

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

June 6, 1997

ALASKA PUBLIC OFFICES COMMISSION

Jerry Reinwand
2 Marine Way, suite 219
Juneau, AK 99801
A097-15-CD

Dear Mr. Reinwand:

This letter responds to your request for an advisory opinion regarding your campaign contributions to legislative candidates and your interaction with your wife and daughters concerning their campaign contributions to legislative candidates. Specifically, you have asked whether your wife and daughters, who are not registered lobbyists may give campaign contributions to legislative candidates and if you are permitted to advise them as to whom they should contribute. You have also asked whether you could contribute to legislative candidates as a gift shop owner with a check drawn on your gift shop business account.

An Advisory Opinion from the Alaska Public Offices Commission (Commission) may not include advice regarding the activities of third parties (2 AAC 50.905.(b)). Therefore, if your wife or daughters have specific questions regarding their campaign contributions, they should request advisory opinions under the campaign disclosure law.

Please note that the advice in this letter must be approved by an affirmative vote of at least four Commission members before it becomes final.

SHORT ANSWER

As you are aware, as a registered lobbyist, you are prohibited from contributing to candidates for the state legislature under the new campaign disclosure law. You are, however, permitted to contribute to the legislative candidates who are running for office in the district in which you are registered to vote. Upon making a permitted campaign contribution to a legislative candidate, you must report the contribution to the Commission. AS 15.13.074(g).

Your wife and daughters, who are not registered lobbyists, may contribute up to \$500 from their personal funds to the legislative candidates of their choice. In the event that your wife and daughters choose to contribute more than \$250 to a candidate, they must file APOC Form 15-5 (Contributor's Report) with the Commission within 10 days of making the contribution.

Your role in the campaign contribution activities of your wife and daughters must be limited to personally advocating on behalf of a candidate. You may not direct or control their contribution activities. You may not deliver their campaign contributions to the recipient candidates. You may not give money to your family members to make campaign contributions.

TONY KNOWLES, GOVERNOR

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Under the campaign disclosure law, only individuals, registered political groups, and political parties may contribute to candidates. Therefore, your business may not contribute to a candidate.

LAW

AS 15.13.065 *Contributions*

- (a) Individuals, groups, and political parties may make contributions to a candidate. An individual or group may make a contribution to a group or to a political party.

AS 15.13.074 *Prohibited Contributions*

- (a) A person or group may not make a contribution if the making of the contribution would violate this chapter.
- (b) A person or group may not make a contribution anonymously, using a fictitious name, or using the name of another....
- (f) A corporation, company, partnership, firm, association, organization, business trust or surety, labor union, or publicly funded entity that does not satisfy the definition of group in AS 15.13.400 may not make a contribution to a candidate or a group.
- (g) 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 eligible to vote or will be eligible 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 under AS 24.45. This subsection does not apply to representational lobbyist as defined in regulations of the commission.

AS 24.45.121 *Prohibitions*

- (a) A lobbyist may not...

(8) serve as a campaign manager or director, serve as a campaign treasurer or deputy campaign treasurer on a finance or fund-raising committee, host a fund-raising event, directly or indirectly collect contributions for, or deliver contributions to a candidate or otherwise engage in the fund-raising activity of a legislative campaign or campaign for governor or lieutenant governor if the lobbyist has registered or is required to register as a lobbyist, under this chapter, during the calendar year; this paragraph does not apply to a representational lobbyist as defined in the regulations of the Alaska Public Offices Commission, and does not prohibit a lobbyist from making personal contributions to a candidate as authorized by AS 15.13 or personally advocating on behalf of a candidate.

ANALYSIS

As you stated in your letter, a registered lobbyist may not make campaign contributions to a legislative candidate other than to a candidate for the legislature who is campaigning to represent the district in which the lobbyist is registered to vote. A registered lobbyist may give up to \$500 to a candidate for the legislature in the lobbyist's district.

In addition to the maximum contribution limit, lobbyists contributing to candidates in their district must comply with all other restrictions on campaign contributions. For example, lobbyists (and all other contributors) may not contribute before the later of the date the candidate has declared for office or January 1 of the year of the election; nor may they contribute during a regular or special legislative session. As a lobbyist, after making each permitted campaign contribution to a legislative candidate, you must report the contribution to the Commission.

Individuals who are not registered lobbyists are not subject to the "same district" restriction and may give up to \$500 to the legislative candidate(s) of their choice; when such an individual contributes more than \$250 to a candidate, the contribution must be reported to the Commission within ten days of making the contribution.

Under the Campaign Disclosure Law, an individual may not give or furnish money to another individual for the purpose of making campaign contributions. This has been an element of Alaska law since the original campaign disclosure law was enacted in 1974.

With regard to your role in the campaign contribution activities of your wife and daughter, you may personally advocate on behalf of any candidate. "Personally advocate" means you may freely express your opinions regarding the candidates who support the business issues important to your family business and the Alaska Tourism Marketing Council.

