

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8791 HOUSE STATE AFFAIRS

PART III

**UNDERAGE
CIGARETTE BUYING OPERATIONS:**

WHY CONDUCT THEM?

UNDERAGE CIGARETTE BUYING OPERATIONS:

WHY CONDUCT THEM?

Questions have been raised about the advisability and the legality of a health agency sponsoring an event for young teens to buy cigarettes. Wouldn't we be arranging for them to do exactly what we didn't want them to do? Would buying cigarettes teach them how to do it? Would their parents even let them participate? Would we alienate members of the community rather than win them as allies? And isn't there already a law against selling cigarettes to minors and is this something law enforcement, rather than a health department, should do something about?

These are serious, legitimate questions that can be raised in the context of community concerns. Yet, we can justify our reasons for being involved in a community education program about tobacco.

- Many of us had been touched by tobacco-caused deaths of loved ones and knew we wanted to keep kids from ever starting to smoke.
- We knew the average age that smokers begin is 13, and understood that if we could prevent young teens from being able to buy cigarettes, that would be a big step toward preventing addiction resulting in later death and disease.
- We knew that much of the public, including many store owners, clerks, and teenagers, were unaware of - or unconcerned about - the law against selling cigarettes to anyone under 18 years old.

Translating Beliefs Into Action

As it will probably turn out, your concerns will become insignificant compared to the impact the campaign can make on your community. Taking actions which can make a difference will develop a deep sense of pride among your teens, and even your community. The truth is that no one wants young kids smoking and the campaign can produce dramatic, visible results from your own actions. There is no substitute for becoming an actor in a campaign which can change a community's capacity to protect children's lives and health.

You can also accomplish some less tangible results. You can expect these kinds of rewards and changes in your community, too:

- Community-wide awareness about the easy availability of cigarettes to minors can dramatically increase. You can deluge the media with press conferences, radio public service announcements, photographs, newsmaking events, youth appearances at the City Council, youth petitions to change the vending machine laws, TV talk shows, and slide shows to PTAs and community groups.

- Community awareness can lead to increased community involvement, which heightens efforts to change laws and change merchants' selling behavior.
- Simple participation by youth can grow into their taking real leadership roles and developing public speaking and advocacy skills. After teens have such a key role in buying operations and reporting of results, you can continue to provide arenas for them to describe their experiences. The youths' genuineness and the poignancy of their reflections can generate an audience impact. In many instances, the audience will observe the teens making new discoveries about the significance of their experiences as they speak:

"The clerk sold me the cigarettes I asked for and (knowing that I was underage) told me to put them in my pocket before leaving the store."

Because it was so easy, some minors thought buying cigarettes was a boring experience.

- Most merchants and store owners will probably respond enthusiastically to your "voluntary compliance" approach and to the fact that you do not identify store names in reporting the results. Follow-up calls to stores will reveal how much they appreciate your efforts.
- In Raleigh, N.C., a broadly diverse group in the community coalesced around the issue of minors' access to tobacco; and in the process of planning and conducting the campaign they created stronger ties within their community and greater interest in its health and welfare. Their actions created protective laws in the city, and they were able to have an empowering impact on their community.

Logistics, planning, and persistence (and maybe a few headaches) are all part of this process, but it's worth it. Your whole community can get involved in keeping cigarettes out of the hands of young people.

Active Enforcement of Cigarette Control Laws in the Prevention of Cigarette Sales to Minors

Leonard A. Jason, PhD; Peter Y. Ji; Michael D. Anes; Scott H. Birkhead

Objective.—To assess the effect that cigarette legislation would have on reducing merchant sales rates of cigarettes to minors and the effect on adolescent smoking behavior.

Design.—Observational survey of merchant selling behaviors and adolescent smoking habits before and after passage of legislation.

Setting.—The setting for the merchant survey was Woodridge, Ill (population 25 200), a suburban community of Chicago. The surveys were distributed to adolescents in the local junior high school.

Participants.—Convenience sample of both merchants and adolescent students.

Intervention.—Passage of community antismoking legislation.

Main Outcome Measures.—Percentage of stores selling cigarettes to minors in Woodridge and percentage of students who had experimented with cigarettes or were regular smokers.

Results.—Merchant sales rates in Woodridge decreased from a baseline of 70% before legislation to less than 5% in 1.5 years of compliance checking after legislation. Student surveys showed that the rates of cigarette experimentation and regular use of cigarettes by adolescents were reduced by over 50%.

Conclusion.—Cigarette control laws can be effective in significantly reducing the rate of cigarettes sold by merchants and rates of cigarette use by adolescents. Key elements of successful legislation implementation are consistent compliance checking and heightened community awareness of the problems and prevalence of adolescent smoking.

(JAMA. 1991;266:3159-3161)

DESPITE the health hazards of smoking, approximately 3000 adolescents become new smokers daily.¹ A recent study by DiFranza and Tye² has estimated over \$1 billion in illegal sales of tobacco products to minors. Although state laws prohibit sales to minors, minors frequently have little difficulty in purchasing cigarettes. Across the nation, active tobacco-control investigators have sent minors, under supervision, into stores to purchase cigarettes. In Santa Clara County, California, 74% of stores sampled in this manner sold tobacco products to minors.³ In Massachusetts, an 11-year-old child was able to purchase cigarettes from stores 75% of the time.⁴

Campaigns to alert merchants to cigarette laws are insufficient for restricting cigarette sales. In Buffalo, NY, letters describing the city's cigarette sales law, warning signs, and enforcement instruc-

tions were sent to merchants. Despite Buffalo's educational efforts, a citywide investigation showed that 77% of stores receiving educational packages sold cigarettes to minors.⁵ In Santa Clara, Calif, an aggressive campaign was used to alert merchants to cigarette laws. There was an initial reduction of cigarette sales to minors from 74% to 39%,⁶ yet vending machine sales were unchanged. A 1-year follow-up showed that the merchant sales had rebounded to 60%.⁷

See also pp 3168 and 3186.

The following study sought to assess, by periodic checking, the effects of licensing and enforcement of legislative provisions on cigarette selling behaviors of merchants and minors' accessibility to cigarettes. Through distribution of questionnaires before and after passage of legislation, we also sought to determine the effect of the law on the prevalence of adolescent cigarette use in a local junior high school.

METHOD

This study was initiated as a result of a private citizen's complaint regarding a minor's possession of cigarettes to Officer Bruce Talbot of the Woodridge, Ill (population, 25 200), police department. In August 1988, Officer Talbot sent a letter to all cigarette vendors in Woodridge detailing the state law prohibiting cigarette sales to minors. In addition, following a media focus on a DePaul University study of cigarette sales to minors in Chicago (L.A.J. and P. Y.J., unpublished data, 1991), Officer Talbot invited one of the authors (L.A.J.) to assess cigarette sales rates in Woodridge. These measurements were done in August and November 1988 and February 1989. The DePaul University research team also distributed a questionnaire to students at the local junior high school in March 1989 to determine the number of adolescent smokers and their smoking habits. In May 1989, new legislation was passed restricting cigarette sales in Woodridge, and cigarette sales were tracked after the legislation was passed.

During each checking period, minors 12 to 13 years of age (all of whom were rated by independent judges as looking less than 18 years of age) were sent into stores to purchase a pack of cigarettes. Unobtrusively, a Woodridge police official or a DePaul University research assistant observed the transaction. Vending machine sales were also tracked by sending minors to purchase cigarettes from these machines. There was 100% agreement between two independent judges as to whether an illegal sale occurred.

Sales assessments conducted before legislation to determine if Officer Talbot's letter to merchants was effective, were made in August and November 1988 and February 1989. In the spring of 1989, Officer Talbot and other Woodridge officials drafted cigarette control legislation modeled after the city's liquor control laws. This was done to treat the sales of tobacco and alcohol, both age-restricted products, in precisely the same manner. Using the liquor laws as

From the Department of Psychology, DePaul University, Chicago, Ill.

Reprint requests to the Department of Psychology, DePaul University, 2323 N Seminary Ave, Chicago, IL 60614 (Dr Jason)

Sales Rates and Offense Data Before and After Passage of Community Smoking Legislation

Date	No. of Stores	Sales Rate, %	No. of Stores Complying	First Offense	Second Offense
Before Passage					
August 1988	20	70	6		
November 1988	20	60	8		
February 1989	19	79	4		
After Passage					
June 1989	23	35	15	8	
August 1989	22	36	14	4	4
November 1989	22	0	22	0	0
January 1990	22	0	22	0	0
April 1990	27	4	26	1	0
July 1990	27	4	26	1	0
December 1990	30	3	29	1	0

a guide had the additional effect of taking advantage of existing civil enforcement structures, such as the mayor's office, for issuing sales licenses and following up violations. The new cigarette legislation, containing licensing, enforcement, and possession provisions, was passed May 1, 1989, with a 30-day enforcement grace period. Vendors were issued cigarette sales licenses and billed a licensing fee of \$50.

Reports of the cigarette sales assessment and the passage of the law were aired on local television stations and published in local newspapers to inform community members. During the grace period, Officer Talbot personally delivered a copy of the law and a tip sheet describing all forms of valid age identification issued by the state of Illinois to every cigarette vendor in Woodridge. Vendor's questions about the law were answered during these face-to-face store visits, each of which took approximately 15 minutes. All store visits were concluded in 1 day.

The Woodridge police department planned quarterly "stings" to check merchant compliance after the grace period, and all stores were checked regularly (Table). When a violation occurred, the police officer wrote a report on the violation and sent it to the mayor's office (the mayor is the tobacco commissioner under the ordinance, as well as liquor commissioner). The mayor's office then sent a letter informing the merchant of his or her right to appeal within 10 days. If the merchant chose to appeal, a civil hearing was held; otherwise, the mayor issued a warning to the merchant, and either suspended the cigarette-selling license for 1 or more days, and/or imposed a monetary fine of up to \$500. First offenses incurred a warning in the first year of enforcement, with a fine and/or suspension imposed if a second violation occurred during the subsequent compliance check. In the second year of enforcement, the tobacco commissioner has tended to enforce the ordinance more stringently than in the first year. If the merchant did not sell cigarettes to minors

during compliance checking periods, a congratulatory note was sent from the mayor's office.

The possession clause of the Woodridge ordinance allows police officers to issue a ticket to any minor caught with illegal tobacco products. This ticket carries a fine of \$25. The minor can pay the fine immediately at the police department, in a manner similar to paying for a parking ticket, or can wait for a civil hearing on the possession charge.

The police department in Woodridge has played an important role in the enforcement of penalties. First, after passage of the ordinance, all officers were informed of the provisions by a departmental memorandum from the chief of police. Second, if a store incurred a 1-day suspension, the mayor's office notified the police, and all officers patrolling the area were reminded at morning roll call to keep a watchful eye on the store.

The police also maintained heightened community awareness in Woodridge by sending letters to two different populations on a regular basis. At the end of every school year, police sent a letter to merchants warning them that during the summer months more adolescents would be in their stores, reminding them of the ordinance, and asking for their continued support. Also, at the beginning of every school year, Woodridge schoolchildren were given an informative letter about the ordinance to take home to their parents. This letter asked for continued compliance and stressed the importance of preventing adolescent tobacco access.

A follow-up questionnaire was distributed to junior high school students in April 1991, almost 2 years after passage of the ordinance. This questionnaire sought to determine the effects of the Woodridge ordinance on the number of adolescent smokers and their smoking habits.

RESULTS

Results of the assessment of Woodridge merchants' sales rates before en-

actment of the ordinance are shown in the Table. In addition, in each of the time periods predating the legislation, sales from three vending machines in Woodridge were shown to be 100%.

The results of compliance checking of Woodridge merchants conducted after the passage of the legislation are shown in the Table.

From March through May 1989, the interval between the compliance checks before and after passage of the legislation, the number of vending machines in Woodridge increased from three to six. In the first assessment after passage of the legislation (June 1989), three of six vending machines sold cigarettes in Woodridge. The number of vending machines decreased from six in January 1990 to two in December 1990. In January, April, and July 1990, there were no vending machine sales. In December 1990 there was one vending machine sale.

Fifty minors were cited for possession of cigarettes in the 1.5 years after passage of the ordinance. These minors were assessed a \$25 fine and their cigarettes were confiscated. Four of the 50 minors were repeat offenders during this time period.

A total of 680 local seventh- and eighth-grade students were surveyed in March 1989, before the law was passed. Results from this survey indicated that 46% of the students had experimented with cigarettes (eg, had tried cigarettes on at least one occasion) and 16% were regular smokers. In April 1991, almost 2 years after passage of the Woodridge ordinance, 639 local seventh- and eighth-grade students were surveyed, and 23% reported experimentation with cigarettes, with only 5% describing themselves as regular smokers. Survey return rates were at 90% or above both before and after passage of the legislation.

Other important data from the April 1991 survey revealed that 77% of the smokers cited friends, parents, siblings, or others as sources of their cigarettes, 17% cited stores or vending machines outside of Woodridge as their source, and 6% cited stores or vending machines within Woodridge. Additionally, 86% of student respondents knew of the Woodridge law and 69% felt the law would either prevent their procurement of cigarettes or make it harder for them to obtain cigarettes.

COMMENT

Two significant findings have emerged from this study. Principally, to our knowledge, Woodridge is the first community to successfully reduce cigarette sales rates to minors to a minimal level as a result of legislation. The key ele-

ments of the legislation are vendor licensing, active compliance checking, and penalties for merchant sales violations and minors' possession of cigarettes. Second, the combined effects of this legislation and a community awareness of the problem of adolescent smoking have substantially reduced the frequency of adolescent experimentation with cigarettes and regular smoking.

The licensing process in Woodridge is efficient because it takes advantage of existing enforcement procedures designed to control sales of alcohol to minors. The purpose of licensing is to motivate a store to monitor itself in cigarette sales, rather than face license suspension. If a temporary suspension is made, it is likely to have a greater impact than a fine, because so much of a store's profit is made through the sale of cigarettes, especially in large stores.

The legislation and enforcement success in Woodridge must also be attributed to the commitment of the police department and mayor's office to continually reinforce to the community the problem of adolescent smoking. The involvement of the local and Chicago metropolitan area media in reporting on cigarette sales before passage of the ordinance, the ordinance passage itself, and subsequent successes fostered community pride in the initiative. The police visits to merchants to clarify the law, internal police briefings regarding merchant violations, the police letter to merchants at the beginning of the summer, and the yearly age-identification tip sheets were all integral parts of main-

taining positive police-merchant interaction. Thank-you letters from the mayor's office helped to instill a sense of merchant solidarity and promoted merchant-community ties. Finally, the police department's letter describing the ordinance that was given to schoolchildren to take home to their parents and police efforts toward enforcement helped to keep families focused on the issue of adolescent smoking.

School survey results indicate that the Woodridge law has substantially reduced the number of adolescents who smoke. The reduction of merchant cigarette sales has played a major role in keeping cigarettes from minors. Another possible contribution to this reduction is the possession clause of the ordinance. The possession clause may provide an additional deterrent to experimental cigarette use by minors. Although opponents of penalties for possession in cigarette legislation have insisted that these clauses are a case of "blaming the victim" for cigarette use, we feel that possession clauses are one part of an overall plan—one part that may have a deterrent effect.

Traditional educational approaches to reducing merchant cigarette sales have resulted in only short-term reductions presumably because an educational message instills little motivation for change. Without the possibility of direct action, merchants will fail to respond to educational programs to reduce the number of adolescent smokers because of the tremendous profits involved in cigarette sales and the certainty of not being

caught. Legislation was effective in Woodridge because (1) police conducted regularly scheduled compliance checks and used uniform checking methods, (2) legislation was coupled with a strong educational message from the police to community members at the beginning and end of every school year, and (3) the community's success received consistent media exposure.

We would like to thank students Nick Cicarelli, age 13 years, Allison Vega, age 13 years, Christy Ketter, age 13 years, and Jenny Haut, age 12 years, for participating in the Woodridge compliance checks.

We also thank Richard Russell, principal of Jefferson Junior High School in Woodridge, Ill, for allowing access to students for our surveys and Woodridge Police Department Juvenile Officer Will Sperling for his helpful comments.

Last, we would like to thank Sergeant Bruce "Buzz" Talbot for his continued effort, support, and contribution to the Woodridge City Tobacco Ordinance, without which this article would not have been possible.

References

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STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

May 12, 1994

RE: Retailer Compliance Checks -- Immunity for Youth Participants

To determine the ease to which youth under the age of eighteen can access tobacco products, retailer compliance checks are being conducted across the state by local health departments and districts or their authorized contractors. Youth volunteers have agreed to participate in these controlled buys with the approval of their parents or guardians.

State law (RCW 70.155.080) grants immunity to youth participating in tobacco retailer compliance checks:

"A person under the age of eighteen who purchases or attempts to purchase or obtains or attempts to obtain cigarettes or tobacco products commits a class 3 civil infraction under chapter 7.80 RCW and is subject to a fine as set out in chapter 7.80 RCW or participation in a smoking cessation program, or both. This provision does not apply if a person under the age of eighteen, with parental authorization, is participating in a controlled purchase as part of a liquor control board, law enforcement, or local health department activity." [RCW 70.155.080 RCW]

All youth participants will be under the strict supervision of an adult escort. All tobacco products obtained through these compliance checks will be returned to the local health department to be destroyed or used as evidence.

If there are any questions regarding this immunity, please contact your local health department, your local Liquor Control Board office or the Department of Health's Youth Tobacco Prevention Program at (206) 753-4312.

Sincerely,

Jo Wadsworth, Director
Non-Infectious Disease and Injury
Department of Health

Gary Gilbert, Chief
Washington State Liquor
and Tobacco Enforcement

August 10, 1995

Contact: FDA Press Office
(301) 443-1130

CHILDREN AND TOBACCO: WHAT OTHERS SAY

"I figure if it's really so bad for you, they wouldn't be selling them everywhere. I mean, you walk into the Stop 'N' Go, and there's a whole wall of them right up front at the cash register. If they were really that bad for you, they'd make them less accessible."

-- Brian Grindele, 18
The New York Times, July 30, 1995

"Given all that we know, the scientific case for protecting children from tobacco is indisputable. The moral imperative to act is ~~imperative~~... This is not a Democratic or a Republican issue. It is a bipartisan, pro-child, pro-family, pro-health issue."

overwhelming

-- President Jimmy Carter
USA Today, August 3, 1995

"The tobacco industry continues to insist that smoking is a simple matter of individual rights and adult choice. If that were true, I would be on their side. But we're not talking about adults. We're talking about keeping an addictive and lethal substance out of the hands of children. Neither the FDA nor anyone else is talking about prohibiting adults from smoking."

-- Former U.S. Sen. Barry Goldwater
Wall Street Journal, August 8, 1995

"The American Medical Association reminds physicians, the public, and politicians that the damning evidence against tobacco makes opposition to its use a pressing, nonpartisan public health issue."

