization, cooperative, or corporation without capital stock may communicate with its members and executive or administrative personnel, and their families, under the provisions of § 114.3.

(i) A mutual life insurance company may solicit its policyholders if the policyholders are members within the organizational structure.

(j) A membership organization, including a trade association, cooperative, or corporation without capital stock or a separate segregated fund established by such organization may not solicit contributions from the separate segregated funds established by its members. The separate segregated fund established by a membership organization, including a trade association, cooperative, or corporation without capital stock may, however, accept unsolicited contributions from the separate segregated funds established by its members.

(2 U.S.C. 441b, 437d(a)(8))

141 FR 35955, Aug. 25, 1976, as amended at 40 FR 50500, Nov. 2, 1983

§ 114.8 Trade associations.

(a) *Definition.* A trade association is generally a membership organization of persons engaging in a similar or related line of commerce, organized to promote and improve business conditions in that line of commerce and not to engage in a regular business of a kind ordinarily carried on for profit, and no part of the net earnings of which inures to the benefit of any member.

POSITION PAPER
HB 137

This bill amends both the Campaign Disclosure Law and other sections of the Election Code concerning the deadlines for filing for office.

For the first time, restrictions are placed on the period of time during which a candidate may accept contributions. Post-election contributions to legislative candidates are banned until June 1 before the election for which the candidate files. Filing by a legislative candidate is not allowed until January 2 of election year. A similar ban on receipt of contributions and filing date for municipal candidates applies until 150 days before the election.

The \$1,000 contribution limitation is amended to create two tiers. Statewide candidates may continue to receive \$1,000 from a person or group. Candidates for nonstatewide office and groups may receive only \$500 from a person or group. Contributions to or from a political party remain unlimited but that concept could be made clearer by using the word "limitations" in section 3, line 10.

The establishment of different limits for legislative and statewide office may cause a problem which does not exist under the present law. Absent a specific prohibition, a candidate might file for statewide office, collect \$1,000 contributions and then refile for an office where contributions are limited to \$500. An additional enforcement problem exists with new language which attempts to control campaign behavior. Under current law, only reporting violations are subject to fines assessed by the Commission. All other violations are misdemeanors which require a showing of willful violation. While this does not mean that no new "behavior prohibitions" should be established, it does mean that enforcement efforts will be limited until such time as the Commission is granted broader civil penalty power. Consideration should also be given to amending the language in AS 15.13.070(d) to strengthen the Commission's authority to assure that unlawful contributions of any kind must be surrendered by the receiving campaign.

The Commission supports HB 137, with the exception of the two-tier contribution limitation provision, because it represents a specific effort to control campaigns that are too expensive, last too long, and are often followed by fundraising of questionable propriety.

Theda Pittman

Theda Pittman, Executive Director
Alaska Public Offices Commission

3/5/87

Date

Jan Rogers

Jan Rogers, Chairman
Alaska Public Offices Commission

3/5/87

Date



Graham

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March 5, 1987

Memo: To all Interested Legislators

Re: House Bill 137 - An act relating to elections

The League of Women Voters of Alaska supports the following points in HB 137:

- * early cut-off date for recouping expenses of a campaign, i.e. the day before the general election
We think this will prevent contributions in an attempt to influence obvious winners.
- * limit the length of campaigns, i.e. no candidate may file for office before January 2 of the year of the election
We think this will reduce the cost of campaigning, and will close a loophole allowing a candidate to recoup campaign expenses by simply opening a new campaign.
- * limit contributions by any person or group other than a political party, i.e. to \$1000 per year for a statewide office and \$500 per year for a non-statewide office or for a group
We think this will reduce the cost of campaigning by making a smaller pool of money available, and will limit the influence of a larger contribution.

The primary concern the League has about HB 137 is the possibility that it would elevate the influence of the major political parties. We would like this to be considered carefully as it could work to the disadvantage of candidates from smaller political parties or those running as independents.



AKPIRG
ALASKA PUBLIC INTEREST RESEARCH GROUP
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Rep. Fran Ulmer, Chair
 House State Affairs Committee
 &
 Rep. Kay Brown
 Box V
 Juneau, AK 99811

5 March 1987

via Telecopier

RE: HB137

Dear Reps. Ulmer & Brown,

As an organization long involved as the principal public interest advocate for improved campaign financing laws, AKPIRG is very pleased to see the submission of HB 137 which will provide clear breaks in campaign fundraising seasons and add meaningful definition and control to certain areas of contributions and contributors.