However, you may not furnish the money for them to contribute. Their contribution must come from their own personal funds. You may not deliver their contributions to the candidates.

Lastly, only individuals, registered political groups, and political parties may make contributions to a candidate. The law specifically prohibits candidate contributions from a corporation, company, partnership, firm, association, organization, business trust or surety, or labor union. AS 15.13.074(f). Thus, it is not permissible for you or your wife to contribute to a candidate for the Alaska House or Senate if the check is drawn on your gift shop account.

CONCLUSION

You may make contributions only to the legislative candidates campaigning to represent the district in which you are registered to vote. You may personally advocate on behalf of any candidate and discuss with your family members the legislative candidates that support or oppose the issues which impact your family business.

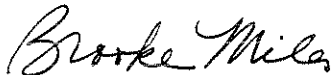
Your wife and daughters are not limited to giving only to legislative candidates in the district in which they are registered to vote. They are subject to the same limitation as all other non lobbyists. For example, they may contribute up to \$500 of their personal funds to the legislative candidates of their choice.

Your gift shop may not contribute to either state or municipal candidates because businesses are prohibited from making contributions to candidates.

Only the Commission has the authority to approve an advisory opinion. 2 AAC 50.905. The Commission will rule on staff's proposed advice at its next meeting scheduled for June 18-20, 1997. The Commission may approve, disapprove or modify the proposed advice. An advisory opinion must be approved by an affirmative vote of at least four members or it will be considered disapproved. Both staff's proposed advice and the Commission's final advisory opinion apply only to the specific facts and activity for which the advice was requested. If you rely on staff's proposed advisory opinion in good faith, and the Commission subsequently rejects the proposed advice, staff will take no enforcement action on the activities up to that point if you acted under the specific facts described. If you would like to appear before the Commission when this matter is considered, please contact me immediately so we can arrange a mutually convenient time.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



Brooke Miles
Juneau Branch Administrator

cc: Karen Boorman, Executive Director
Nancy Gordon, Assistant AG
APOC members
APOC Senior Staff

Jerry Reinwand
AO 97-15-CD

June 6, 1997
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Encl.: What CONTRIBUTORS need to know about recent changes to Alaska's Campaign Disclosure Law effective January 1, 1997.

JERRY REINWAND

Consultant • Lobbyist
2 Marine Way, Suite 219
Juneau, Alaska 99801

RECEIVED

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AVO JNO
EM. H.C.

3/26/97

March 29, 1997

Ms. Brook Miles
Regulation of Lobbying
Alaska Public Offices Commission
P.O. Box 110222
Juneau, Alaska 99811-0222

Dear Ms. Miles:

I am sending you this letter requesting clarification of several issues that arise as a result of the new campaign finance law which went into effect on January 1, 1997. In the past you have been very helpful in trying to sort through difficult issues and I have great confidence in the advice that give to those who request it.

The major issue I would like to address relates to political contributions. As you know, under the new law lobbyists may only contribute a maximum of \$500 to legislators in whose district they reside. This section of the law has the effect of limiting my contributions to candidates for the House and Senate from House District 4 and Senate District B. Frankly, I believe this portion of the law is blatantly unconstitutional. However, until a court makes that determination I intend to abide by it.

My questions regarding this issue are:

1. Under the new campaign finance law, is it permissible for my wife--who is not a registered lobbyist but who is the co-proprietor of our family-owned gift business--to give political contributions to legislators and/or other candidates for the Alaska House and Senate?
2. Under the new campaign finance law, is it permissible for either of my daughters--who are not registered lobbyists but who have an active interest in Alaska public affairs--to give political contributions to legislators and/or other candidates for the Alaska House and Senate?
3. Is it permissible for me to advise my wife and daughters on which candidates to whom they should contribute and which candidates to whom they should not? We are a closely-knit family, operating family-owned businesses. In my opinion, it will be very difficult for us to draw artificial lines between my lobbying interests and our family interests in the gift shop business. For

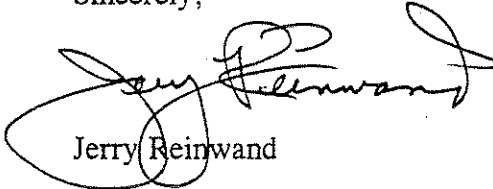
example, we have a substantial interest in seeing that there is strong state support for ongoing state funding for the Alaska Tourism Marketing Council's generic tourism-related advertising program. Naturally, our gift shop business is interested in supporting candidates for public office who are supportive of increasing funding for the ATMC. Where do we draw the line?

4. As I noted earlier in this letter, my family owns and operates a successful gift shop business. Would it be possible for me, as an owner of the gift shop business--and not as a lobbyist--to give a political contribution to a candidate for the Alaska House or the Alaska Senate if the check is drawn on our gift shop account?

I would appreciate any guidance which you could give me and my family on this matter. Thank you for your assistance on this matter.

Best regards.

Sincerely,



Jerry Reinwand