-- Editorial
Journal of the American Medical Association
July 19, 1995

"We believe that current tobacco regulations, limited primarily to a ban on television advertising and the promotion of warning labels on packages, are insufficient in protecting America's children. The FDA should have authority to control tobacco by placing new limits on tobacco advertising, creating stricter licensing regulations for vendors, and banning cigarette vending machines."

-- American Public Health Association
Letter to President Clinton from APHA
July 13, 1995

"What is most significant about teens and smoking, however, is that, from all indications, smoking is an addiction that is typically initiated during the teenage years or not at all. For the great majority of smokers, this addiction begins before they are old enough to purchase tobacco lawfully. In fact, 75 percent of all adult smokers report that they became addicted to tobacco before they were 18 years old. Very few smokers take up smoking for the first time as adults. If youth access can be controlled effectively, and the decision whether to smoke can be delayed until adulthood, then, over time, smoking will be greatly reduced as a major addiction in our society."

-- "No Sale: Youth, Tobacco and Responsible Retailing"
Working Group of State Attorneys General
December, 1994

"The nation must commit itself to a vigorous public health initiative in tobacco control....The nation cannot reasonably expect to eliminate tobacco-related disease and death by 2010. However, by putting a youth-oriented prevention strategy at the center of tobacco control efforts, and by implementing the initiatives proposed (to that end) in this report, the nation can take a firm and resolute step on that path."

-- "Growing Up Tobacco Free"
Institute of Medicine, September, 1994

"The concept -- pediatric disease -- qualifies as an epiphany, given the acknowledged authority of society over a minor. He/she has to go to school, has to wait until a certain age before being allowed to drive, to vote, to drink beer. It yields no substantial libertarian ground to add to the list enforcement mechanisms designed to dissuade the 15-year-old from taking up a habit that brings on premature and painful death."

-- William F. Buckley Jr.
Syndicated columnist, March, 1995

Alaska State Legislature



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Smoke - Bunde

Drue Pearce
President of the Senate

Memorandum

To: Representative Jeannette James, Chair
House State Affairs Committee

From: Senator Drue Pearce *Drue Pearce*

Date: 13 February, 1996

Re: House Bill 365 Bill Packet

In 1992 I sponsored legislation which called for a state plan for teen pregnancy prevention. Recognizing that teen pregnancy does not happen in isolation of other teen problem behaviors, the Alaska Division of Public Health examined this issue in the broader context of adolescent health.

An 18 member statewide Adolescent Health Advisory Committee was created to comprehensively examine Alaskan teens and their world. A statewide adolescent plan was released last year.

The committee is continuing to work to implement the recommendation laid out in the report. One function of the committee is to review and proactively address legislation that directly impacts Alaskan adolescents.

Attached is a letter sharing the position of the committee on House Bill 365. I respectfully request that you include the letter in the committee bill packet.

Thank you.

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE

TONY KNOWLES, GOVERNOR

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January 22, 1996

The Honorable Con Bunde
Alaska State House of Representatives
State Capitol, Room 108
Juneau, AK 99801-1182

Dear Representative Bunde:

The Advisory Board on Alcoholism and Drug Abuse, Legislative Committee met in Juneau on January 17, 1996, to review legislation that will be considered during this session. As part of that review, House Bill No. 365 was reviewed and the Committee supports this initiative. We understand the preventative value of this carefully considered measure. We recognize that tobacco is the "gateway drug" for Alaska's young people and that measures which reduce access will result in delaying the age of first use. This directly supports one of the strategies in the State Strategic Plan for alcoholism and drug abuse, "Meeting the Challenge."

Please let us know if there is anything that we can do to support passage of this Bill. Our staff is available for your help in forwarding this as well as other initiatives that will result in reducing the devastating effect that alcohol and other drug abuse is having on our state.

Sincerely,



Valerie Therrien, Chair
Legislative Committee

ALASKA ADOLESCENT HEALTH ADVISORY COMMITTEE

A Public and Private Partnership Advocating For Alaska's Youth

February 1, 1996

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Cal Williams
AFFECT
Anchorage

Representative Gail Phillips
Room 208
Juneau, AK 99801

Dear Madam Speaker:

The Adolescent Health Advisory Committee (AHAC) has reviewed HB 365, and offers support to this legislation as it is currently written. We feel this legislation supports language of the AHAC publication, Alaska's Adolescents: A Plan for the Future, of which you have a copy. It states on page 30: "The consequences of substance use to adolescent growth and development are substantial. Adolescents have easy access to alcohol, tobacco, and other drugs. When intoxicants are used to deal with stress of adolescent, the teen does not learn healthy coping strategies."

The Alaska Adolescent Health Advisory Committee is a diverse group of Alaskans united in the commitment to the well-being and healthy lifestyles for Alaskan adolescents as individuals and within the context of family and community. We look at known "roots" to adolescent health problems and recommend approaches for improvement through community coordination and collaboration. We seek to preserve the rights of all Alaskan adolescents to grow and develop in an environment of physical, intellectual, social, emotional and spiritual well-being.

AHAC feels that the effort this bill sets forth to deter the illicit sale of tobacco products to youth will only benefit the creation and maintenance of healthy adolescents.

Please feel free to contact Mike Corkill (451-5316) or Sharon Kohring (373-3456) if you have any questions or comments to further your efforts in the passage of this bill or other legislation as it applies to the health of Alaskan adolescents.

Sincerely,



J. Dani Bowman M.D., Ph.D.
Adolescent Health Advisory Committee, Chairman

cc: Representative Bunde

Sec. 11.76.105

POSSESSION OF TOBACCO BY A MINOR.

(a) A person under 19 years of age may not knowingly possess a cigarette, a cigar, tobacco, or a product containing tobacco in this state. This subsection does not apply to a person who is a prisoner at an adult correctional facility.

(b) **Possession of tobacco by a minor is a violation.**

penalty not listed.

Sec. 11.76.100

SELLING OR GIVING TOBACCO TO A MINOR.

(a) A person commits the offense of selling or giving tobacco to a minor if the person is 19 years of age or older and

(1) negligently sells, exchanges, or gives a cigarette, a cigar, tobacco, or a product containing tobacco to a person under 19 years of age; or

(2) maintains a vending machine that dispenses cigarettes, cigars, tobacco, or products containing tobacco.

(b) Notwithstanding the provisions of (a) of this section, a person who maintains a vending machine is not in violation of (a)(2) of this section if the vending machine is located

(1) on premises licensed as a beverage dispensary under AS 04.11.090, licensed as a club under AS 04.11.110, or licensed as a package store under AS 04.11.150; and

(A) as far as practicable from the primary entrance; and

(B) in a place that is directly and continually supervised by a person employed on the licensed premises during the hours the vending machine is accessible to the public; or

(2) in an employee break room or other controlled area of a private work place that is not generally considered a public place.

(c) In this section, a person maintains a vending machine if the person owns the machine or owns or controls a facility in which the machine is located.

(d) Selling or giving tobacco to a minor is a violation and upon conviction is punishable by a fine of not less than \$300.

(e) The court shall forward a record of each person convicted under this section who holds a business license endorsement under AS 43.70.075, or who is an employee or agent of a person who holds a license endorsement under AS 43.70.075 to the Department of Commerce and Economic Development.

(f) The provisions of (a) of this section do not apply to a person who sells or gives tobacco to a minor, if the minor is a prisoner at an adult correctional facility.

HB 365

ASSOCIATION OF ALASKA SCHOOL BOARDS

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Carl F.N. Rose

February 26, 1996

House State Affairs Committee
The Honorable Jeannette James, Chair
Alaska State Capitol, Rm. 102
Juneau, AK 99801-1182

RECEIVED BY
FEB 27 1995
Rep. Jeannette James

Dear Representative James:

The Association of Alaska School Boards has established child advocacy as one of our top priorities. Our mission to promote parental, public, and social service commitment to the shared responsibility of educating all children enables us to address issues that deal with the health and safety of Alaska's children. To this end our membership adopted a resolution at the 1995 AASB Annual Conference which recommends supporting vigorous enforcement of laws concerning the sale, use, and possession of tobacco-related products by children and adolescents.

We are pleased that the House State Affairs committee has agreed to hear testimony on a bill which work to prevent tobacco addiction among our children. We believe that, through the combined influences of strict law enforcement, quality education, and tax levies, we can all have a hand in keeping our kids tobacco free.

Thank you for your commitment to the health and well-being of Alaska's children.

Sincerely,

Carl F. N. Rose
Executive Director

ASSOCIATION OF ALASKA SCHOOL BOARDS

316 W. 11th St. • Juneau, Alaska 99801-1510

(907) 586-1083 • Fax (907) 586-2995

**Association of Alaska School Boards
Resolution**

**SUBJECT AREA: CHILD ADVOCACY
RESTRICTING CHILDREN'S ACCESS TO TOBACCO PRODUCTS**

WHEREAS, nicotine is an addictive drug and has been proven to be harmful to children;
and
WHEREAS, the average teenage smoker starts at 14 1/2 years old and becomes a daily
smoker before the age of 18; and
WHEREAS, studies show that if people do not begin to smoke as teenagers or children,
it is unlikely they will ever do so; and,
WHEREAS, each and every day, another 3,000 young people become regular smokers,
and nearly 1,000 of them will eventually die as a result of their smoking; and
WHEREAS, children tend to vastly underestimate the likelihood that they will become
addicted to nicotine; and
WHEREAS, a 1994 Surgeon General's report found that young people were able to
buy cigarettes in vending machines an average of 88% of the time; and
WHEREAS, Alaska state law prohibits the use of tobacco by minors;
NOW THEREFORE BE IT RESOLVED that the Association of Alaska School Boards
seeks legislation to strengthen penalties for illegal sale of tobacco products to
minors; and
BE IF FURTHER RESOLVED, that AASB seek legislation to further reduce access to
tobacco vending machines by minors; and
BE IT FURTHER RESOLVED that AASB support vigorous enforcement of laws
concerning the sale, use, and possession of tobacco-related products by children and
adolescents.

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Position Paper

Restricting Children's Access to Tobacco Products

In order to address the risk to the health and safety of children and youth that tobacco related products represent, the Association of Alaska School Boards strongly supports legislation which would authorize law enforcement officials to vigorously enforce laws concerning the sale, use, and possession of tobacco-related products by children and adolescents.

After a review of the research, we take this position because:

- nicotine is an addictive drug that has been proven harmful to children;
- the average teenage smoker starts smoking at 14 1/2 years old and becomes a daily smoker before the age of 18; and
- if people do not begin to smoke as teenagers or children, it is unlikely they will ever do so.

Tobacco use is a problem among Alaska's teens. A 1992 survey reported that 27% of 12th grade girls and 18% of 12th grade boys report daily use of cigarettes. Rates are even higher among Alaska Natives: 31% of 12th grade girls and 21% of 12th grade boys.

AASB believes that it is much easier to prevent smoking, than it is to help a teenager quit once they have become addicted. We hope that you consider joining AASB in our goal to protect the health of teenagers by voting to give our law enforcement agencies the authority to uphold Alaska state law which prohibits the sale of tobacco products to minors.

2/26/96

HB

368

HB

317

HB 368

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
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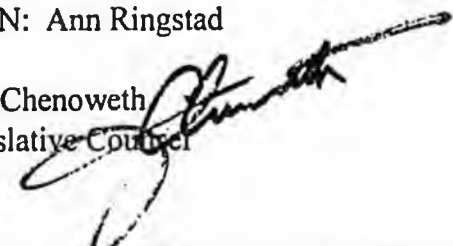
MEMORANDUM

February 28, 1996

SUBJECT: Draft CSSB 191 (.), amending the current Campaign Financing Initiative (Work Order No. 9-LS1260\F)

TO: Senator Bert Sharp, Chair
Senate State Affairs Committee
ATTN: Ann Ringstad

FROM: Jack Chenoweth
Legislative Counsel



The comments in this memo are drafted to CSSB 191 () (Work Order 9-LS1260\F), but apply also to CSHB 368 () (Work Order No. 9-LS1348\C).

HB 368 and SB 191, companion measures, reflect this office's understanding of the current Election Campaign Practices Initiative, 95-CFPO, circulated and subsequently approved for inclusion on the November general election ballot ("the Initiative"). Since their introduction, an informal committee ("the Committee") of three legislators--Representative Jeannette James, Representative David Finkelstein, and Senator Tim Kelly--meeting with staff employed by several other interested legislators, twice debated and requested a series of changes to the original of each bill.

To aid the committee's understanding, this memo summarizes the Committee's changes in the context of the draft committee substitutes for each of the two bills.

I set these out generally in the order in which the Committee considered and acted upon the various changes.

1. **Indexing requirement deleted.** The Initiative contains a provision calling for "indexing" of the various dollar amounts set out in the Initiative at five-year intervals. The indexing is tied to a "recognized governmental index" and is intended to have the dollar amount limitations keep pace with inflation. The Committee opted to delete this requirement. Accordingly, I have deleted from the committee substitute the material added by bill section 4 of the original.

2. Requirement of registration before making contributions deleted. Each of the bills, HB 368 and SB 191, was drafted to reflect this office's understanding that the Initiative appeared to require that, as a condition of making a valid campaign contribution, the prospective contributor might be required to first register with the Alaska Public Offices Commission. The Committee opted to omit any general campaign contribution registration requirement, and the committee substitute now limits the registration requirement to persons making expenditures in behalf of a candidate or ballot proposition or question. The change is made by amendment of the language of proposed AS 15.13.050 to limit its operation to "registration before expenditure" and by deletion of what had been AS 15.13.065(b) in the original.

3. Cash contribution limit increased; current limitation restored. Under current law (AS 15.13.070(b)), cash contributions of not more than \$100 are permitted. The Initiative proposes to reduce that limit to \$25. The Committee asked that the limitation on cash contributions set out in current law be restored. In the committee substitute, AS 15.13.074(e) has been amended to restore the reference to \$100.

4. Honorarium approach of existing law substituted. The Initiative bars payment of honoraria to and acceptance of honoraria by a candidate after declaration of candidacy or the equivalent. The Committee opted to remove the prohibition and to substitute restrictions that generally distinguished between compensation for personal services and honoraria. The drafting necessitated removal of prohibited honoraria in AS 15.13.072(d) and 15.13.074(d) of the original (and deletion of the related definition) and, in their place, insertion of a new section, AS 15.13.155.

5. Dates on which campaign fundraising may begin are changed. The Initiative sets a beginning date on campaign fundraising. That date is 11 months before the date of the election. The Committee revises to set fundraising beginning dates that are certain and generally shortens the period in which fundraising is permitted. For the governor and lieutenant governor ("statewide offices"), that initial date is January 1 of the general election year in years in which those offices are contested. For legislative races it is June 1 of the general election year in which the legislative seat is contested. For all other races--state special elections and municipal elections--it is five months before the date of the election. In the committee substitute, these revised limitations are set out in AS 15.13.074(c)(1)(B), (c)(2)(B), and (c)(3)(B).

6. Authority for candidates to accept and expend loans from family members deleted. The Initiative includes provisions by which certain specified family members may make loans to candidates. The Committee recommended omission of this provision, limiting the source of loans to the candidate's personal resources. This was accomplished by revising AS 15.13.078 to eliminate references to loans from family sources.

7. Requirement that certain copies of reports filed with APOC be sent to candidates deleted. Under AS 15.13.080, a copy of a report filed with the Alaska Public Offices Commission disclosing a contribution in excess of \$250 must also be sent to the candidate receiving the contribution. The Initiative revises and expands the provision to cover other contributions by individuals. The Committee opted to revise this section by deleting the requirement that copies of reports filed with the commission also be sent to the candidate. The deletion appears as a proposal to delete the last sentence of AS 15.13.080 (AS 15.13.080(c) as the committee substitute is drafted), at page 11, lines 26 - 29.

8. Definition of "prohibited contributions" for purposes of proper disposition expanded. The Initiative sets out what a candidate or group must do with a contribution the receipt of which is prohibited. That disposition appears, in the original House and Senate bills, in AS 15.13.114(a). The drafting of that provision refers to "prohibited contributions" under AS 15.13.074 but omits reference to "restricted contributions" set out in AS 15.13.072. The Committee recommended curing the omission, and the amendment appears as a cross-reference to "AS 15.13.072" on page 14, at line 26.

9. Surplus campaign funds: authorized uses expanded.

A. Pro rata repayment of contributions to contributors authorized: Repayment of surplus campaign contributions to contributors is not authorized by the Initiative. The Committee adds this as a permissible use of surplus campaign funds by the addition of a new paragraph, paragraph (6), in AS 15.13.116(a).

B. Carry-forward authorized: Carry-forward of any surplus campaign contributions is not authorized by the Initiative. The Committee adds this as a permissible use of surplus campaign funds by the addition of a new paragraph, paragraph (8), in AS 15.13.116(a). Note the limitations, with distinctions drawn as regards statewide candidates, state senate candidates, state house candidates, and candidates in other races.

C. Use of portion of surplus campaign funds for legislative office allowance authorized: Use of any surplus campaign contributions as a legislative office allowance is not authorized by the Initiative. The Committee adds this as a permissible use of surplus campaign funds by the addition of a new paragraph, paragraph (9), in AS 15.13.116(a). Note the reporting requirement and other restrictions, and the dollar limitations that distinguish between the accounts established by state senators and state representatives.

10. Penalty provisions modified. The Initiative establishes a sliding scale of civil penalties, and ties the civil penalty scheme to aggravating and mitigating factors based on notions of criminal culpability. The Committee opted to return to something more in line with the current civil penalty arrangement, omitting the sliding scale, substantially raising the dollar amount of the penalties imposable, and generally eliminating aggravating and mitigating factors tied to criminal culpability concepts. In terms of treatment in the draft,

AS 15.13.125 is restored, albeit amended to increase the penalty figures (bill section 21), and the following additional subsections (bill section 22) are revised in line with general instructions from the Committee as to what should be retained or eliminated.

11. Definition of "political party" modified. The Initiative draws in to AS 15.13 the definition of "political party" as used in the Election Code. That definition is based on a party's immediate past history of securing votes, looking to the most recent election for governor. To meet objections that the definition would exclude minor parties from being treated as political parties for purposes of the higher contributions that a party may receive, the Committee asked that the definition be amended to allow consideration of range of recent election results, and the definition offered looks to a party's record across the period of the five most recent gubernatorial elections.

12. Criminal penalties for campaign misconduct offenses reduced. The Initiative adds election law violations as criminal laws in the Criminal Code (AS 11). The original versions of the House and Senate bills maintained the penalties imposed by placing the offenses under the Election Code (AS 15) in the chapter already setting out crimes of voter misconduct in various degrees. The Committee opted to step down all penalties one level, eliminating felony penalties for intentional violations and allowing punishment of violations committed recklessly or with criminal negligence as violations, punishable only by fine. Section 24 of the committee substitute includes material that reflects the committee's requested changes.