One of the most egregious flaws in Alaska's campaign financing law is the fact that fundraising for candidates goes beyond the day they are elected. Simply put, any payments made to them after they acquire the status of elected office (whether they've been sworn in yet or not) have the absolute appearance, the possible effect, and the public perception of being given to influence them in their elected role. That is not acceptable in an elective system where we seek to have our representatives completely free to make decisions based on the best information available--not on who has the most "access".

HB 137 provides a simple, effective means of stopping this practice and we would encourage you to look closely at the potential motives of anyone who might oppose this measure. Especially the candidates themselves should be pleased. As it stands now, the opportunity to continue fundraising encourages competing candidates to incur obligations which they count on meeting later. By establishing the clear deadlines provided in this bill, you will eliminate the lure to spend ever more and to risk further debt (to say nothing of the general escalation in campaign costs). How many losing candidates are out there somewhere trying to pay off huge debts stimulated further by this open-ended tease?

The bill also provides a clear break between the end of one campaign and the beginning of the next. This sort of approach

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works well in Brittain and clearly can work well here. It is very compatible with the general goals of controlling excessive campaign costs and providing reassurance to the public that their elected officials will be free from any semblance of inappropriate influence.

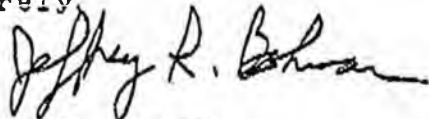
We also applaud the provisions providing added controls on expenditures by persons or groups. This section adds valuable definition to those terms and clarifies the additional limits within which such contributions can be made. It should be noted that AKPIRG would support even stronger limits that would eliminate contributions from anyone but individuals and political parties, but we are supportive of the significant progress that even this bill provides.

The one technical suggestion we would offer is in Sec. 3. On lines 14 & 15 we urge alteration of the language to clarify that the only campaign in which you're permitting unlimited personal candidate contributions is to their own campaign. We suggest language such as "a candidate from contributing more than \$500 of their own personal funds to their own campaign" or similar to make this point absolutely clear.

If Alaska is to reverse the alarming trend of the past decade that has seen our campaigns go so far out of control as to disenfranchise many potential candidates and to compromise the fundamental concept of one person, one vote (that is, equal involvement and influence in the elective process), we must drastically improve our campaigning laws. There is encouraging progress being considered in both chambers this year and the bill before you, HB 137, fully falls within that description. AKPIRG urges you to pass the bill as an effective part of the full range of solutions which Alaskans seek.

We will be pleased to provide any additional assistance on this or related matters in the future.

Sincerely,



Jeffrey R. Bohman
Executive Director

Kay Brown

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Alaska State Legislature House of Representatives

TO: Rep. Fran Ulmer, Chair
House State Affairs Committee

DATE: March 5, 1987

FROM: Rep. Kay Brown

RE: HB 137, An Act
relating to
Elections

HB 137, An Act relating to elections, has been referred to the House State Affairs Committee for consideration.

Thank you for scheduling a hearing on Friday, March 6 at 3:00 p.m. For your convenience, I have attached a copy of the sectional and statements of support by the Alaska Public Interest Research Group (AKPIRG), the Alaska Public Offices Commission, and the League of Women Voters.

The purpose of the bill is to reform campaign financing in legislative and municipal campaigns by:

- (1) prohibiting post-election fundraising;
- (2) reducing contributions to campaigns; and
- (3) limiting the length of campaigns.

The problem is that too much money is being spent on election campaigns. Current law encourages overspending in two ways:

First, current law encourages a candidate to incur large campaign debts during the election by allowing a candidate to repay such debts with funds raised after the election.

Second, contribution limits are too high: An individual, corporation, union or PAC may contribute \$2000 to a candidate--\$1,000 during the year before the election and another \$1,000 during the year of the election. The majority of the states which regulate campaign contributions have set lower limits for non-statewide candidates. See: Book of the States, Campaign Finance Laws, Tables 5.5, 5.6 and 5.7 (1986-87), attached.