13. 24-hour expenditure reporting requirement deleted. Existing law (AS 15.13.110(b)) requires that both contributions and expenditures exceeding \$250 made at the close of a campaign be reported. The Initiative makes no change in that requirement. The Committee opted to remove from that requirement all reference to "expenditure[s]." Contributions would still have to be reported. Bill section 16 accommodates this committee request.

14. Statement by contributor requirement revised to limit to individuals. I drafted the contributor statement provision of the original House and Senate bills to make reference to "persons." In point of fact, in context, only individual contributors are required to prepare and file the statements. The Committee opted to clarify the point and inserted "individual" for "person" at appropriate places in AS 15.13.080(b) (bill section 12).

15. Applicability of the "paid for by" requirement modified with respect to certain materials. The requirement of current law appears in AS 15.13.040(d) as relating to expenditures made having reference to a ballot proposition or question. The Initiative is silent on the provision. A year-old United States Supreme Court decision, McIntyre v. Ohio Elections Commission, 63 U.S.L.W. 4279 (April 19, 1995), apparently influenced authorizing an exception to the requirement for independent campaign-related expenditures that cumulatively did not exceed \$250 a year and that were made in conjunction with certain printed material provided in conjunction with the proposition or question.

16. **Definition supplied for "publicly-funded entity."** The Initiative uses the term without supplying a definition. The Committee directed inclusion of a definition, expressed in terms of the entity's receipt of substantial money from a government source or from a public corporation.^{1/}

17. **Requirement of group name as inclusive of candidate's name modified.** Under current law (AS 15.13.130(4), in the definition of "group"), a group that takes a position and makes contributions of more than half its money to a candidate is considered to be supporting that candidate for purposes of reporting contributions and expenditures. The Initiative and the original of the House and Senate bills make no substantive change in that. Per directive of the Committee, the threshold is dropped from one-half (50 percent) to one-third (33 1/3 percent) in a pair of references appearing in the definition of the term "group."

18. **Contributions between political parties and subordinate or associated units and vice versa allowed.** The Initiative did not directly address the question of the relationship, for purposes of contributions, between a political party and its subordinate unit. Per direction of the Committee, those contributions--one to another and vice versa--are specifically authorized. See AS 15.13.065(b), in bill section 8.

19. **Cut-off date for receipt and acceptance of contributions by candidates losing primary elections added.** The original versions of the House and Senate bills made no provision for a deadline for receipts and expenditures by losing candidates in primary elections. The Committee directed insertion of a provision. The deadline is set at 45 days after the primary. See AS 15.13.074(c)(4)(B), page 9, lines 13 and 14.

20. **Disclaimer provision applicable to independent expenditures modified.** The decision in McIntyre (see point 15 above) also influenced this modification. The provision, added at the direction of the Committee, appears as a new bill section, bill section 14, at the bottom of page 12 of the committee substitute.

21. **Effective date altered.** By its terms, the Initiative, if approved by the voters, takes effect 90 days after the election results are certified, or approximately early- to mid-March, 1997. HB 368 and SB 191 included an immediate effective date. The Committee asked that the committee substitute include a revised effective date of January 1, 1997, and that date is inserted.

^{1/} In the context of this committee substitute, a "publicly funded entity" is (1) required to register before making a contribution in support of or opposition to a ballot proposition or question (page 5, lines 1 - 3), and is specifically permitted to make independent expenditures--the term is elsewhere defined--in support of or in opposition to a ballot proposition or question (page 20, lines 1 and 2).

22. Proceeds of charitable gaming other than from raffles and lotteries not to be used to support political activities. The Initiative is silent on this topic. The Committee agreed to include a provision under which only the proceeds of raffles and lotteries would be available to support political campaigns. This change was accomplished by insertion of the material set out in bill section 2 of the committee substitute, proposing amendment of AS 05.15.150(a).

23. Contributions from out-of-state sources allowed; limitations on amounts of these contributions set. The Initiative bars contributions from nonresidents. The original versions of the House and Senate bills also so provided. The Committee directed insertion of a provision to authorize limited contributions from nonresidents. The material added appears in AS 15.13.072(b), at page 7, line 8. The limitations are set differently for nonresidents' contributions to statewide and to state senate and state house races. The provision is silent as to nonresidents' contributions to races other than these enumerated.

24. Maximum amounts that a political party may contribute to a candidate increased; limitations on amounts of these contributions set. The Initiative sets limitations--\$50,000 for statewide candidates and \$5,000 for other candidates--for political party contributions to candidates. Based on the Committee's instruction, the committee substitute, in its AS 15.13.070(d), page 6, line 16 of the committee substitute, revises and expands the limitations on contributions that a political party may make in statewide and legislative races.

25. Restoration to current law of amounts that groups may provide to candidates. Under current law (AS 15.13.070(a)), a group may not contribute more than \$1000. The Initiative reduced that to \$500. The Committee incorporates a provision in the committee substitute--AS 15.13.070(c), at page 6, line 6, that restores the \$1000 limitation.

26. Group contributions to other groups allowed; limitations on amount of these contributions set. The Initiative bars groups from contributing to other groups. The Committee incorporates a provision in the committee substitute--AS 15.13.070(c), at page 6, line 15, that allows group contributions to other groups, to a maximum of \$1000.

27. Provision limiting the governor and lieutenant governor from raising election campaign funds during the legislative session deleted. The Initiative bars the governor and lieutenant governor (among other state officers) and the persons whom they employ from soliciting and accepting campaign contributions while the legislature is convened in session. The original versions of the House and Senate bills also provided for this prohibition. See AS 15.13.072(d)1(A) (the governor and lieutenant governor individually) and (d)1(C)(i) (covering members of their staffs). The Committee asked that this prohibition be eliminated, and these provisions were removed from the committee substitute.

28. Litigation provision amended. In the Initiative, a person with a complaint based on an alleged violation of AS 15.13 or a regulation adopted under it may file a complaint with

Senator Bert Sharp
February 28, 1996
Page 7

the commission or file in superior court. The Committee directed modification of the provisions so that filing a complaint with the commission is a necessary step in all cases and barring a complaint in the superior court until the commission's staff has had 60 days in which to prepare a report of preliminary investigation. To meet the Committee's instruction on this point, I have revised AS 15.13.120(d), set out in bill section 19.

29. Exemption for "small campaigns." It is, I think, by regulation that the Alaska Public Offices Commission exempts from the reporting requirements of AS 15.13 the campaigns of candidates who propose to receive and expend not more than \$1000. The Initiative and the original versions of the House and Senate bills proposed to codify the provision. The Committee recommends increasing the ceiling for this "small campaign" exemption to \$2500, and provision for the change appears in the committee substitute's bill section 7.

30. Severability provision added. The Initiative contains a severability provision. A law does not necessarily require a severability provision for, under AS 01.10.030, one will be imputed. Nonetheless, it is not wrong to include a severability provision in a bill, and we will insert one when so requested. The Committee asked for inclusion of a severability provision in the committee substitute, and one is inserted and appears as bill section 30.

*

In addition, the measure incorporates language (bill section 31) providing that either the bill or the Initiative, but not both, may become law. If the lieutenant governor finds that the bill is not "substantially the same" as the Initiative, thereby allowing the Initiative to remain on the ballot, the bill does not become law.

I trust this explanation is useful.

cc: Senator Tim Kelly,
ATTN: Sherman Ernouf

Representative Jeannette James,
ATTN: Walt Wilcox

Representative David Finkelstein
ATTN: Jill Wittenbrader

Pat Pourchot, Legislative Office Director
Office of Governor Knowles

JBC:lmb:klb
96-055.lmb

9-LS1260\F
Chenoweth
2/27/96

CS FOR SENATE BILL NO. 191()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS KELLY, Phillips

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to election campaigns, election campaign financing, the oversight
2 and regulation of election campaigns by the Alaska Public Offices Commission, the
3 activities of lobbyists that relate to election campaigns, the definitions of offenses
4 of campaign misconduct, and to the use of the net proceeds of charitable gaming
5 activities in election campaigns; and providing for an effective date."

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

7 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that, under existing
8 laws,

9 (1) campaigns for elective public office last too long, are often uninformative,
10 and are too expensive;

11 (2) highly qualified citizens are dissuaded from running for public office due to
12 the high cost of election campaigns;

13 (3) organized special interests are responsible for raising a significant portion of
14 all election campaign funds and may thereby gain an undue influence over election campaigns

1 and elected officials, particularly incumbents;

2 (4) incumbents enjoy a distinct advantage in raising money for election
3 campaigns, and many elected officials raise and carry forward huge surpluses from one campaign
4 to the next, to the disadvantage of challengers;

5 (5) because, under existing laws, candidates are completely free to convert
6 campaign funds to personal income, there is great potential for bribery and political corruption;
7 and

8 (6) penalties for violations of the existing campaign finance laws are far too
9 lenient to deter misconduct.

10 (b) It is the purpose of this Act to substantially revise Alaska's election campaign
11 finance laws in order to restore the public's trust in the electoral process and to foster good
12 government.

13 * Sec. 2. AS 05.15.150(a) is amended to read:

14 (a) The authority to conduct the activity authorized by this chapter is contingent
15 upon the dedication of the net proceeds of the charitable gaming activity to the awarding
16 of prizes to contestants or participants and to political, educational, civic, public,
17 charitable, patriotic, or religious uses in the state. "Political, educational, civic, public,
18 charitable, patriotic, or religious uses" means uses benefiting persons either by bringing
19 them under the influence of education or religion or relieving them from disease,
20 suffering, or constraint, or by assisting them in establishing themselves in life, or by
21 providing for the promotion of the welfare and well-being of the membership of the
22 organization within their own community, or through aiding candidates for public office
23 or groups that support candidates for public office, or by erecting or maintaining public
24 buildings or works, or lessening the burden on government, but does not include

25 (1) the direct or indirect payment of any portion of the net proceeds of
26 a bingo or pull-tab game to a lobbyist registered under AS 24.45; [OR]

27 (2) the erection, acquisition, improvement, maintenance, or repair of real,
28 personal, or mixed property unless it is used exclusively for one or more of the permitted
29 uses; or

30 (3) the direct or indirect payment of any portion of the net proceeds
31 of a charitable gaming activity, except the proceeds of a raffle and lottery,

32 (A) to aid candidates for public office or groups that support

1 candidates for public office:

2 (B) to a political party or to an organization affiliated with
3 a political party; or

4 (C) to a group, as that term is defined in AS 15.13.400, that
5 seeks to influence the outcome of an election.

6 * Sec. 3. AS 15.13.010(a) is amended to read:

7 (a) This chapter applies

8 (1) in every election for governor, lieutenant governor, a member of the
9 state legislature, a delegate to a constitutional convention, or judge seeking electoral
10 confirmation;

11 (2) [. IT ALSO APPLIES] to every candidate for election to a municipal
12 office in a municipality with a population of more than 1,000 inhabitants according to
13 the latest United States census figures or estimates of population certified as correct for
14 administrative purposes by the Department of Community and Regional Affairs unless
15 the municipality has exempted itself from the provisions of this chapter; a [. A]
16 municipality may exempt its elected municipal officers from the requirements of this
17 chapter if a majority of the voters voting on the question at a regular election, as defined
18 by AS 29.71.800(20), or a special municipality-wide election called for that purpose,
19 votes [VOTE] to exempt its elected municipal officers from the requirements of this
20 chapter; the [. THE] question of exemption from the requirements of this chapter may
21 be submitted by the governing body by ordinance or by initiative election. [THIS
22 CHAPTER DOES NOT PROHIBIT A MUNICIPALITY FROM REGULATING BY
23 ORDINANCE CAMPAIGN CONTRIBUTIONS AND EXPENDITURES.]

24 * Sec. 4. AS 15.13.010 is amended by adding a new subsection to read:

25 (c) This chapter does not prohibit a municipality from regulating by ordinance
26 election campaign contributions and expenditures in municipal elections, or from
27 regulating those campaign contributions and expenditures more strictly than provided in
28 this chapter.

29 * Sec. 5. AS 15.13.040(a) is amended to read:

30 (a) Except as provided in (g) of this section, each [EACH] candidate shall
31 make a full report, upon a form prescribed by the commission, listing the date and
32 amount of all expenditures made by the candidate, the total amount of all contributions,

1 including all funds contributed by the candidate, and for all contributions in excess of
2 \$100 in the aggregate a year, the name, address, principal occupation, and employer of
3 the contributor and the date and amount contributed by each contributor. The report
4 shall be filed in accordance with AS 15.13.110 and shall be certified correct by the
5 candidate or campaign treasurer.

6 * Sec. 6. AS 15.13.040(d) is amended to read:

7 (d) Every individual, person, or group making a contribution or expenditure shall
8 make a full report, upon a form prescribed by the commission, of the following
9 contributions or expenditures:

10 (1) any contribution of cash, goods, or services valued at more than \$250
11 a year to any group or candidate; or

12 (2) unless exempted from reporting by (h) of this section, any
13 expenditure whatsoever for advertising in newspapers or other periodicals, on radio, or
14 on television; or, for the publication, distribution, or circulation of brochures, flyers, or
15 other campaign material for any candidate or ballot proposition or question.

16 * Sec. 7. AS 15.13.040 is amended by adding new subsections to read:

17 (g) The provisions of (a) of this section do not apply if a candidate

18 (1) indicates, on a form prescribed by the commission, an intent not to
19 raise and not to expend more than \$2,500 in seeking election;

20 (2) accepts contributions totaling not more than \$2,500 in seeking
21 election; and

22 (3) makes expenditures totaling not more than \$2,500 in seeking
23 election.

24 (h) The provisions of (d)(2) of this section do not apply to one or more
25 expenditures made by an individual acting independently of any group and
26 independently of any other individual if the expenditures

27 (1) cumulatively do not exceed \$250 during a calendar year; and

28 (2) are made only for billboards, signs, or printed material concerning
29 a ballot proposition or question.

30 * Sec. 8. AS 15.13.050 is amended to read:

31 Sec. 15.13.050. REGISTRATION BEFORE EXPENDITURE [GROUPS].

32 Before [EACH GROUP, BEFORE] making an expenditure in support [ON BEHALF]

1 of [,] or in opposition to [,] a candidate or before making an expenditure in support
2 of or in opposition to a ballot proposition or question, each person, publicly-funded
3 entity, or group [A CONTRIBUTION TO A CANDIDATE] shall register, on forms
4 provided by the commission, with the commission. [IF THE GROUP INTENDS TO
5 SUPPORT OR OPPOSE ONLY ONE CANDIDATE, OR TO CONTRIBUTE TO OR
6 EXPEND ON BEHALF OF, OR IN OPPOSITION TO, ONE CANDIDATE 50
7 PERCENT OR MORE OF ITS FUNDS, THE NAME OF THE CANDIDATE SHALL
8 BE A PART OF THE NAME OF THE GROUP. PROMPTLY UPON RECEIVING
9 THE REGISTRATION, THE COMMISSION SHALL NOTIFY THE CANDIDATE OF
10 THE GROUP'S ORGANIZATION AND INTENT.]

11 * Sec. 9. AS 15.13 is amended by adding new sections to read:

12 Sec. 15.13.065. WHO MAY MAKE CONTRIBUTIONS. (a) Only an
13 individual may make a contribution to a group.

14 (b) A political party may contribute to a subordinate unit of the political party,
15 and a subordinate unit of a political party may contribute to the political party of which
16 it is a subordinate unit.

17 Sec. 15.13.067. WHO MAY MAKE EXPENDITURES. Only the following may
18 make an expenditure in an election for candidates for elective office:

19 (1) the candidate;

20 (2) individuals who are registered under AS 15.13.050; and

21 (3) a group that, if required by AS 15.13.050 to register, is registered,

22 or a group not required to register under AS 15.13.050.

23 * Sec. 10. AS 15.13.070 is repealed and reenacted to read:

24 Sec. 15.13.070. LIMITATIONS ON AMOUNT OF POLITICAL
25 CONTRIBUTIONS. (a) An individual or group may make contributions, subject only
26 to the limitations of this chapter and AS 24.45, including the limitations on the maximum
27 amounts set out in this section.

28 (b) An individual may contribute not more than

29 (1) \$500 per year to a candidate, or to a person who conducts a write-in
30 campaign as a candidate, for

31 (A) governor or lieutenant governor;

32 (B) the state legislature;

- 1 (C) delegate to a constitutional convention;
 2 (D) judge seeking retention; or
 3 (E) municipal office;
 4 (2) \$250 per year to a group that is not a political party;
 5 (3) \$5,000 per year to a political party.
 6 (c) A group that is not a political party may contribute not more than \$1,000 per
 7 year
 8 (1) to a candidate, or to a person who conducts a write-in campaign as
 9 a candidate, for
 10 (A) governor or lieutenant governor;
 11 (B) the state legislature;
 12 (C) delegate to a constitutional convention;
 13 (D) judge seeking electoral confirmation; or
 14 (E) municipal office; or
 15 (2) to another group or to a political party.
 16 (d) A political party may contribute to a candidate, or to a person who conducts
 17 a write-in campaign, for the following offices an amount not to exceed
 18 (1) \$100,000 per year, if the election is for governor or lieutenant
 19 governor;
 20 (2) \$15,000 per year, if the election is for the state senate;
 21 (3) \$10,000 per year, if the election is for the state house of
 22 representatives; and
 23 (4) \$5,000 per year, if the election is for
 24 (A) delegate to a constitutional convention;
 25 (B) judge seeking retention; or
 26 (C) municipal office.

27 * Sec. 11. AS 15.13 is amended by adding new sections to read:

28 Sec. 15.13.072. RESTRICTIONS ON SOLICITATION AND ACCEPTANCE
 29 OF CONTRIBUTIONS. (a) A candidate or a person who has filed with the commission
 30 the document necessary to permit the person to incur election-related expenses under
 31 AS 15.13.100 may not solicit or accept a contribution from

- 32 (1) an individual or group not authorized by law to make a contribution;

1 (2) an individual who is not a resident of the state at the time the
2 contribution is made except as provided in (b) of this section;

3 (3) a group organized under the laws of another state, resident in another
4 state, or whose participants are not residents of this state at the time the contribution is
5 made; or

6 (4) a person registered as a lobbyist if the contribution violates
7 AS 15.13.074(f) or AS 24.45.121(a)(8).

8 (b) A candidate or a person who has filed with the commission the document
9 necessary to permit the person to incur election-related expenses under AS 15.13.100
10 may solicit or accept contributions from an individual who is not a resident of the state
11 at the time the contribution is made if the amounts contributed by individuals who are
12 not residents do not exceed

13 (1) \$20,000, if the candidate or person is seeking the office of governor
14 or lieutenant governor;

15 (2) \$3,000 if the candidate or person is seeking the office of state
16 senator;

17 (3) \$2,000, if the candidate or person is seeking the office of state
18 representative.

19 (c) A candidate or a person who has filed with the commission the document
20 necessary to permit the person to incur election-related expenses under AS 15.13.100,
21 or a group, may not solicit or accept a cash contribution that exceeds \$100.

22 (d) A person, or a person acting directly or indirectly on behalf of that person,
23 may not solicit or accept a contribution

24 (1) before the date for which contributions may be made as determined
25 under AS 15.13.074(c)(1) - (3); or

26 (2) later than the day after which contributions may not be made as
27 determined under AS 15.13.074(c)(4).

28 (e) A candidate or a person who has filed with the commission the document
29 necessary to permit the person to incur election-related expenses under AS 15.13.100
30 may not solicit or accept a contribution if the legislature is convened in a regular or
31 special legislative session, and the candidate or person is a member of the legislature, or
32 employed by a legislator or employed as a member of the legislator's staff or as a

1 member of the staff of a legislative committee.

2 Sec. 15.13.074. PROHIBITED CONTRIBUTIONS. (a) A person may not
3 make a contribution if the making of the contribution would violate this chapter.

4 (b) A person may not make a contribution anonymously, using a fictitious name,
5 or using the name of another.

6 (c) A person may not make a contribution

7 (1) to a candidate for governor or lieutenant governor or a person who
8 files with the commission the document necessary to permit the person to incur certain
9 election-related expenses as authorized by AS 15.13.100 for governor or lieutenant
10 governor, when the office is to be filled at a general election, before the later of the
11 following dates:

12 (A) the date the person

13 (i) becomes a candidate; or

14 (ii) files with the commission the document necessary to
15 permit the person to incur certain election-related expenses as authorized
16 by AS 15.13.100; or

17 (B) January 1 of the year of the general election;

18 (2) to a candidate for the state legislature or a person who files with the
19 commission the document necessary to permit the person to incur certain election-related
20 expenses as authorized by AS 15.13.100 for the state legislature, when the office is to
21 be filled at a general election, before the later of the following dates:

22 (A) the date the person

23 (i) becomes a candidate; or

24 (ii) files with the commission the document necessary to
25 permit the person to incur certain election-related expenses as authorized
26 by AS 15.13.100; or

27 (B) June 1 of the year of the general election;

28 (3) to a candidate or a person who files with the commission the
29 document necessary to permit the person to incur certain election-related expenses as
30 authorized by AS 15.13.100 for an office that is to be filled at a special election or
31 municipal election before the later of the following dates:

32 (A) the date the person

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



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State of Alaska

1 member of the staff of a legislative committee.

2 Sec. 15.13.074. PROHIBITED CONTRIBUTIONS. (a) A person may not
3 make a contribution if the making of the contribution would violate this chapter.

4 (b) A person may not make a contribution anonymously, using a fictitious name,
5 or using the name of another.

6 (c) A person may not make a contribution

7 (1) to a candidate for governor or lieutenant governor or a person who
8 files with the commission the document necessary to permit the person to incur certain
9 election-related expenses as authorized by AS 15.13.100 for governor or lieutenant
10 governor, when the office is to be filled at a general election, before the later of the
11 following dates:

12 (A) the date the person

13 (i) becomes a candidate; or

14 (ii) files with the commission the document necessary to
15 permit the person to incur certain election-related expenses as authorized
16 by AS 15.13.100; or

17 (B) January 1 of the year of the general election;

18 (2) to a candidate for the state legislature or a person who files with the
19 commission the document necessary to permit the person to incur certain election-related
20 expenses as authorized by AS 15.13.100 for the state legislature, when the office is to
21 be filled at a general election, before the later of the following dates:

22 (A) the date the person

23 (i) becomes a candidate; or

24 (ii) files with the commission the document necessary to
25 permit the person to incur certain election-related expenses as authorized
26 by AS 15.13.100; or

27 (B) June 1 of the year of the general election;

28 (3) to a candidate or a person who files with the commission the
29 document necessary to permit the person to incur certain election-related expenses as
30 authorized by AS 15.13.100 for an office that is to be filled at a special election or
31 municipal election before the later of the following dates:

32 (A) the date the person

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(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the person to incur certain election-related expenses as authorized by AS 15.13.100;

(B) is five months before the date of the general or regular municipal election or that is before the date of the proclamation of the special election at which the person seeks election to public office; or

(4) to any candidate later than the 45th day

(A) after the date of a primary election if the person

(i) has been nominated at the primary election or is running as a write-in candidate; and

(ii) is not opposed at the general election;

(B) after the date of the primary election if the person was not nominated at the primary election; or

(C) after the date of the general election, or after the date of a municipal or municipal runoff election, if the person was opposed at the general, municipal, or municipal runoff election.

(d) A person may not make a contribution to a candidate or a person who is prohibited by AS 15.13.072(d) from accepting it.

(e) A person may not make a cash contribution that exceeds \$100.

(f) An individual required to register as a lobbyist under AS 24.45 may not make a contribution to a candidate for the legislature at any time the individual is subject to the registration requirement under AS 24.45 and for one year after the date of the individual's initial registration or its renewal. However, the individual may make a contribution under this section to a candidate for the legislature in a district in which the individual is registered to vote or will be registered to vote on the date of the election. An individual who is subject to the restrictions of this subsection shall report to the commission, on a form provided by the commission, each contribution made while required to register as a lobbyist under AS 24.45. This subsection does not apply to a representational lobbyist as defined in regulations of the commission.

Sec. 15.13.076. AUTHORIZED RECIPIENTS OF CONTRIBUTIONS. A contribution to a

1 (1) candidate may be received only by
2 (A) the candidate; or
3 (B) the candidate's campaign treasurer or a deputy campaign
4 treasurer;

5 (2) group may be received only by the group's campaign treasurer or a
6 deputy treasurer.

7 Sec. 15.13.078. CONTRIBUTIONS AND LOANS FROM THE CANDIDATE.

8 (a) The provisions of this chapter do not prohibit the person who is a candidate from
9 giving any amount of the candidate's own money or other thing of value to the
10 campaign of the candidate. Donations made by the candidate to the candidate's own
11 campaign shall be reported as contributions in accordance with AS 15.13.040 and
12 15.13.110.

13 (b) The provisions of this chapter do not prohibit the person who is a
14 candidate from lending any amount to the campaign of the candidate. Loans made by
15 the candidate shall be reported as contributions in accordance with AS 15.13.040 and
16 15.13.110. However, the candidate may not

17 (1) recover, under this section and AS 15.13.116(a)(5), the amount of
18 a loan made by the candidate to the candidate's own campaign that exceeds

19 (A) \$25,000, if the candidate ran for governor or lieutenant
20 governor;

21 (B) \$10,000, if the candidate ran for

22 (i) the legislature; or

23 (ii) delegate to a constitutional convention;

24 (C) \$10,000, if the candidate was a judge seeking retention;

25 (D) \$5,000, if the candidate ran in a municipal election; or

26 (2) repay a loan that the candidate has made to the candidate's own
27 campaign unless, within five days of making the loan, the candidate notifies the
28 commission, on a form provided by the commission, of the candidate's intention to
29 repay the loan under AS 15.13.116(a)(5).

30 (c) The provisions of this section apply only to the person who is a candidate,
31 as that term is defined by AS 15.13.400(1)(A), and do not apply to authorize a
32 contribution or loan under this section by a person described in the definition of the

1 term "candidate" under AS 15.13.400(1)(B).

2 * Sec. 12. AS 15.13.080 is amended to read:

3 Sec. 15.13.080. STATEMENT BY CONTRIBUTOR. (a) Each of the
4 following shall file statements as required by this section:

5 (1) an individual who contributes to a candidate

6 (A) more than [A PERSON OR GROUP CONTRIBUTING TO
7 A CANDIDATE OVER] \$250; or

8 (B) [CONTRIBUTING] goods or services [TO A CANDIDATE]
9 with a value of more than \$250;

10 (2) an individual who, during the period between the 90th day before
11 an election and the date of the election, contributes to more than one group and
12 whose aggregate contributions to all groups, in money or in the value of goods and
13 services, or both, exceed \$1,000 per year [TO INFLUENCE THE ELECTION OF A
14 CANDIDATE SHALL FURNISH THE COMMISSION A SIGNED STATEMENT, ON
15 A FORM MADE AVAILABLE BY THE COMMISSION].

16 (b) An individual required to file a contributor's statement under (a) of this
17 section shall file on a form made available by the commission. The statement must

18 (1) identify the contributor and the candidate and all groups
19 receiving contributions;

20 (2) [SHALL] itemize the contributions and goods; and

21 (3) state that the contributor is not [A PERSON OR GROUP] prohibited
22 by law from contributing and that the contribution consists of funds or property
23 belonging to the contributor and has not been given or furnished by another person or
24 group.

25 (c) The contributor's statement shall be filed with the commission by the
26 contributor no later than 10 days after the contribution is made. [A COPY OF THE
27 STATEMENT SHALL BE FURNISHED THE CANDIDATE, CAMPAIGN
28 TREASURER, OR DEPUTY CAMPAIGN TREASURER AT THE TIME THE
29 CONTRIBUTION IS MADE.]

30 * Sec. 13. AS 15.13 is amended by adding new sections to read:

31 Sec. 15.13.082. LIMITATIONS ON EXPENDITURES. (a) A candidate or
32 group may not make an expenditure in cash that exceeds \$100 unless the candidate, or

1 the campaign treasurer or deputy campaign treasurer, obtains from the person to whom
2 the expenditure is made a written receipt and files a copy of the receipt with the
3 commission.

4 (b) A candidate or group may not make an expenditure unless the source of the
5 expenditure has been disclosed as required by this chapter.

6 (c) If a candidate receives a contribution in the form of cash, check, money
7 order, or other negotiable instrument and is subject to being reported to the commission
8 under this chapter, the candidate may neither expend the contribution nor, in the case of
9 a negotiable instrument, convert it to cash unless the candidate, campaign treasurer, or
10 deputy campaign treasurer first records the following information for disclosure to the
11 commission:

12 (1) the name, address, principal occupation, and employer of the
13 contributor; and

14 (2) the date and amount of the contribution.

15 Sec. 15.13.084. PROHIBITED EXPENDITURES. A person may not make an
16 expenditure anonymously, using a fictitious name, or using the name of another.

17 Sec. 15.13.086. AUTHORIZED MAKERS OF EXPENDITURES. An
18 expenditure

19 (1) authorized by AS 15.13.067(1) by or in behalf of a candidate may be
20 made only by

21 (A) the candidate; or

22 (B) the candidate's campaign treasurer or a deputy campaign
23 treasurer;

24 (2) authorized by AS 15.13.067(3) by or in behalf of a group may be
25 made only by the group's campaign treasurer.

26 * Sec. 14. AS 15.13.090 is amended by adding a new subsection to read:

27 (b) The provisions of (a) of this section do not apply when the advertisement

28 (1) is paid for by an individual acting independently of any group and
29 independently of any other individual;

30 (2) is made concerning a ballot proposition or question; and

31 (3) is made for

32 (A) a billboard or sign; or

1 (B) printed material other than an advertisement made in a
2 newspaper or other periodical.

3 * Sec. 15. AS 15.13.110(a) is amended to read:

4 (a) Each candidate and group shall make a full report in accordance with
5 AS 15.13.040 for the period ending three days before the due date of the report and
6 beginning on the last day covered by the most recent previous report. If the report is a
7 first report, it shall cover the period from the beginning of the campaign to the date three
8 days before the due date of the report. If the report is a report due February 15, it shall
9 cover the period beginning on the last day covered by the most recent previous report
10 or on the day that the campaign started, whichever is later, and ending on December 31
11 of the prior year. The report shall be filed

12 (1) 30 days before the election; however, this report is not required if the
13 deadline for filing a nominating petition or declaration of candidacy is within 30 days
14 of the election;

15 (2) one week before the election;

16 (3) 10 days after the election; and

17 (4) February 15 for expenditures made and contributions received that
18 were not reported during the previous year, including, if applicable, expenditures from
19 a legislative office account established under AS 15.13.116(a)(9), or when
20 expenditures were not made or contributions were not received during the previous year.

21 * Sec. 16. AS 15.13.110(b) is amended to read:

22 (b) Each contribution [OR EXPENDITURE] that exceeds \$250 and that is made
23 within nine days of the election shall be reported to the commission by date, amount, and
24 contributor [OR RECIPIENT] within 24 hours of receipt [OR EXPENDITURE] by the
25 candidate, group, [OR] campaign treasurer, or deputy campaign treasurer.

26 * Sec. 17. AS 15.13.110(c) is amended to read:

27 (c) [THE REPORTS OF CANDIDATES SHALL BE FILED WITH THE
28 COMMISSION'S CENTRAL OFFICE.] All reports required by this chapter shall be
29 filed with the commission's central office and shall be kept open to public inspection.
30 Within 30 days after each election, the commission shall prepare a summary of each
31 report which shall be made available to the public at cost upon request. Each summary
32 shall use uniform categories of reporting.

1 * Sec. 18. AS 15.13 is amended by adding new sections to read:

2 Sec. 15.13.112. USES OF CAMPAIGN CONTRIBUTIONS HELD BY
3 CANDIDATE OR GROUP. (a) Campaign contributions held by a candidate or group
4 may be used only to pay the expenses of the candidate or group, and the campaign
5 expenses incurred by the candidate or group, that reasonably relate to election campaign
6 activities, and in those cases only as authorized by this chapter.

7 (b) Campaign contributions held by a candidate or group may not be

8 (1) used to give a personal benefit to the candidate or to another person;

9 (2) converted to personal income of the candidate;

10 (3) loaned to a person;

11 (4) knowingly used to pay more than the fair market value for goods or
12 services purchased for the campaign;

13 (5) used to pay a criminal fine;

14 (6) used to pay civil penalties; however, campaign contributions held by
15 a candidate or group may be used to pay a civil penalty assessed under this chapter if
16 authorized by the commission after it first determines that

17 (A) the candidate, campaign treasurer, and deputy campaign
18 treasurer did not cause or participate in the violation for which the civil penalty
19 is imposed and exercised a reasonable level of oversight over the campaign; and

20 (B) the candidate, campaign treasurer, and deputy campaign
21 treasurers cooperated in the revelation of the violation and in its immediate
22 correction; or

23 (7) used to make contributions to another candidate or to a group.

24 Sec. 15.13.114. DISPOSITION OF PROHIBITED CONTRIBUTIONS. (a) A
25 candidate or group that receives and accepts a contribution given in violation of
26 AS 15.13.072 or 15.13.074 shall immediately, upon discovery that the contribution is
27 prohibited, return it to the contributor. If the contribution cannot be returned in the same
28 form, the equivalent value of the contribution shall be returned.

29 (b) An anonymous contribution is forfeited to the state unless the contributor is
30 identified within five days of its receipt. Money that forfeits to the state under this
31 subsection shall be delivered immediately to the Department of Revenue for deposit in
32 the general fund.

1 Sec. 15.13.116. DISBURSEMENT OF CAMPAIGN ASSETS AFTER
2 ELECTION. (a) A candidate who, after the date of the general, special, municipal, or
3 municipal runoff election or after the date the candidate withdraws as a candidate,
4 whichever comes first, holds unused campaign contributions shall distribute the amount
5 held within 60 days. The distribution may only be made to

6 (1) pay bills incurred for expenditures reasonably related to the campaign
7 and the winding up of the affairs of the campaign, and to pay expenditures associated
8 with post-election fund raising that may be needed to raise funds to pay off campaign
9 debts;

10 (2) pay for a victory or a thank you party costing less than \$500, or to
11 give a thank you gift of a value of less than \$50 to a campaign employee or volunteer;

12 (3) make donations, without condition, to

13 (A) a political party;

14 (B) the state's general fund;

15 (C) a municipality of the state; or

16 (D) the federal government;

17 (4) make donations, without condition, to organizations qualified as
18 charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not
19 controlled by the candidate or a member of the candidate's immediate family;

20 (5) repay loans from the candidate to the candidate's own campaign
21 under AS 15.13.078(b);

22 (6) repay contributions to contributors, but only if repayment of the
23 contribution is made to all contributors pro rata in approximate proportion to the
24 contributions made;

25 (7) establish a fund for, and from that fund to pay, attorney fees or costs
26 incurred in the prosecution or defense of an administrative or civil judicial action that
27 directly concerns a challenge to the victory or defeat of the candidate in the election;

28 (8) transfer all or a portion of the unused campaign contributions to an
29 account for a future election campaign; a transfer under this paragraph is limited to

30 (A) \$50,000, if the transfer is made by a candidate for governor
31 or lieutenant governor;

32 (B) \$7,500, if the transfer is made by a candidate for the state

1 senate;

2 (C) \$5,000, if the transfer is made by a candidate for the state
3 house of representatives; and

4 (D) \$5,000, if the transfer is made by a candidate for an office
5 not described in (A) - (C) of this paragraph;

6 (9) transfer all or a portion of the unused campaign contributions to a
7 legislative office account; a transfer under this paragraph is subject to the following:

8 (A) the authority to transfer is limited to candidates who are
9 elected to the state legislature;

10 (B) the legislative office account established under this paragraph
11 may be used only for expenses associated with the candidate's serving as a
12 member of the legislature;

13 (C) the expenditures made from the legislative office account
14 shall be annually accounted for under AS 15.13.110(a)(4); and

15 (D) a transfer under this paragraph is limited to

16 (i) \$10,000, for a candidate elected to the state senate; and

17 (ii) \$5,000, for a candidate elected to the state house of
18 representatives.

19 (b) After a general, special, municipal, or municipal runoff election, a candidate
20 may retain the ownership of personal property, except money, that was acquired by and
21 for use in the campaign. The total value of the property retained may not exceed \$2,500.
22 All other property shall be disposed of, or sold and the sale proceeds disposed of, in
23 accordance with (a) or (c) of this section.

24 (c) Property remaining after disbursements are made under (a) - (b) of this
25 section is forfeited to the state. Within 30 days, the candidate shall deliver the property
26 to the Department of Revenue. The Department of Revenue shall deposit any money
27 received into the general fund and dispose of any other property in accordance with law.

28 * Sec. 19. AS 15.13.120(d) is repealed and reenacted to read:

29 (d) Whenever a person believes a violation of this chapter or a regulation
30 adopted under this chapter has occurred or is occurring, the person may file an
31 administrative complaint with the commission under (e) of this section. If, after 60 days
32 following the filing of the complaint, the commission staff has not completed a report

1 of a preliminary investigation as authorized by commission regulation adopted under
2 AS 15.13.030(10) or AS 24.60.220, the person may file an action in the superior court
3 seeking injunctive relief and civil penalties under AS 15.13.125. However, an action
4 may not be commenced in the superior court under this subsection after two years have
5 elapsed from the date of the alleged violation. The plaintiff in a superior court action
6 shall serve the attorney general and the commission with a copy of the summons and
7 complaint. The commission, represented by the attorney general, may intervene in the
8 action.