HB 137 would prohibit a candidate from accepting a contribution on or after the day of the general election. This prohibition presumably would discourage candidates from incurring large debts they could not recoup through post-election fundraising, and should lead to lower-cost campaigns.

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Legislative candidates could not again accept contributions until June 1 of the year of the next election. Municipal candidates could not again accept contributions until 150 days before the date of the next municipal election. (The apparent disparity allows municipal and legislative candidates roughly equivalent periods of fundraising, regardless of the date on which the municipal election is scheduled.)

HB 137 would limit individual, corporate, labor and political action committee (PAC) contributions to \$500 per candidate, per election. As under current law, contributions to and by a political party would not be limited.

HB 137 would shorten the length of campaigns by prohibiting a candidate from filing for office until January 2 of the year of the election.

HB 137 would not change the current status of the law governing statewide elections.

cc: Members, House State Affairs

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Table 5.5
CAMPAIGN FINANCE LAWS: LIMITATIONS ON CONTRIBUTIONS
BY ORGANIZATIONS
(As of January 1986)

<i>State or other jurisdiction</i>	<i>Corporate</i>	<i>Labor union</i>	<i>Separate segregated fund—political action committee (PAC)</i>	<i>Regulated industry</i>	<i>Political party</i>
Alabama.....	Limited to \$500 to any one candidate, political committee, or political party per election.	Unlimited.	Unlimited.	Public utility regulated by public service commission may only contribute through a PAC.	Unlimited.
Alaska(a).....	Limited to \$1,000 per year for each elective office.	Same as corporate.	Same as corporate.	...	Unlimited.
Arizona.....	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Arkansas(a).....	Limited to \$1,500 per candidate, per election.	Same as corporate.	Same as corporate.	...	Limited to \$2,500 per candidate, per election.
California(m).....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Colorado(a).....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Connecticut(a).....	Prohibited.	Prohibited.	Labor organization PAC limited to an aggregate of \$50,000 per election, and same limits per candidate as individuals. Corporate PAC limited to an aggregate of \$100,000 per election, and twice the limits per candidate as individuals.	Prohibited.	Unlimited.
Delaware(a).....	Limited to \$1,000 per statewide candidate per election, \$500 per non-statewide candidate, per election.	Same as corporate.	Same as corporate.	...	...
Florida(a).....	Limited to \$3,000 for statewide office candidate per election; \$2,000 for candidate for retention as district court of appeal judge; \$1,000 for any other candidate or committee, per election.	Same as corporate.	Same as corporate.	...	Unlimited, except that party may not contribute to a candidate for judicial office.
Georgia.....	Unlimited.	Unlimited.	Unlimited.	Public utility corporation, regulated by public service commission may not contribute, directly or indirectly.	Unlimited.
Hawaii(a).....	Limited to \$2,000 in any election period.	Same as corporate.	Same as corporate.	...	Sliding scale percentage limit based upon candidate expenditure limits.
Idaho.....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Illinois.....	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.