9 * Sec. 20. AS 15.13.120(e) is repealed and reenacted to read:

10 (e) A member of the commission, the commission's executive director, or a
11 person who believes a violation of a provision of this chapter or a regulation adopted
12 under this chapter has occurred, may file an administrative complaint with the
13 commission. The commission shall expeditiously make an investigation of the
14 complaint. If a member of the commission has filed the complaint, the member may not
15 participate as a commissioner in any proceeding of the commission with respect to the
16 complaint. After affording a person notice and an opportunity for hearing, if the
17 commission finds that the person has engaged in or is about to engage in an act or
18 practice that constitutes or will constitute a violation of a provision of this chapter or a
19 regulation adopted under this chapter, the commission shall enter an order requiring the
20 violation to cease and to be remedied, and shall assess civil penalties under
21 AS 15.13.125. An action may not be commenced by the commission under this
22 subsection after four years have elapsed from the date of the alleged violation. The
23 commission's exercise of jurisdiction under this subsection is not exclusive. A person
24 who files a complaint under this subsection may withdraw it at any time and, unless
25 more than two years have elapsed since the date of the alleged violation, proceed under
26 (d) of this section.

27 * Sec. 21. AS 15.13.125 is amended to read:

28 Sec. 15.13.125. CIVIL PENALTY: LATE FILING OF REQUIRED REPORTS.
29 A person who fails to file a properly completed and certified report within the time
30 required by AS 15.13.040(f), 15.13.110(a)(1), (3), or (4), or 15.13.110(f) is subject to a
31 civil penalty of not more than \$50 [S10] a day for each day the delinquency continues
32 as determined by the commission subject to right of appeal to the superior court. A

1 person who fails to file a properly completed and certified report within the time required
2 by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of not more than \$500
3 [\$50] a day for each day the delinquency continues as determined by the commission
4 subject to right of appeal to the superior court. An affidavit stating facts in mitigation
5 may be submitted to the commission by a person against whom a civil penalty is
6 assessed. However, the imposition of the penalties prescribed in this section or in
7 AS 15.13.120 does not excuse that person from filing reports required by this chapter.

8 * Sec. 22. AS 15.13.125 is amended by adding new subsections to read:

9 (b) When an administrative complaint has been filed under AS 15.13.120(e), the
10 commission shall give the person against whom the complaint has been filed due notice
11 and an opportunity to be heard. If, at the conclusions of the hearing, the commission
12 determines that the person against whom the complaint was filed engaged in the alleged
13 violation, the commission shall assess

14 (1) civil penalties under (a) of this section;

15 (2) the commission's costs of investigation and adjudication; and

16 (3) reasonable attorney fees.

17 (c) The commission's determination under (b) of this section may be appealed
18 to the superior court under AS 44.62 (Administrative Procedure Act).

19 (d) When an action has been filed in the superior court under AS 15.13.120(d),
20 upon proof of the violation, the court

21 (1) shall enter a judgment in the amount of three times the amount of the
22 civil penalty authorized to be collected by (a) of this section; however, if the court finds
23 that, in committing the violation, the person against whom the action was brought did
24 not act knowingly and took action to correct the violation within five days after it
25 occurred, the court may enter a judgment in the amount of the civil penalty authorized
26 by (a) of this section; and

27 (2) shall award reasonable attorney fees and costs to the prevailing party.

28 (e) A person who filed a civil action under AS 15.13.120(d), upon proof of the
29 violation by the person against whom the action was filed, may execute on the judgment
30 and is entitled to half of any amount recovered as a civil penalty exclusive of any
31 attorney fees and costs awarded by the court. The remainder of any amount recovered
32 as a civil penalty shall be deposited in the state's general fund.

1 (f) If the commission or superior court finds that the violation was not a repeat
 2 violation or was not part of a series or pattern of violations, was inadvertent, was quickly
 3 corrected, and had no adverse effect on the campaign of another, the commission or the
 4 court may

- 5 (1) suspend imposition of the penalties; and
- 6 (2) order the penalties set aside if the person does not engage in a similar
 7 violation for a period of one year.

8 * Sec. 23. AS 15.13 is amended by adding new sections to read:

9 Sec. 15.13.135. INDEPENDENT EXPENDITURES FOR OR AGAINST
 10 CANDIDATES. (a) Only an individual or group may make an independent expenditure
 11 supporting or opposing a candidate for election to public office. An independent
 12 expenditure supporting or opposing a candidate for election to public office shall be
 13 reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110 and other
 14 requirements of this chapter.

15 (b) An individual or group who makes independent expenditures for a mass
 16 mailing, for distribution of campaign literature of any sort, for a television, radio,
 17 newspaper or magazine advertisement, or any other communication that supports or
 18 opposes a candidate for election to public office

- 19 (1) shall comply with AS 15.13.090; and
- 20 (2) shall place the following statement in the mailing, literature,
 21 advertisement, or other communication so that it is readily and easily discernible:

22 This NOTICE TO VOTERS is required by Alaska law. (I/we)
 23 certify that this (mailing/literature/advertisement) is not authorized, paid
 24 for, or approved by the candidate.

25 Sec. 15.13.137. RESTRICTIONS ON CONTRIBUTIONS TO INDIVIDUALS
 26 MAKING INDEPENDENT EXPENDITURES FOR OR AGAINST CANDIDATES.
 27 An individual who makes an independent expenditure supporting or opposing a candidate
 28 may not accept a contribution to help pay for the expenditure from another individual
 29 or group that exceeds the amount an individual may contribute to a group under
 30 AS 15.13.070(b)(2).

31 Sec. 15.13.140. INDEPENDENT EXPENDITURES FOR OR AGAINST
 32 BALLOT PROPOSITION OR QUESTION. (a) This chapter does not prohibit a person,

1 or a publicly funded entity, from making independent expenditures in support of or in
2 opposition to a ballot proposition or question.

3 (b) An independent expenditure for or against a ballot proposition or question

4 (1) shall be reported in accordance with AS 15.13.040 and 15.13.100 -
5 15.13.110 and other requirements of this chapter; and

6 (2) may not be made if the expenditure is prohibited by AS 15.13.145.

7 Sec. 15.13.145. MONEY OF THE STATE AND ITS POLITICAL
8 SUBDIVISIONS. (a) Except as provided in (b) and (c) of this section, each of the
9 following may not use money held by the entity to influence the outcome of the election
10 of a candidate to a state, municipal, municipal runoff, or federal office:

11 (1) the state, its agencies, and its corporations;

12 (2) the University of Alaska and its Board of Regents;

13 (3) municipalities, school districts, and regional educational attendance
14 areas, or another political subdivision of the state; and

15 (4) an officer or employee of an entity identified in (1) - (3) of this
16 subsection.

17 (b) Money held by an entity identified in (a)(1) - (3) of this section may be used
18 to influence the outcome of an election concerning a ballot proposition or question, but
19 only if the funds have been specifically appropriated for that purpose by a state law or
20 a municipal ordinance.

21 (c) Money held by an entity identified in (a)(1) - (3) of this section may be used

22 (1) to disseminate information about the time and place of an election
23 and to hold an election;

24 (2) to provide the public with nonpartisan information about a ballot
25 proposition or question or about all the candidates seeking election to a particular public
26 office.

27 (d) When expenditure of money is authorized by (b) or (c) of this section and
28 is used to influence the outcome of an election, the expenditures shall be reported to the
29 commission in the same manner as an individual is required to report under
30 AS 15.13.040.

31 Sec. 15.13.150. ELECTION EDUCATIONAL ACTIVITIES NOT
32 PROHIBITED. This chapter does not prohibit a person from engaging in educational

1 election-related communications and activities, including

- 2 (1) the publication of the date and location of an election;
- 3 (2) the education of students about voting and elections;
- 4 (3) the sponsorship of open candidate debate forums;
- 5 (4) participation in get-out-the-vote or voter registration drives that do
- 6 not favor a particular candidate, political party, or political position;
- 7 (5) the dissemination of the views of all candidates running for a
- 8 particular office.

9 Sec. 15.13.155. RESTRICTIONS ON EARNED INCOME AND HONORARIA.

10 (a) A candidate for the state legislature, for governor, or for lieutenant governor,

11 including a person campaigning as a write-in candidate for the office, may not

12 (1) seek or accept compensation for personal services that involves

13 payments that are not commensurate with the services rendered taking into account the

14 higher rates generally charged by specialists in a profession; or

15 (2) accept a payment of anything of value, except for actual and

16 necessarily incurred travel expenses, for an appearance or speech; this paragraph does

17 not apply to the salary paid to the candidate for making an appearance or speech as part

18 of the candidate's normal course of employment.

19 (b) Notwithstanding (a) of this section, a candidate for the state legislature, for

20 governor, or for lieutenant governor, including a person campaigning as a write-in

21 candidate for the office, may accept a payment for an appearance or speech if the

22 appearance or speech is not connected with the person's status as a state official or as a

23 candidate.

24 Sec. 15.13.400. DEFINITIONS. In this chapter,

25 (1) "candidate"

26 (A) means a person who files for election to the state legislature,

27 for governor, for lieutenant governor, for municipal office, for retention in

28 judicial office, or for constitutional convention delegate, or who campaigns as a

29 write-in candidate for any of these offices; and

30 (B) when used in a provision of this chapter that limits or

31 prohibits the donation, solicitation, or acceptance of campaign contributions, or

32 limits or prohibits an expenditure, includes

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(i) a candidate's campaign treasurer and a deputy campaign treasurer;

(ii) a member of the candidate's immediate family;

(iii) a person acting as agent for the candidate;

(iv) the candidate's campaign committee; and

(v) a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of the candidate;

(2) "commission" means the Alaska Public Offices Commission;

(3) "contribution"

(A) means a purchase, payment, promise or obligation to pay, loan or loan guarantee, deposit or gift of money, goods, or services for which charge is ordinarily made and that is made for the purpose of influencing the nomination or election of a candidate, and in AS 15.13.010(b) for the purpose of influencing a ballot proposition or question, including the payment by a person other than a candidate or political party, or compensation for the personal services of another person, that are rendered to the candidate or political party;

(B) does not include

(i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or ballot proposition or question, but it does include professional services volunteered by individuals for which they ordinarily would be paid a fee or wage;

(ii) services provided by an accountant or other person to prepare reports and statements required by this chapter; or

(iii) ordinary hospitality in a home;

(4) "expenditure"

(A) means a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of

(i) influencing the nomination or election of a candidate or of any individual who files for nomination at a later date and becomes

1 a candidate;

2 (ii) use by a political party;

3 (iii) the payment by a person other than a candidate or
4 political party of compensation for the personal services of another person
5 that are rendered to a candidate or political party; or

6 (iv) influencing the outcome of a ballot proposition or
7 question;

8 (B) does not include a candidate's filing fee or the cost of
9 preparing reports and statements required by this chapter;

10 (5) "group" means

11 (A) every state and regional executive committee of a political
12 party; and

13 (B) any combination of two or more individuals acting jointly
14 who organize for the principal purpose to influence the outcome of one or more
15 elections and who take action the major purpose of which is to influence the
16 outcome of an election; a group that makes expenditures or receives contributions
17 with the authorization or consent, express or implied, or under the control, direct
18 or indirect, of a candidate shall be considered to be controlled by that candidate;
19 a group whose major purpose is to further the nomination, election, or candidacy
20 of only one person, or intends to expend more than 33 1/3 percent of its money
21 on a single candidate, shall be considered to be controlled by that candidate and
22 its actions done with the candidate's knowledge and consent unless, within 10
23 days from the date the candidate learns of the existence of the group the
24 candidate files with the commission, on a form provided by the commission, an
25 affidavit that the group is operating without the candidate's control; a group
26 organized for more than one year preceding an election and endorsing candidates
27 for more than one office or more than one political party is presumed not to be
28 controlled by a candidate; however, a group that contributes more than 33 1/3
29 percent of its money to or on behalf of one candidate shall be considered to
30 support only one candidate for purposes of AS 15.13.070, whether or not control
31 of the group has been disclaimed by the candidate;

32 (6) "immediate family" means the spouse, parents, children, including a

1 stepchild and an adoptive child, and siblings of an individual;

2 (7) "independent expenditure" means an expenditure that is made without
3 the direct or indirect consultation or cooperation with, or at the suggestion or the request
4 of, or with the prior consent of, a candidate, a candidate's campaign treasurer or deputy
5 campaign treasurer, or another person acting as a principal or agent of the candidate;

6 (8) "individual" means a natural person;

7 (9) "person" has the meaning given in AS 01.10.060, and includes a labor
8 union;

9 (10) "political party" means an organized group of voters that represents
10 a political program and that nominated a candidate for governor who received at least
11 three percent of the total votes cast at any one of the last five preceding general elections
12 for governor and, in addition, includes a subordinate unit of the organized group of
13 voters qualifying as a political party;

14 (11) "publicly funded entity" means a person, other than an individual,
15 that receives half or more of the money on which it operates during a calendar year from
16 government, including a public corporation.

17 * Sec. 24. AS 15.56 is amended by adding new sections to read:

18 Sec. 15.56.012. CAMPAIGN MISCONDUCT IN THE FIRST DEGREE. (a)

19 A person commits the crime of campaign misconduct in the first degree if the person
20 intentionally violates a provision of AS 15.13 or a regulation adopted under authority of
21 AS 15.13.

22 (b) Violation of this section is a corrupt practice.

23 (c) Campaign misconduct in the first degree is a class A misdemeanor.

24 Sec. 15.56.014. CAMPAIGN MISCONDUCT IN THE SECOND DEGREE. (a)

25 A person commits the crime of campaign misconduct in the second degree if the person

26 (1) knowingly circulates or has written, printed or circulated a letter,
27 circular, or publication relating to an election, to a candidate at an election, or an election
28 proposition or question without the name and address of the author appearing on its face;

29 (2) knowingly prints or publishes an advertisement, billboard, placard,
30 poster, handbill, paid-for television or radio announcement or other communication
31 intended to influence the election of a candidate or outcome of a ballot proposition or
32 question without the words "paid for by" followed by the name and address of the

1 candidate, group or individual paying for the advertising or communication and, if a
2 candidate or group, with the name of the campaign chair;

3 (3) knowingly writes or prints and circulates, or has written, printed and
4 circulated, a letter, circular, bill, placard, poster or advertisement in a newspaper, on
5 radio or television

6 (A) containing false factual information relating to a candidate for
7 an election;

8 (B) that the person knows to be false, and

9 (C) that would provoke a reasonable person under the
10 circumstances to a breach of the peace or damages the candidate's reputation for
11 honesty, integrity, or the candidate's qualifications to serve if elected to office;
12 or

13 (4) knowingly violates a provision of AS 15.13 or a regulation adopted
14 under AS 15.13.

15 (b) Violation of this section is a corrupt practice.

16 (c) Campaign misconduct in the second degree is a class B misdemeanor.

17 Sec. 15.56.016. CAMPAIGN MISCONDUCT IN THE THIRD DEGREE. (a)

18 A person commits the crime of campaign misconduct in the third degree

19 (1) if the person recklessly or with criminal negligence violates a
20 provision of AS 15.13 or a regulation adopted under AS 15.13; or

21 (2) if, during the hours the polls are open and after election judges have
22 posted warning notices as required by AS 15.15.170 or at the required distance in the
23 form and manner prescribed by the chief municipal elections official in a local election,
24 the person intentionally is within 200 feet of an entrance to a polling place, and

25 (A) violates AS 15.15.170; or

26 (B) circulates cards, handbills, or marked ballots, or posts
27 political signs or posters relating to a candidate at an election or election
28 proposition or question.

29 (b) Campaign misconduct in the third degree is a violation.

30 Sec. 15.56.018. APPLICABILITY OF CAMPAIGN MISCONDUCT
31 PROVISIONS. (a) For purposes of AS 15.56.012(a), 15.56.014(a)(4), and
32 15.56.016(a)(1), each day a violation continues constitutes a separate offense.

1 (b) When a person is convicted of violating AS 15.56.014(a), in addition to
2 imposition of a sentence as 'authorized by AS 12.55.015, notwithstanding
3 AS 12.55.015(c), the court shall order suspension, for a period of one year, of any
4 license held by the defendant that allows the defendant to do business in the state.

5 Sec. 15.56.019. DEFINITIONS. In AS 15.56.012 - 15.56.018, the terms
6 "intentionally," "knowingly," "recklessly," and "with criminal negligence" have the
7 meanings given in AS 11.81.900(a).

8 * Sec. 25. AS 24.45.121(a) is amended to read:

9 (a) A lobbyist may not

10 (1) engage in any activity as a lobbyist before registering under
11 AS 24.45.041;

12 (2) do anything with the intent of placing a public official under personal
13 obligation to the lobbyist or to the lobbyist's employer;

14 (3) intentionally deceive or attempt to deceive any public official with
15 regard to any material fact pertinent to pending or proposed legislative or administrative
16 action;

17 (4) cause or influence the introduction of a legislative measure solely for
18 the purpose of thereafter being employed to secure its passage or its defeat;

19 (5) cause a communication to be sent to a public official in the name of
20 any fictitious person or in the name of any real person, except with the consent of that
21 person;

22 (6) accept or agree to accept any payment in any way contingent upon
23 the defeat, enactment, or outcome of any proposed legislative or administrative action;

24 (7) serve as a member of a state board, or commission, if the lobbyist's
25 employer may receive direct economic benefit from a decision of that board or
26 commission;

27 (8) serve as a campaign manager or director, serve as a campaign
28 treasurer or deputy campaign treasurer on a finance or fund-raising committee, host a
29 fund-raising event, directly or indirectly collect contributions for, or deliver
30 contributions to, a candidate or otherwise [ACTIVELY] engage in the fund-raising
31 activity of a legislative campaign or campaign for governor or lieutenant governor
32 if the lobbyist has registered, or is required to register as a lobbyist, under this

1 chapter, during the calendar year; this paragraph does not apply to a representational
2 lobbyist as defined in the regulations of the Alaska Public Offices Commission, and does
3 not prohibit a lobbyist from making personal contributions to a candidate as authorized
4 by AS 15.13 or personally advocating on behalf of a candidate;

5 (9) offer, solicit, initiate, facilitate, or provide to or on behalf of a person
6 covered by AS 24.60, during a legislative session, a gift, other than food or beverage for
7 immediate consumption;

8 (10) make or offer a gift or a campaign contribution whose acceptance
9 by the person to whom it is offered would violate AS 24.60.

10 * Sec. 26. AS 24.60.031(b) is amended to read:

11 (b) In this section, "contribution" has the meaning given in AS 15.13.400
12 [AS 15.13.130].

13 * Sec. 27. AS 15.13.120(a), 15.13.130; AS 15.56.010, and 15.56.020 are repealed.

14 * Sec. 28. CONSTRUCTION AND APPLICATION. Each provision of this Act shall be
15 construed to avoid a conflict with any federal law that, under the supremacy clause of art. VI
16 of the United States Constitution, prevails over the state provision.

17 * Sec. 29. APPLICABILITY OF AS 15.13 TO PERSONS OTHER THAN INDIVIDUALS.
18 If a court determines that, under the federal or state constitutions, persons who are not
19 individuals must be allowed to contribute to candidates or groups, then the requirements,
20 monetary limitations, and restrictions of AS 15.13 are applicable to those persons.

21 * Sec. 30. SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the
22 application thereof to any person or circumstance, is held invalid, the remainder of this Act and
23 the application to other persons or circumstances is not affected thereby.

24 * Sec. 31. TAKING EFFECT OF ACT MADE CONDITIONAL. Sections 1 - 30 of this Act
25 take effect only if, under art. XI, sec. 4, Constitution of the State of Alaska, and AS 15.45.210,
26 the lieutenant governor determines that secs. 1 - 30 of this Act are substantially the same as the
27 law proposed to be enacted by the Initiative entitled "An Initiative relating to election campaign
28 financing and the Alaska Public Offices Commission; and providing for an effective date,"
29 identified by the division of elections as Initiative Petition 95 CFPO, filed with the lieutenant
30 governor by the Initiative sponsors under AS 15.45.140 on December 15, 1995.

31 * Sec. 32. If secs. 1 - 30 of this Act take effect, they take effect January 1, 1997.

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 368()

3-9-96
SA meeting

#1

1 Page 24, lines 9 - 13:

2 Delete all material and insert:

3 "(10) "political party" means

4 (A) an organized group of voters that represents a political
5 program and that nominated a candidate for governor who received at least
6 three percent of the total votes cast at any one of the last five preceding
7 general elections for governor;

8 (B) a subordinate unit of the organized group of voters
9 qualifying as a political party under (A) of this paragraph if, consistent with
10 the rules or bylaws of the political party, the unit conducts or supports
11 campaign operations in a municipality, neighborhood, election district, or
12 precinct; and

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 368()

1 Page 24, lines 9 - 13:

2 Delete all material and insert:

3 "(10) "political party" means

4 (A) an organized group of voters that represents a political
5 program and that nominated a candidate for governor who received at least
6 three percent of the total votes cast at any one of the last five preceding
7 general elections for governor;

8 (B) a subordinate unit of the organized group of voters
9 qualifying as a political party under (A) of this paragraph if, consistent with
10 the rules or bylaws of the political party, the unit conducts or supports
11 campaign operations in a municipality, neighborhood, election district, or
12 precinct; and

13 (C) an organization that, by virtue of the rules or bylaws of the
14 organized group of voters qualifying as a political party under (A) of this
15 paragraph, is affiliated with the political party;"

AMENDMENT

OFFERED IN THE _____

TO: CSSB 191()

CS HB 368

#2

1 Page 5, lines 4 - 10:

2 Delete "[IF THE GROUP INTENDS TO SUPPORT OR OPPOSE ONLY ONE
3 CANDIDATE, OR TO CONTRIBUTE TO OR EXPEND ON BEHALF OF, OR IN
4 OPPOSITION TO, ONE CANDIDATE 50 PERCENT OR MORE OF ITS FUNDS, THE
5 NAME OF THE CANDIDATE SHALL BE A PART OF THE NAME OF THE GROUP.
6 PROMPTLY UPON RECEIVING THE REGISTRATION, THE COMMISSION SHALL
7 NOTIFY THE CANDIDATE OF THE GROUP'S ORGANIZATION AND INTENT.]"

8 Insert "If the group intends to support or oppose only one candidate, or to contribute
9 to or expend on behalf of, or in opposition to, one candidate 33 1/3 [50] percent or more of its
10 funds, the name of the candidate shall be a part of the name of the group. Promptly upon
11 receiving the registration, the commission shall notify the candidate of the group's organization
12 and intent."

A M E N D M E N T

OFFERED IN THE _____

TO: CSSB 191() . .

#3

1 Page 5, line 28, through page 6, line 15:

2 Delete all material and insert:

3 "(b) An individual may contribute not more than

4 (1) \$500 per year to a candidate, or to a person who conducts a write-in
5 campaign as a candidate;

6 (2) \$250 per year to a group that is not a political party;

7 (3) \$5,000 per year to a political party.

8 (c) A group that is not a political party may contribute not more than \$1,000
9 per year

10 (1) to a candidate, or to a person who conducts a write-in campaign as
11 a candidate; or

12 (2) to another group or to a political party."

technical

AMENDMENT

OFFERED IN THE _____

TO: CSSB 191() . .

#20

- 1 Page 5, lines 12 - 13:
- 2 Delete "Only an individual may make a contribution to a group."
- 3 Insert "An individual may make a contribution to a group or to a political party."

technical

CURRENT LAW	INITIATIVE	CS DATED 2/28/96
Contributions from individuals \$1,000/yr. limit; No limits to political parties or groups.	\$500/yr. to a candidate \$250/yr. to a group \$5,000/yr. to a political party	Same as initiative.
Contributions from parties No limits.	\$5,000/yr. to legislative candidate \$50,000/yr. to Gov. or Lt. Gov. candidate. <i>Statewide</i>	\$10,000/yr. to House or other candidates \$15,000/yr. to Senate cand. \$100,000/yr. to Gov./Lt. Gov. candidate. <i>BY 200,000 to team</i>
Contributions not from individuals (i.e. corps, unions) \$1,000/yr. contrib. limit. Unlimited to groups or parties.	Prohibited.	Same as initiative.
Contribution from groups of individuals \$1,000/yr. to a candidate.	\$500/ yr. to a candidate.	\$1,000/yr. to a candidate
Lobbyists No special restrictions on contributions.	A for-profit lobbyist could contribute only to a legislative candidate running in the lobbyist's district of residence.	Same as initiative.
When money can be raised No starting or ending point.	A candidate could not accept a contribution 11 months before, or more than 30 days after the election.	June 1 to 45 days after the election for legislative candidates; Jan. 1 to 45 days after the election for Gov./Lt. Gov.; 5 months before to 45 days after for other candidates.
Personal use of campaign funds No restrictions. Unlimited funds may be converted to personal income.	Prohibited.	Transfer of \$5,000 (House) or \$10,000 (Senate) to office account allowed.

Current Law

Initiative

CS

Carry forward of campaign surpluses Unlimited surplus campaign funds may be carried over to future campaigns.	Prohibited.	Transfer of \$5,000 (House), \$7,500 (Senate), or \$50,000 (Gov./Lt. Gov.) to next campaign allowed.
Out-of-state contributions No special restrictions.	Prohibited.	Out-of-state contributions allowed up to \$2,000 (House), \$3,000 (Senate) or \$20,000 (Gov./Lt. Gov.).
Independent expenditures No restrictions.	Only individuals, political groups, and political parties could make "independent" expenditures.	Same as initiative.
Public funds No clear restrictions.	Use of public funds for campaign activities involving candidates would be prohibited.	Same as initiative.
Serious violations All minor misdemeanors.	Intentional violations would be Class C felonies, and knowing violations would be Class A misdemeanors.	Penalties would be reduced by one step so the most severe penalty would be a Class A misdemeanor.
Civil penalties Minimum civil penalty is \$10 per violation.	Civil penalties would increase, depending on the significance and length of a violation.	Civil penalty maximums would increase.
Power to enforce Only a state agency, APOC (Alaska Public Offices Commission), can enforce the campaign finance and disclosure laws.	Both APOC and citizens could sue in Superior Court for injunctive relief and civil penalties.	Citizen suits allowed only after complaint to APOC.

9-LS1348\C/
Chenoweth
2/28/96

CS FOR HOUSE BILL NO. 368()

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE JAMES

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to election campaigns, election campaign financing, the oversight
2 and regulation of election campaigns by the Alaska Public Offices Commission, the
3 activities of lobbyists that relate to election campaigns, the definitions of offenses
4 of campaign misconduct, and to the use of the net proceeds of charitable gaming
5 activities in election campaigns; and providing for an effective date."

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

7 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that, under existing
8 laws,

9 (1) campaigns for elective public office last too long, are often uninformative,
10 and are too expensive;

11 (2) highly qualified citizens are dissuaded from running for public office due to
12 the high cost of election campaigns;

13 (3) organized special interests are responsible for raising a significant portion of
14 all election campaign funds and may thereby gain an undue influence over election campaigns

1 and elected officials, particularly incumbents;

2 (4) incumbents enjoy a distinct advantage in raising money for election
3 campaigns, and many elected officials raise and carry forward huge surpluses from one campaign
4 to the next, to the disadvantage of challengers;

5 (5) because, under existing laws, candidates are completely free to convert
6 campaign funds to personal income, there is great potential for bribery and political corruption;
7 and

8 (6) penalties for violations of the existing campaign finance laws are far too
9 lenient to deter misconduct.

10 (b) It is the purpose of this Act to substantially revise Alaska's election campaign
11 finance laws in order to restore the public's trust in the electoral process and to foster good
12 government.

13 * Sec. 2. AS 05.15.150(a) is amended to read:

14 (a) The authority to conduct the activity authorized by this chapter is contingent
15 upon the dedication of the net proceeds of the charitable gaming activity to the awarding
16 of prizes to contestants or participants and to political, educational, civic, public,
17 charitable, patriotic, or religious uses in the state. "Political, educational, civic, public,
18 charitable, patriotic, or religious uses" means uses benefiting persons either by bringing
19 them under the influence of education or religion or relieving them from disease,
20 suffering, or constraint, or by assisting them in establishing themselves in life, or by
21 providing for the promotion of the welfare and well-being of the membership of the
22 organization within their own community, or through aiding candidates for public office
23 or groups that support candidates for public office, or by erecting or maintaining public
24 buildings or works, or lessening the burden on government, but does not include

25 (1) the direct or indirect payment of any portion of the net proceeds of
26 a bingo or pull-tab game to a lobbyist registered under AS 24.45; [OR]

27 (2) the erection, acquisition, improvement, maintenance, or repair of real,
28 personal, or mixed property unless it is used exclusively for one or more of the permitted
29 uses; or

30 (3) the direct or indirect payment of any portion of the net proceeds
31 of a charitable gaming activity, except the proceeds of a raffle and lottery.

32 (A) to aid candidates for public office or groups that support

1 candidates for public office:

2 (B) to a political party or to an organization affiliated with
3 a political party; or

4 (C) to a group, as that term is defined in AS 15.13.400, that
5 seeks to influence the outcome of an election.

6 * Sec. 3. AS 15.13.010(a) is amended to read:

7 (a) This chapter applies

8 (1) in every election for governor, lieutenant governor, a member of the
9 state legislature, a delegate to a constitutional convention, or judge seeking electoral
10 confirmation;

11 (2) [. IT ALSO APPLIES] to every candidate for election to a municipal
12 office in a municipality with a population of more than 1,000 inhabitants according to
13 the latest United States census figures or estimates of population certified as correct for
14 administrative purposes by the Department of Community and Regional Affairs unless
15 the municipality has exempted itself from the provisions of this chapter; a [. A]
16 municipality may exempt its elected municipal officers from the requirements of this
17 chapter if a majority of the voters voting on the question at a regular election, as defined
18 by AS 29.71.800(20), or a special municipality-wide election called for that purpose,
19 votes [VOTE] to exempt its elected municipal officers from the requirements of this
20 chapter; the [. THE] question of exemption from the requirements of this chapter may
21 be submitted by the governing body by ordinance or by initiative election. [THIS
22 CHAPTER DOES NOT PROHIBIT A MUNICIPALITY FROM REGULATING BY
23 ORDINANCE CAMPAIGN CONTRIBUTIONS AND EXPENDITURES.]

24 * Sec. 4. AS 15.13.010 is amended by adding a new subsection to read:

25 (c) This chapter does not prohibit a municipality from regulating by ordinance
26 election campaign contributions and expenditures in municipal elections, or from
27 regulating those campaign contributions and expenditures more strictly than provided in
28 this chapter.

29 * Sec. 5. AS 15.13.040(a) is amended to read:

30 (a) Except as provided in (g) of this section, each [EACH] candidate shall
31 make a full report, upon a form prescribed by the commission, listing the date and
32 amount of all expenditures made by the candidate, the total amount of all contributions,

1 including all funds contributed by the candidate, and for all contributions in excess of
2 \$100 in the aggregate a year, the name, address, principal occupation, and employer of
3 the contributor and the date and amount contributed by each contributor. The report
4 shall be filed in accordance with AS 15.13.110 and shall be certified correct by the
5 candidate or campaign treasurer.

6 * Sec. 6. AS 15.13.040(d) is amended to read:

7 (d) Every individual, person, or group making a contribution or expenditure shall
8 make a full report, upon a form prescribed by the commission, of the following
9 contributions or expenditures:

10 (1) any contribution of cash, goods, or services valued at more than \$250
11 a year to any group or candidate; or

12 (2) unless exempted from reporting by (h) of this section, any
13 expenditure whatsoever for advertising in newspapers or other periodicals, on radio, or
14 on television; or, for the publication, distribution, or circulation of brochures, flyers, or
15 other campaign material for any candidate or ballot proposition or question.

16 * Sec. 7. AS 15.13.040 is amended by adding new subsections to read:

17 (g) The provisions of (a) of this section do not apply if a candidate

18 (1) indicates, on a form prescribed by the commission, an intent not to
19 raise and not to expend more than \$2,500 in seeking election;

20 (2) accepts contributions totaling not more than \$2,500 in seeking
21 election; and

22 (3) makes expenditures totaling not more than \$2,500 in seeking
23 election.

24 (h) The provisions of (d)(2) of this section do not apply to one or more
25 expenditures made by an individual acting independently of any group and
26 independently of any other individual if the expenditures

27 (1) cumulatively do not exceed \$250 during a calendar year; and

28 (2) are made only for billboards, signs, or printed material concerning
29 a ballot proposition or question.

30 * Sec. 8. AS 15.13.050 is amended to read:

31 Sec. 15.13.050. REGISTRATION BEFORE EXPENDITURE [GROUPS].

32 Before [EACH GROUP, BEFORE] making an expenditure in support [ON BEHALF]

1 of [,] or in opposition to [,] a candidate or before making an expenditure in support
2 of or in opposition to a ballot proposition or question. each person, publicly-funded
3 entity, or group [A CONTRIBUTION TO A CANDIDATE] shall register, on forms
4 provided by the commission, with the commission. [IF THE GROUP INTENDS TO
5 SUPPORT OR OPPOSE ONLY ONE CANDIDATE, OR TO CONTRIBUTE TO OR
6 EXPEND ON BEHALF OF, OR IN OPPOSITION TO, ONE CANDIDATE 50
7 PERCENT OR MORE OF ITS FUNDS, THE NAME OF THE CANDIDATE SHALL
8 BE A PART OF THE NAME OF THE GROUP. PROMPTLY UPON RECEIVING
9 THE REGISTRATION, THE COMMISSION SHALL NOTIFY THE CANDIDATE OF
10 THE GROUP'S ORGANIZATION AND INTENT.]

11 * Sec. 9. AS 15.13 is amended by adding new sections to read:

12 Sec. 15.13.065. WHO MAY MAKE CONTRIBUTIONS. (a) Only an
13 individual may make a contribution to a group.

14 (b) A political party may contribute to a subordinate unit of the political party,
15 and a subordinate unit of a political party may contribute to the political party of which
16 it is a subordinate unit.

17 Sec. 15.13.067. WHO MAY MAKE EXPENDITURES. Only the following may
18 make an expenditure in an election for candidates for elective office:

19 (1) the candidate;

20 (2) individuals who are registered under AS 15.13.050 and

21 (3) a group that, if required by AS 15.13.050 to register, is registered,
22 or a group not required to register under AS 15.13.050.

23 * Sec. 10. AS 15.13.070 is repealed and reenacted to read:

24 Sec. 15.13.070. LIMITATIONS ON AMOUNT OF POLITICAL
25 CONTRIBUTIONS. (a) An individual or group may make contributions, subject only
26 to the limitations of this chapter and AS 24.45, including the limitations on the maximum
27 amounts set out in this section.

28 (b) An individual may contribute not more than

29 (1) \$500 per year to a candidate, or to a person who conducts a write-in
30 campaign as a candidate, for

31 (A) governor or lieutenant governor;

32 (B) the state legislature;

- 1 (C) delegate to a constitutional convention;
 2 (D) judge seeking retention; or
 3 (E) municipal office;

4 (2) \$250 per year to a group that is not a political party;

5 (3) \$5,000 per year to a political party.

6 (c) A group that is not a political party may contribute not more than \$1,000 per
 7 year

8 (1) to a candidate, or to a person who conducts a write-in campaign as
 9 a candidate, for

10 (A) governor or lieutenant governor;

11 (B) the state legislature;

12 (C) delegate to a constitutional convention;

13 (D) judge seeking electoral confirmation; or

14 (E) municipal office; or

15 (2) to another group or to a political party.

16 (d) A political party may contribute to a candidate, or to a person who conducts
 17 a write-in campaign, for the following offices an amount not to exceed

18 (1) \$100,000 per year, if the election is for governor or lieutenant
 19 governor;

20 (2) \$15,000 per year, if the election is for the state senate;

21 (3) \$10,000 per year, if the election is for the state house of
 22 representatives; and

23 (4) \$5,000 per year, if the election is for

24 (A) delegate to a constitutional convention;

25 (B) judge seeking retention; or

26 (C) municipal office.

27 * Sec. 11. AS 15.13 is amended by adding new sections to read:

28 Sec. 15.13.072. RESTRICTIONS ON SOLICITATION AND ACCEPTANCE
 29 OF CONTRIBUTIONS. (a) A candidate or a person who has filed with the commission
 30 the document necessary to permit the person to incur election-related expenses under
 31 AS 15.13.100 may not solicit or accept a contribution from

32 (1) an individual or group not authorized by law to make a contribution;

1 (2) an individual who is not a resident of the state at the time the
2 contribution is made except as provided in (b) of this section;

3 (3) a group organized under the laws of another state, resident in another
4 state, or whose participants are not residents of this state at the time the contribution is
5 made; or

6 (4) a person registered as a lobbyist if the contribution violates
7 AS 15.13.074(f) or AS 24.45.121(a)(8).

8 (b) A candidate or a person who has filed with the commission the document
9 necessary to permit the person to incur election-related expenses under AS 15.13.100
10 may solicit or accept contributions from an individual who is not a resident of the state
11 at the time the contribution is made if the amounts contributed by individuals who are
12 not residents do not exceed

13 (1) \$20,000, if the candidate or person is seeking the office of governor
14 or lieutenant governor;

15 (2) \$3,000, if the candidate or person is seeking the office of state
16 senator;

17 (3) \$2,000, if the candidate or person is seeking the office of state
18 representative.

19 (c) A candidate or a person who has filed with the commission the document
20 necessary to permit the person to incur election-related expenses under AS 15.13.100,
21 or a group, may not solicit or accept a cash contribution that exceeds \$100.