From Book of 50 STATES
 Publ. Council of St. Louis
 1986/87

LIMITATIONS ON CONTRIBUTIONS BY ORGANIZATIONS—Continued

<i>State or other jurisdiction</i>	<i>Corporate</i>	<i>Labor union</i>	<i>Separate segregated fund— political action committee (PAC)</i>	<i>Regulated industry</i>	<i>Political party</i>
Indiana	Limited to an aggregate of \$5,000 for statewide candidates; an aggregate of \$5,000 for state party central committees; an aggregate of \$2,000 for other offices; and an aggregate of \$2,000 for other party committees.	Same as corporate.	Unlimited.	.....	Unlimited.
Iowa	Prohibited.	Unlimited.	Unlimited.	Prohibited for insurance companies.	Unlimited.
Kansas	Limited to \$3,000 per statewide candidate per election, and \$750 per candidate, per election for other offices.	Same as corporate.	Same as corporate.	Same as corporate.	Unlimited.
Kentucky(a)	Prohibited.	Unlimited.	Unlimited.	Prohibited.	Unlimited.
Louisiana(a)	Unlimited.	Unlimited.	Unlimited.	.....	Unlimited.
Maine	Limited to \$5,000 per candidate per election.	Same as corporate.	Same as corporate.	Same as corporate.	Same as corporate.
Maryland(a)	Limited to an aggregate of \$2,500 per election and \$1,000 per candidate, per election.	Same as corporate.	Unlimited.	.....	Unlimited.
Massachusetts(a)	Prohibited.	Unlimited.	Unlimited.	Prohibited.	Unlimited.
Michigan(a)	Prohibited for candidate elections. Corporations may contribute up to \$40,000 to a ballot question committee.	Limited to \$1,700 for a statewide office, \$450 for state senator, \$250 for state representative candidates per election.	Same as labor union.	Prohibited.	State central committee is limited to \$34,000 for a statewide office, \$4,500 for state senator, \$2,500 for state representative candidates, per election. Local party is limited to \$17,000 for a statewide office, \$4,500 for a state senator, \$2,500 for state representative candidates, per election.
Minnesota	Prohibited.	Limited to \$60,000 per election year for governor/lt. governor (\$12,000 in non-election years); \$10,000 per election year for attorney general (\$2,000 in non-election years); \$5,000 per election year for other statewide offices (\$1,000 in non-election years); \$1,500 per election year for state senator (\$300 in non-election years); \$750 per election year for state representative (\$150 in non-election years).	Same as labor union.	Prohibited for insurance companies.	Limited to \$300,000 per election year for governor/lt. governor (\$60,000 in non-election years); \$50,000 per election year for attorney general (\$10,000 in non-election years); \$25,000 per election year for other statewide offices (\$5,000 in non-election years); \$7,500 per election year for state senator (\$1,500 in non-election years); \$3,750 p. election year for state representative (\$750 in non-election years).

LIMITATIONS ON CONTRIBUTIONS BY ORGANIZATIONS—Continued

<i>State or other jurisdiction</i>	<i>Corporate</i>	<i>Labor union</i>	<i>Separate segregated fund—political action committee (PAC)</i>	<i>Regulated industry</i>	<i>Political party</i>
Mississippi	Limited to \$1,000 per candidate per year and \$250 for judicial office primary candidates.	Unlimited, except in contributions to judicial office primary candidates (\$250 limit).	Same as labor union.	Generally prohibited.	Same as labor union.
Missouri(a)	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Montana	Prohibited.	Limited for all elections in a campaign to \$1,500 for governor/lt. governor; \$750 for other statewide candidates; \$400 for public service commissioner or state senator; \$250 for other candidates.	Limited for all elections in a campaign to \$8,000 for governor/lt. governor; \$2,000 for other statewide candidates; \$1,000 for public service commissioner; \$600 for state senator (\$1,000 total from all non-party political committees); \$300 for other candidates (\$600 total for house candidates from all non-party political committees).	Prohibited.	Contributions to judicial candidates are prohibited; otherwise, same as PAC.
Nebraska(a)	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
Nevada	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.
New Hampshire	Prohibited.	Prohibited.	Limited to \$5,000.	Prohibited.	Unlimited.
New Jersey(a)	Unlimited, except in contributions to governor in any primary or general election (\$800 limit).	Same as corporate.	Same as corporate.	Prohibited for insurance corporations or associations and certain other corporations.	Unlimited, except state committee contribution to governor in general election (\$400 limit).
New Mexico	Unlimited.	Unlimited.	Unlimited.	...	Prohibited in primary elections, otherwise unlimited.
New York(a)	Limited to an aggregate of \$5,000 per calendar year.	Unlimited.	Unlimited.	Public utilities may not contribute from public service revenues unless cost is charged to shareholders.	Unlimited.
North Carolina(a)	Prohibited.	Prohibited.	Limited to \$4,000 per committee or candidate, per election.	Prohibited.	Unlimited.
North Dakota	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Ohio(a)	Prohibited.	Unlimited.	Prohibited for corporate PAC; otherwise, unlimited.	Prohibited for public utilities.	Unlimited.
Oklahoma	Prohibited.	Limited to \$5,000 to a political party or organization or a state office, and \$1,000 for a local office candidate.	Same as labor union.	Prohibited.	Same as labor union.
Oregon	Unlimited.	Unlimited.	Unlimited.	Generally prohibited.	Unlimited.
Pennsylvania(a)	Prohibited.	Prohibited.	Unlimited.	Prohibited.	Unlimited.
Rhode Island	Unlimited.	Unlimited.	Unlimited.	...	Unlimited.