22 (d) A person, or a person acting directly or indirectly on behalf of that person,
23 may not solicit or accept a contribution

24 (1) before the date for which contributions may be made as determined
25 under AS 15.13.074(c)(1) - (3); or

26 (2) later than the day after which contributions may not be made as
27 determined under AS 15.13.074(c)(4).

28 (e) A candidate or a person who has filed with the commission the document
29 necessary to permit the person to incur election-related expenses under AS 15.13.100
30 may not solicit or accept a contribution if the legislature is convened in a regular or
31 special legislative session, and the candidate or person is a member of the legislature, or
32 employed by a legislator or employed as a member of the legislator's staff or as a

1 member of the staff of a legislative committee.

2 Sec. 15.13.074. PROHIBITED CONTRIBUTIONS. (a) A person may not
3 make a contribution if the making of the contribution would violate this chapter.

4 (b) A person may not make a contribution anonymously, using a fictitious name,
5 or using the name of another.

6 (c) A person may not make a contribution

7 (1) to a candidate for governor or lieutenant governor or a person who
8 files with the commission the document necessary to permit the person to incur certain
9 election-related expenses as authorized by AS 15.13.100 for governor or lieutenant
10 governor, when the office is to be filled at a general election, before the later of the
11 following dates:

12 (A) the date the person

13 (i) becomes a candidate; or

14 (ii) files with the commission the document necessary to
15 permit the person to incur certain election-related expenses as authorized
16 by AS 15.13.100; or

17 (B) January 1 of the year of the general election;

18 (2) to a candidate for the state legislature or a person who files with the
19 commission the document necessary to permit the person to incur certain election-related
20 expenses as authorized by AS 15.13.100 for the state legislature, when the office is to
21 be filled at a general election, before the later of the following dates:

22 (A) the date the person

23 (i) becomes a candidate; or

24 (ii) files with the commission the document necessary to
25 permit the person to incur certain election-related expenses as authorized
26 by AS 15.13.100; or

27 (B) June 1 of the year of the general election;

28 (3) to a candidate or a person who files with the commission the
29 document necessary to permit the person to incur certain election-related expenses as
30 authorized by AS 15.13.100 for an office that is to be filled at a special election or
31 municipal election before the later of the following dates:

32 (A) the date the person

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- (i) becomes a candidate; or
- (ii) files with the commission the document necessary to permit the person to incur certain election-related expenses as authorized by AS 15.13.100;
- (B) is five months before the date of the general or regular municipal election or that is before the date of the proclamation of the special election at which the person seeks election to public office; or
- (4) to any candidate later than the 45th day
 - (A) after the date of a primary election if the person
 - (i) has been nominated at the primary election or is running as a write-in candidate; and
 - (ii) is not opposed at the general election;
 - (B) after the date of the primary election if the person was not nominated at the primary election; or
 - (C) after the date of the general election, or after the date of a municipal or municipal runoff election, if the person was opposed at the general, municipal, or municipal runoff election.
- (d) A person may not make a contribution to a candidate or a person who is prohibited by AS 15.13.072(d) from accepting it.
- (e) A person may not make a cash contribution that exceeds \$100.
- (f) An individual required to register as a lobbyist under AS 24.45 may not make a contribution to a candidate for the legislature at any time the individual is subject to the registration requirement under AS 24.45 and for one year after the date of the individual's initial registration or its renewal. However, the individual may make a contribution under this section to a candidate for the legislature in a district in which the individual is registered to vote or will be registered to vote on the date of the election. An individual who is subject to the restrictions of this subsection shall report to the commission, on a form provided by the commission, each contribution made while required to register as a lobbyist under AS 24.45. This subsection does not apply to a representational lobbyist as defined in regulations of the commission.

Sec. 15.13.076. AUTHORIZED RECIPIENTS OF CONTRIBUTIONS. A contribution to a

- 1 (1) candidate may be received only by
2 (A) the candidate; or
3 (B) the candidate's campaign treasurer or a deputy campaign
4 treasurer;
5 (2) group may be received only by the group's campaign treasurer or a
6 deputy treasurer.

7 Sec. 15.13.078. CONTRIBUTIONS AND LOANS FROM THE CANDIDATE.

8 (a) The provisions of this chapter do not prohibit the person who is a candidate from
9 giving any amount of the candidate's own money or other thing of value to the
10 campaign of the candidate. Donations made by the candidate to the candidate's own
11 campaign shall be reported as contributions in accordance with AS 15.13.040 and
12 15.13.110.

13 (b) The provisions of this chapter do not prohibit the person who is a
14 candidate from lending any amount to the campaign of the candidate. Loans made by
15 the candidate shall be reported as contributions in accordance with AS 15.13.040 and
16 15.13.110. However, the candidate may not

17 (1) recover, under this section and AS 15.13.116(a)(5), the amount of
18 a loan made by the candidate to the candidate's own campaign that exceeds

19 (A) \$25,000, if the candidate ran for governor or lieutenant
20 governor;

21 (B) \$10,000, if the candidate ran for

22 (i) the legislature; or

23 (ii) delegate to a constitutional convention;

24 (C) \$10,000, if the candidate was a judge seeking retention;

25 (D) \$5,000, if the candidate ran in a municipal election; or

26 (2) repay a loan that the candidate has made to the candidate's own
27 campaign unless, within five days of making the loan, the candidate notifies the
28 commission, on a form provided by the commission, of the candidate's intention to
29 repay the loan under AS 15.13.116(a)(5).

30 (c) The provisions of this section apply only to the person who is a candidate.
31 as that term is defined by AS 15.13.400(1)(A), and do not apply to authorize a
32 contribution or loan under this section by a person described in the definition of the

1 term "candidate" under AS 15.13.400(1)(B).

2 * Sec. 12. AS 15.13.080 is amended to read:

3 Sec. 15.13.080. STATEMENT BY CONTRIBUTOR. (a) Each of the
4 following shall file statements as required by this section:

5 (1) an individual who contributes to a candidate

6 (A) more than [A PERSON OR GROUP CONTRIBUTING TO
7 A CANDIDATE OVER] \$250; or

8 (B) [CONTRIBUTING] goods or services [TO A CANDIDATE]
9 with a value of more than \$250;

10 (2) an individual who, during the period between the 90th day before
11 an election and the date of the election, contributes to more than one group and
12 whose aggregate contributions to all groups, in money or in the value of goods and
13 services, or both, exceed \$1,000 per year [TO INFLUENCE THE ELECTION OF A
14 CANDIDATE SHALL FURNISH THE COMMISSION A SIGNED STATEMENT, ON
15 A FORM MADE AVAILABLE BY THE COMMISSION].

16 (b) An individual required to file a contributor's statement under (a) of this
17 section shall file on a form made available by the commission. The statement must

18 (1) identify the contributor and the candidate and all groups
19 receiving contributions;

20 (2) [SHALL] itemize the contributions and goods; and

21 (3) state that the contributor is not [A PERSON OR GROUP] prohibited
22 by law from contributing and that the contribution consists of funds or property
23 belonging to the contributor and has not been given or furnished by another person or
24 group.

25 (c) The contributor's statement shall be filed with the commission by the
26 contributor no later than 10 days after the contribution is made. [A COPY OF THE
27 STATEMENT SHALL BE FURNISHED THE CANDIDATE, CAMPAIGN
28 TREASURER, OR DEPUTY CAMPAIGN TREASURER AT THE TIME THE
29 CONTRIBUTION IS MADE.]

30 * Sec. 13. AS 15.13 is amended by adding new sections to read:

31 Sec. 15.13.082. LIMITATIONS ON EXPENDITURES. (a) A candidate or
32 group may not make an expenditure in cash that exceeds \$100 unless the candidate, or

1 the campaign treasurer or deputy campaign treasurer, obtains from the person to whom
2 the expenditure is made a written receipt and files a copy of the receipt with the
3 commission.

4 (b) A candidate or group may not make an expenditure unless the source of the
5 expenditure has been disclosed as required by this chapter.

6 (c) If a candidate receives a contribution in the form of cash, check, money
7 order, or other negotiable instrument and is subject to being reported to the commission
8 under this chapter, the candidate may neither expend the contribution nor, in the case of
9 a negotiable instrument, convert it to cash unless the candidate, campaign treasurer, or
10 deputy campaign treasurer first records the following information for disclosure to the
11 commission:

12 (1) the name, address, principal occupation, and employer of the
13 contributor; and

14 (2) the date and amount of the contribution.

15 Sec. 15.13.084. PROHIBITED EXPENDITURES. A person may not make an
16 expenditure anonymously, using a fictitious name, or using the name of another.

17 Sec. 15.13.086. AUTHORIZED MAKERS OF EXPENDITURES. An
18 expenditure

19 (1) authorized by AS 15.13.067(1) by or in behalf of a candidate may be
20 made only by

21 (A) the candidate; or

22 (B) the candidate's campaign treasurer or a deputy campaign
23 treasurer;

24 (2) authorized by AS 15.13.067(3) by or in behalf of a group may be
25 made only by the group's campaign treasurer.

26 * Sec. 14. AS 15.13.090 is amended by adding a new subsection to read:

27 (b) The provisions of (a) of this section do not apply when the advertisement

28 (1) is paid for by an individual acting independently of any group and
29 independently of any other individual;

30 (2) is made concerning a ballot proposition or question; and

31 (3) is made for

32 (A) a billboard or sign; or

1 (B) printed material other than an advertisement made in a
2 newspaper or other periodical.

3 * Sec. 15. AS 15.13.110(a) is amended to read:

4 (a) Each candidate and group shall make a full report in accordance with
5 AS 15.13.040 for the period ending three days before the due date of the report and
6 beginning on the last day covered by the most recent previous report. If the report is a
7 first report, it shall cover the period from the beginning of the campaign to the date three
8 days before the due date of the report. If the report is a report due February 15, it shall
9 cover the period beginning on the last day covered by the most recent previous report
10 or on the day that the campaign started, whichever is later, and ending on December 31
11 of the prior year. The report shall be filed

12 (1) 30 days before the election; however, this report is not required if the
13 deadline for filing a nominating petition or declaration of candidacy is within 30 days
14 of the election;

15 (2) one week before the election;

16 (3) 10 days after the election; and

17 (4) February 15 for expenditures made and contributions received that
18 were not reported during the previous year, including, if applicable, expenditures from
19 a legislative office account established under AS 15.13.116(a)(9), or when
20 expenditures were not made or contributions were not received during the previous year.

21 * Sec. 16. AS 15.13.110(b) is amended to read:

22 (b) Each contribution [OR EXPENDITURE] that exceeds \$250 and that is made
23 within nine days of the election shall be reported to the commission by date, amount, and
24 contributor [OR RECIPIENT] within 24 hours of receipt [OR EXPENDITURE] by the
25 candidate, group, [OR] campaign treasurer, or deputy campaign treasurer.

26 * Sec. 17. AS 15.13.110(c) is amended to read:

27 (c) [THE REPORTS OF CANDIDATES SHALL BE FILED WITH THE
28 COMMISSION'S CENTRAL OFFICE.] All reports required by this chapter shall be
29 filed with the commission's central office and shall be kept open to public inspection.
30 Within 30 days after each election, the commission shall prepare a summary of each
31 report which shall be made available to the public at cost upon request. Each summary
32 shall use uniform categories of reporting.

1 * Sec. 18. AS 15.13 is amended by adding new sections to read:

2 Sec. 15.13.112. USES OF CAMPAIGN CONTRIBUTIONS HELD BY
3 CANDIDATE OR GROUP. (a) Campaign contributions held by a candidate or group
4 may be used only to pay the expenses of the candidate or group, and the campaign
5 expenses incurred by the candidate or group, that reasonably relate to election campaign
6 activities, and in those cases only as authorized by this chapter.

7 (b) Campaign contributions held by a candidate or group may not be

8 (1) used to give a personal benefit to the candidate or to another person;

9 (2) converted to personal income of the candidate;

10 (3) loaned to a person;

11 (4) knowingly used to pay more than the fair market value for goods or
12 services purchased for the campaign;

13 (5) used to pay a criminal fine;

14 (6) used to pay civil penalties; however, campaign contributions held by
15 a candidate or group may be used to pay a civil penalty assessed under this chapter if
16 authorized by the commission after it first determines that

17 (A) the candidate, campaign treasurer, and deputy campaign
18 treasurer did not cause or participate in the violation for which the civil penalty
19 is imposed and exercised a reasonable level of oversight over the campaign; and

20 (B) the candidate, campaign treasurer, and deputy campaign
21 treasurers cooperated in the revelation of the violation and in its immediate
22 correction; or

23 (7) used to make contributions to another candidate or to a group.

24 Sec. 15.13.114. DISPOSITION OF PROHIBITED CONTRIBUTIONS. (a) A
25 candidate or group that receives and accepts a contribution given in violation of
26 AS 15.13.072 or 15.13.074 shall immediately, upon discovery that the contribution is
27 prohibited, return it to the contributor. If the contribution cannot be returned in the same
28 form, the equivalent value of the contribution shall be returned.

29 (b) An anonymous contribution is forfeited to the state unless the contributor is
30 identified within five days of its receipt. Money that forfeits to the state under this
31 subsection shall be delivered immediately to the Department of Revenue for deposit in
32 the general fund.

1 Sec. 15.13.116. DISBURSEMENT OF CAMPAIGN ASSETS AFTER
2 ELECTION. (a) A candidate who, after the date of the general, special, municipal, or
3 municipal runoff election or after the date the candidate withdraws as a candidate,
4 whichever comes first, holds unused campaign contributions shall distribute the amount
5 held within 60 days. The distribution may only be made to

6 (1) pay bills incurred for expenditures reasonably related to the campaign
7 and the winding up of the affairs of the campaign, and to pay expenditures associated
8 with post-election fund raising that may be needed to raise funds to pay off campaign
9 debts;

10 (2) pay for a victory or a thank you party costing less than \$500, or to
11 give a thank you gift of a value of less than \$50 to a campaign employee or volunteer;

12 (3) make donations, without condition, to

13 (A) a political party;

14 (B) the state's general fund;

15 (C) a municipality of the state; or

16 (D) the federal government;

17 (4) make donations, without condition, to organizations qualified as
18 charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not
19 controlled by the candidate or a member of the candidate's immediate family;

20 (5) repay loans from the candidate to the candidate's own campaign
21 under AS 15.13.078(b);

22 (6) repay contributions to contributors, but only if repayment of the
23 contribution is made to all contributors pro rata in approximate proportion to the
24 contributions made;

25 (7) establish a fund for, and from that fund to pay, attorney fees or costs
26 incurred in the prosecution or defense of an administrative or civil judicial action that
27 directly concerns a challenge to the victory or defeat of the candidate in the election;

28 (8) transfer all or a portion of the unused campaign contributions to an
29 account for a future election campaign; a transfer under this paragraph is limited to

30 (A) \$50,000, if the transfer is made by a candidate for governor
31 or lieutenant governor;

32 (B) \$7,500, if the transfer is made by a candidate for the state

1 senate;

2 (C) \$5,000, if the transfer is made by a candidate for the state
3 house of representatives; and

4 (D) \$5,000, if the transfer is made by a candidate for an office
5 not described in (A) - (C) of this paragraph;

6 (9) transfer all or a portion of the unused campaign contributions to a
7 legislative office account; a transfer under this paragraph is subject to the following:

8 (A) the authority to transfer is limited to candidates who are
9 elected to the state legislature;

10 (B) the legislative office account established under this paragraph
11 may be used only for expenses associated with the candidate's serving as a
12 member of the legislature;

13 (C) the expenditures made from the legislative office account
14 shall be annually accounted for under AS 15.13.110(a)(4); and

15 (D) a transfer under this paragraph is limited to

16 (i) \$10,000, for a candidate elected to the state senate; and

17 (ii) \$5,000, for a candidate elected to the state house of
18 representatives.

19 (b) After a general, special, municipal, or municipal runoff election, a candidate
20 may retain the ownership of personal property, except money, that was acquired by and
21 for use in the campaign. The total value of the property retained may not exceed \$2,500.
22 All other property shall be disposed of, or sold and the sale proceeds disposed of, in
23 accordance with (a) or (c) of this section.

24 (c) Property remaining after disbursements are made under (a) - (b) of this
25 section is forfeited to the state. Within 30 days, the candidate shall deliver the property
26 to the Department of Revenue. The Department of Revenue shall deposit any money
27 received into the general fund and dispose of any other property in accordance with law.

28 * Sec. 19. AS 15.13.120(d) is repealed and reenacted to read:

29 (d) Whenever a person believes a violation of this chapter or a regulation
30 adopted under this chapter has occurred or is occurring, the person may file an
31 administrative complaint with the commission under (e) of this section. If, after 60 days
32 following the filing of the complaint, the commission staff has not completed a report

1 of a preliminary investigation as authorized by commission regulation adopted under
2 AS 15.13.030(10) or AS 24.60.220, the person may file an action in the superior court
3 seeking injunctive relief and civil penalties under AS 15.13.125. However, an action
4 may not be commenced in the superior court under this subsection after two years have
5 elapsed from the date of the alleged violation. The plaintiff in a superior court action
6 shall serve the attorney general and the commission with a copy of the summons and
7 complaint. The commission, represented by the attorney general, may intervene in the
8 action.

9 * Sec. 20. AS 15.13.120(e) is repealed and reenacted to read:

10 (e) A member of the commission, the commission's executive director, or a
11 person who believes a violation of a provision of this chapter or a regulation adopted
12 under this chapter has occurred, may file an administrative complaint with the
13 commission. The commission shall expeditiously make an investigation of the
14 complaint. If a member of the commission has filed the complaint, the member may not
15 participate as a commissioner in any proceeding of the commission with respect to the
16 complaint. After affording a person notice and an opportunity for hearing, if the
17 commission finds that the person has engaged in or is about to engage in an act or
18 practice that constitutes or will constitute a violation of a provision of this chapter or a
19 regulation adopted under this chapter, the commission shall enter an order requiring the
20 violation to cease and to be remedied, and shall assess civil penalties under
21 AS 15.13.125. An action may not be commenced by the commission under this
22 subsection after four years have elapsed from the date of the alleged violation. The
23 commission's exercise of jurisdiction under this subsection is not exclusive. A person
24 who files a complaint under this subsection may withdraw it at any time and, unless
25 more than two years have elapsed since the date of the alleged violation, proceed under
26 (d) of this section.

27 * Sec. 21. AS 15.13.125 is amended to read:

28 Sec. 15.13.125. CIVIL PENALTY: LATE FILING OF REQUIRED REPORTS.
29 A person who fails to file a properly completed and certified report within the time
30 required by AS 15.13.040(f), 15.13.110(a)(1), (3), or (4), or 15.13.110(f) is subject to a
31 civil penalty of not more than \$50 [S10] a day for each day the delinquency continues
32 as determined by the commission subject to right of appeal to the superior court. A

1 person who fails to file a properly completed and certified report within the time required
2 by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of not more than \$500
3 [\$50] a day for each day the delinquency continues as determined by the commission
4 subject to right of appeal to the superior court. An affidavit stating facts in mitigation
5 may be submitted to the commission by a person against whom a civil penalty is
6 assessed. However, the imposition of the penalties prescribed in this section or in
7 AS 15.13.120 does not excuse that person from filing reports required by this chapter.

8 * Sec. 22. AS 15.13.125 is amended by adding new subsections to read:

9 (b) When an administrative complaint has been filed under AS 15.13.120(e), the
10 commission shall give the person against whom the complaint has been filed due notice
11 and an opportunity to be heard. If, at the conclusions of the hearing, the commission
12 determines that the person against whom the complaint was filed engaged in the alleged
13 violation, the commission shall assess

14 (1) civil penalties under (a) of this section;

15 (2) the commission's costs of investigation and adjudication; and

16 (3) reasonable attorney fees.

17 (c) The commission's determination under (b) of this section may be appealed
18 to the superior court under AS 44.62 (Administrative Procedure Act).

19 (d) When an action has been filed in the superior court under AS 15.13.120(d),
20 upon proof of the violation, the court

21 (1) shall enter a judgment in the amount of three times the amount of the
22 civil penalty authorized to be collected by (a) of this section; however, if the court finds
23 that, in committing the violation, the person against whom the action was brought did
24 not act knowingly and took action to correct the violation within five days after it
25 occurred, the court may enter a judgment in the amount of the civil penalty authorized
26 by (a) of this section; and

27 (2) shall award reasonable attorney fees and costs to the prevailing party.

28 (e) A person who filed a civil action under AS 15.13.120(d), upon proof of the
29 violation by the person against whom the action was filed, may execute on the judgment
30 and is entitled to half of any amount recovered as a civil penalty exclusive of any
31 attorney fees and costs awarded by the court. The remainder of any amount recovered
32 as a civil penalty shall be deposited in the state's general fund.

1 (f) If the commission or superior court finds that the violation was not a repeat
2 violation or was not part of a series or pattern of violations, was inadvertent, was quickly
3 corrected, and had no adverse effect on the campaign of another, the commission or the
4 court may

5 (1) suspend imposition of the penalties; and

6 (2) order the penalties set aside if the person does not engage in a similar
7 violation for a period of one year.

8 * Sec. 23. AS 15.13 is amended by adding new sections to read:

9 Sec. 15.13.135. INDEPENDENT EXPENDITURES FOR OR AGAINST
10 CANDIDATES. (a) Only an individual or group may make an independent expenditure
11 supporting or opposing a candidate for election to public office. An independent
12 expenditure supporting or opposing a candidate for election to public office shall be
13 reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110 and other
14 requirements of this chapter.

15 (b) An individual or group who makes independent expenditures for a mass
16 mailing, for distribution of campaign literature of any sort, for a television, radio,
17 newspaper or magazine advertisement, or any other communication that supports or
18 opposes a candidate for election to public office

19 (1) shall comply with AS 15.13.090; and

20 (2) shall place the following statement in the mailing, literature,
21 advertisement, or other communication so that it is readily and easily discernible:

22 This NOTICE TO VOTERS is required by Alaska law. (I/we)
23 certify that this (mailing/literature/advertisement) is not authorized, paid
24 for, or approved by the candidate.

25 Sec. 15.13.137. RESTRICTIONS ON CONTRIBUTIONS TO INDIVIDUALS
26 MAKING INDEPENDENT EXPENDITURES FOR OR AGAINST CANDIDATES.
27 An individual who makes an independent expenditure supporting or opposing a candidate
28 may not accept a contribution to help pay for the expenditure from another individual
29 or group that exceeds the amount an individual may contribute to a group under
30 AS 15.13.070(b)(2).

31 Sec. 15.13.140. INDEPENDENT EXPENDITURES FOR OR AGAINST
32 BALLOT PROPOSITION OR QUESTION. (a) This chapter does not prohibit a person,

1 or a publicly funded entity, from making independent expenditures in support of or in
2 opposition to a ballot proposition or question.

3 (b) An independent expenditure for or against a ballot proposition or question

4 (1) shall be reported in accordance with AS 15.13.040 and 15.13.100 -
5 15.13.110 and other requirements of this chapter; and

6 (2) may not be made if the expenditure is prohibited by AS 15.13.145.

7 Sec. 15.13.145. MONEY OF THE STATE AND ITS POLITICAL
8 SUBDIVISIONS. (a) Except as provided in (b) and (c) of this section, each of the
9 following may not use money held by the entity to influence the outcome of the election
10 of a candidate to a state, municipal, municipal runoff, or federal office:

11 (1) the state, its agencies, and its corporations;

12 (2) the University of Alaska and its Board of Regents;

13 (3) municipalities, school districts, and regional educational attendance
14 areas, or another political subdivision of the state; and

15 (4) an officer or employee of an entity identified in (1) - (3) of this
16 subsection.

17 (b) Money held by an entity identified in (a)(1) - (3) of this section may be used
18 to influence the outcome of an election concerning a ballot proposition or question, but
19 only if the funds have been specifically appropriated for that purpose by a state law or
20 a municipal ordinance.

21 (c) Money held by an entity identified in (a)(1) - (3) of this section may be used

22 (1) to disseminate information about the time and place of an election
23 and to hold an election;

24 (2) to provide the public with nonpartisan information about a ballot
25 proposition or question or about all the candidates seeking election to a particular public
26 office.

27 (d) When expenditure of money is authorized by (b) or (c) of this section and
28 is used to influence the outcome of an election, the expenditures shall be reported to the
29 commission in the same manner as an individual is required to report under
30 AS 15.13.040.

31 Sec. 15.13.150. ELECTION EDUCATIONAL ACTIVITIES NOT
32 PROHIBITED. This chapter does not prohibit a person from engaging in educational

1 election-related communications and activities, including

- 2 (1) the publication of the date and location of an election;
- 3 (2) the education of students about voting and elections;
- 4 (3) the sponsorship of open candidate debate forums;
- 5 (4) participation in get-out-the-vote or voter registration drives that do
- 6 not favor a particular candidate, political party, or political position;
- 7 (5) the dissemination of the views of all candidates running for a
- 8 particular office.

9 Sec. 15.13.155. RESTRICTIONS ON EARNED INCOME AND HONORARIA.

10 (a) A candidate for the state legislature, for governor, or for lieutenant governor,

11 including a person campaigning as a write-in candidate for the office, may not

12 (1) seek or accept compensation for personal services that involves

13 payments that are not commensurate with the services rendered taking into account the

14 higher rates generally charged by specialists in a profession; or

15 (2) accept a payment of anything of value, except for actual and

16 necessarily incurred travel expenses, for an appearance or speech; this paragraph does

17 not apply to the salary paid to the candidate for making an appearance or speech as part

18 of the candidate's normal course of employment.

19 (b) Notwithstanding (a) of this section, a candidate for the state legislature, for

20 governor, or for lieutenant governor, including a person campaigning as a write-in

21 candidate for the office, may accept a payment for an appearance or speech if the

22 appearance or speech is not connected with the person's status as a state official or as a

23 candidate.

24 Sec. 15.13.400. DEFINITIONS. In this chapter,

25 (1) "candidate"

26 (A) means a person who files for election to the state legislature,

27 for governor, for lieutenant governor, for municipal office, for retention ...

28 judicial office, or for constitutional convention delegate, or who campaigns as a

29 write-in candidate for any of these offices; and

30 (B) when used in a provision of this chapter that limits or

31 prohibits the donation, solicitation, or acceptance of campaign contributions, or

32 limits or prohibits an expenditure, includes

- 1 (i) a candidate's campaign treasurer and a deputy
2 campaign treasurer;
- 3 (ii) a member of the candidate's immediate family;
- 4 (iii) a person acting as agent for the candidate;
- 5 (iv) the candidate's campaign committee; and
- 6 (v) a group that makes expenditures or receives
7 contributions with the authorization or consent, express or implied, or
8 under the control, direct or indirect, of the candidate;
- 9 (2) "commission" means the Alaska Public Offices Commission;
- 10 (3) "contribution"
- 11 (A) means a purchase, payment, promise or obligation to pay,
12 loan or loan guarantee, deposit or gift of money, goods, or services for which
13 charge is ordinarily made and that is made for the purpose of influencing the
14 nomination or election of a candidate, and in AS 15.13.010(b) for the purpose of
15 influencing a ballot proposition or question, including the payment by a person
16 other than a candidate or political party, or compensation for the personal
17 services of another person, that are rendered to the candidate or political party;
- 18 (B) does not include
- 19 (i) services provided without compensation by individuals
20 volunteering a portion or all of their time on behalf of a candidate or
21 ballot proposition or question, but it does include professional services
22 volunteered by individuals for which they ordinarily would be paid a fee
23 or wage;
- 24 (ii) services provided by an accountant or other person to
25 prepare reports and statements required by this chapter; or
- 26 (iii) ordinary hospitality in a home;
- 27 (4) "expenditure"
- 28 (A) means a purchase or a transfer of money or anything of
29 value, or promise or agreement to purchase or transfer money or anything of
30 value, incurred or made for the purpose of
- 31 (i) influencing the nomination or election of a candidate
32 or of any individual who files for nomination at a later date and becomes

1 a candidate;

2 (ii) use by a political party;

3 (iii) the payment by a person other than a candidate or
4 political party of compensation for the personal services of another person
5 that are rendered to a candidate or political party; or

6 (iv) influencing the outcome of a ballot proposition or
7 question;

8 (B) does not include a candidate's filing fee or the cost of
9 preparing reports and statements required by this chapter;

10 (5) "group" means

11 (A) every state and regional executive committee of a political
12 party; and

13 (B) any combination of two or more individuals acting jointly
14 who organize for the principal purpose to influence the outcome of one or more
15 elections and who take action the major purpose of which is to influence the
16 outcome of an election; a group that makes expenditures or receives contributions
17 with the authorization or consent, express or implied, or under the control, direct
18 or indirect, of a candidate shall be considered to be controlled by that candidate;
19 a group whose major purpose is to further the nomination, election, or candidacy
20 of only one person, or intends to expend more than 33 1/3 percent of its money
21 on a single candidate, shall be considered to be controlled by that candidate and
22 its actions done with the candidate's knowledge and consent unless, within 10
23 days from the date the candidate learns of the existence of the group the
24 candidate files with the commission, on a form provided by the commission, an
25 affidavit that the group is operating without the candidate's control; a group
26 organized for more than one year preceding an election and endorsing candidates
27 for more than one office or more than one political party is presumed not to be
28 controlled by a candidate; however, a group that contributes more than 33 1/3
29 percent of its money to or on behalf of one candidate shall be considered to
30 support only one candidate for purposes of AS 15.13.070, whether or not control
31 of the group has been disclaimed by the candidate;

32 (6) "immediate family" means the spouse, parents, children, including a

1 stepchild and an adoptive child, and siblings of an individual;

2 (7) "independent expenditure" means an expenditure that is made without
3 the direct or indirect consultation or cooperation with, or at the suggestion or the request
4 of, or with the prior consent of, a candidate, a candidate's campaign treasurer or deputy
5 campaign treasurer, or another person acting as a principal or agent of the candidate;

6 (8) "individual" means a natural person;

7 (9) "person" has the meaning given in AS 01.10.060, and includes a labor
8 union;

9 (10) "political party" means an organized group of voters that represents
10 a political program and that nominated a candidate for governor who received at least
11 three percent of the total votes cast at any one of the last five preceding general elections
12 for governor and, in addition, includes a subordinate unit of the organized group of
13 voters qualifying as a political party;

14 (11) "publicly funded entity" means a person, other than an individual,
15 that receives half or more of the money on which it operates during a calendar year from
16 government, including a public corporation.

17 * Sec. 24. AS 15.56 is amended by adding new sections to read:

18 Sec. 15.56.012. CAMPAIGN MISCONDUCT IN THE FIRST DEGREE. (a)
19 A person commits the crime of campaign misconduct in the first degree if the person
20 intentionally violates a provision of AS 15.13 or a regulation adopted under authority of
21 AS 15.13.

22 (b) Violation of this section is a corrupt practice.

23 (c) Campaign misconduct in the first degree is a class A misdemeanor.

24 Sec. 15.56.014. CAMPAIGN MISCONDUCT IN THE SECOND DEGREE. (a)
25 A person commits the crime of campaign misconduct in the second degree if the person
26 (1) knowingly circulates or has written, printed or circulated a letter,
27 circular, or publication relating to an election, to a candidate at an election, or an election
28 proposition or question without the name and address of the author appearing on its face;

29 (2) knowingly prints or publishes an advertisement, billboard, placard,
30 poster, handbill, paid-for television or radio announcement or other communication
31 intended to influence the election of a candidate or outcome of a ballot proposition or
32 question without the words "paid for by" followed by the name and address of the

1 candidate, group or individual paying for the advertising or communication and, if a
2 candidate or group, with the name of the campaign chair;

3 (3) knowingly writes or prints and circulates, or has written, printed and
4 circulated, a letter, circular, bill, placard, poster or advertisement in a newspaper, on
5 radio or television

6 (A) containing false factual information relating to a candidate for
7 an election;

8 (B) that the person knows to be false; and

9 (C) that would provoke a reasonable person under the
10 circumstances to a breach of the peace or damages the candidate's reputation for
11 honesty, integrity, or the candidate's qualifications to serve if elected to office;
12 or

13 (4) knowingly violates a provision of AS 15.13 or a regulation adopted
14 under AS 15.13.

15 (b) Violation of this section is a corrupt practice.

16 (c) Campaign misconduct in the second degree is a class B misdemeanor.

17 Sec. 15.56.016. CAMPAIGN MISCONDUCT IN THE THIRD DEGREE. (a)
18 A person commits the crime of campaign misconduct in the third degree

19 (1) if the person recklessly or with criminal negligence violates a
20 provision of AS 15.13 or a regulation adopted under AS 15.13; or

21 (2) if, during the hours the polls are open and after election judges have
22 posted warning notices as required by AS 15.15.170 or at the required distance in the
23 form and manner prescribed by the chief municipal elections official in a local election,
24 the person intentionally is within 200 feet of an entrance to a polling place, and

25 (A) violates AS 15.15.170; or

26 (B) circulates cards, handbills, or marked ballots, or posts
27 political signs or posters relating to a candidate at an election or election
28 proposition or question.

29 (b) Campaign misconduct in the third degree is a violation.

30 Sec. 15.56.018. APPLICABILITY OF CAMPAIGN MISCONDUCT
31 PROVISIONS. (a) For purposes of AS 15.56.012(a), 15.56.014(a)(4), and
32 15.56.016(a)(1), each day a violation continues constitutes a separate offense.

1 (b) When a person is convicted of violating AS 15.56.014(a), in addition to
2 imposition of a sentence as authorized by AS 12.55:015, notwithstanding
3 AS 12.55.015(c), the court shall order suspension, for a period of one year, of any
4 license held by the defendant that allows the defendant to do business in the state.

5 Sec. 15.56.019. DEFINITIONS. In AS 15.56.012 - 15.56.018, the terms
6 "intentionally," "knowingly," "recklessly," and "with criminal negligence" have the
7 meanings given in AS 11.81.900(a).

8 * Sec. 25. AS 24.45.121(a) is amended to read:

9 (a) A lobbyist may not

10 (1) engage in any activity as a lobbyist before registering under
11 AS 24.45.041;

12 (2) do anything with the intent of placing a public official under personal
13 obligation to the lobbyist or to the lobbyist's employer;

14 (3) intentionally deceive or attempt to deceive any public official with
15 regard to any material fact pertinent to pending or proposed legislative or administrative
16 action;

17 (4) cause or influence the introduction of a legislative measure solely for
18 the purpose of thereafter being employed to secure its passage or its defeat;

19 (5) cause a communication to be sent to a public official in the name of
20 any fictitious person or in the name of any real person, except with the consent of that
21 person;

22 (6) accept or agree to accept any payment in any way contingent upon
23 the defeat, enactment, or outcome of any proposed legislative or administrative action;

24 (7) serve as a member of a state board, or commission, if the lobbyist's
25 employer may receive direct economic benefit from a decision of that board or
26 commission;

27 (8) serve as a campaign manager or director, serve as a campaign
28 treasurer or deputy campaign treasurer on a finance or fund-raising committee, host a
29 fund-raising event, directly or indirectly collect contributions for, or deliver
30 contributions to, a candidate or otherwise [ACTIVELY] engage in the fund-raising
31 activity of a legislative campaign or campaign for governor or lieutenant governor
32 if the lobbyist has registered, or is required to register as a lobbyist, under this

1 chapter, during the calendar year; this paragraph does not apply to a representational
2 lobbyist as defined in the regulations of the Alaska Public Offices Commission, and does
3 not prohibit a lobbyist from making personal contributions to a candidate as authorized
4 by AS 15.13 or personally advocating on behalf of a candidate;

5 (9) offer, solicit, initiate, facilitate, or provide to or on behalf of a person
6 covered by AS 24.60, during a legislative session, a gift, other than food or beverage for
7 immediate consumption;

8 (10) make or offer a gift or a campaign contribution whose acceptance
9 by the person to whom it is offered would violate AS 24.60.

10 * Sec. 26. AS 24.60.031(b) is amended to read:

11 (b) In this section, "contribution" has the meaning given in AS 15.13.400
12 [AS 15.13.130].

13 * Sec. 27. AS 15.13.120(a), 15.13.130; AS 15.56.010, and 15.56.020 are repealed.

14 * Sec. 28. CONSTRUCTION AND APPLICATION. Each provision of this Act shall be
15 construed to avoid a conflict with any federal law that, under the supremacy clause of art. VI
16 of the United States Constitution, prevails over the state provision.

17 * Sec. 29. APPLICABILITY OF AS 15.13 TO PERSONS OTHER THAN INDIVIDUALS.
18 If a court determines that, under the federal or state constitutions, persons who are not
19 individuals must be allowed to contribute to candidates or groups, then the requirements,
20 monetary limitations, and restrictions of AS 15.13 are applicable to those persons.

21 * Sec. 30. SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the
22 application thereof to any person or circumstance, is held invalid, the remainder of this Act and
23 the application to other persons or circumstances is not affected thereby.

24 * Sec. 31. TAKING EFFECT OF ACT MADE CONDITIONAL. Sections 1 - 30 of this Act
25 take effect only if, under art. XI, sec. 4, Constitution of the State of Alaska, and AS 15.45.210,
26 the lieutenant governor determines that secs. 1 - 30 of this Act are substantially the same as the
27 law proposed to be enacted by the Initiative entitled "An Initiative relating to election campaign
28 financing and the Alaska Public Offices Commission; and providing for an effective date,"
29 identified by the division of elections as Initiative Petition 95 CFPO, filed with the lieutenant
30 governor by the Initiative sponsors under AS 15.45.140 on December 15, 1995.

31 * Sec. 32. If secs. 1 - 30 of this Act take effect, they take effect January 1, 1997.