

**APPENDIX B  
RULES OF OPERATIONS**

**ASEA/AFSCME LOCAL 52**

**POLITICAL ACTION COMMITTEE**

**GUIDELINES**

(REVISED August 2004)

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I. OVERVIEW

A. Unions.

Contributions to Candidates. A labor union may not contribute to a candidate or make independent expenditures for or against a candidate. AS 15.13.074(f), AS 15.13.067.

Ballot Measures. A union may make independent expenditures in support of or in opposition to ballot measures. AS 15.13.140 (More about this on Page 6).

Member Communications. Unions may communicate directly with their members on political subjects if the communication is of the same format and nature used by the Union on non-political subjects and if the communication does not solicit contributions. 2 AAC 50.313(l)(4).

B. Union PACs.

Union PAC Participation Allowed. A union may form a political action committee. The union PAC can accept donations and make expenditures for or against candidates, and it can make contributions to candidates. Although a union cannot make political contributions to a candidate or PAC, it can support its PAC by paying for the PAC's legal and accounting services. AS 15.13.400(3)(B)(ii).

The PAC can accept voluntary contributions from members and others up to a limit of \$500 each per year. A union political action committee may contribute up to \$1,000 to a candidate. It may also make contributions of up to \$1,000 to another group or to a political party. (By comparison, individuals may only contribute up to \$500 to a candidate or group, but may contribute \$5,000 to a political party. See contribution diagram below.)

C. Contribution Diagram.

			⇒ Candidate
PACs	>	\$1000.00	⇒ Group
			⇒ Party
	>	\$ 500.00	⇒ Candidate or Group
Individuals	>		
	>	\$1000.00	⇒ Party

## II. RAISING PAC MONEY

A. Donations to a PAC/Limits/Timing. A group may accept voluntary contributions from individuals or other groups. An individual may contribute up to \$500 per year to a group. AS 15.13.070(b)(1). A group may contribute \$1,000 per year to another group. Contributions to a union PAC can be made at any time. Contributions may be made through a payroll deduction program.

B. Non-Residents. Contributions from non-residents of the State may not exceed 10 percent of the total contributions made to the group during the year. AS 15.13.072(f). You cannot accept contributions from non-resident groups such as your International PAC. AS 15.13.072(a)(3). While PAC's must limit out-of-state contributions to 10 percent of total contributions, candidates have a different limitation system. Candidates can raise money from out-of-state individuals. The limits are as follows:

Governor	\$20,000
Lt. Governor	\$20,000
Senator	\$ 5,000
House	\$ 3,000
Municipal	\$ 3,000

AS 15.13.072(e)

C. Corporate/Union/Government. Corporations and unions may not make political contributions. AS 15.13.065, 15.13.067. A union cannot put money in its PAC. Also, money from the State and its political subdivisions may not be used to influence the outcome of an election. AS 15.13.145. This includes municipalities, school districts, corporations owned by the State, the University of Alaska, etc. There is one exception. A political subdivision can spend money to influence a ballot proposition, but only if the funds have been specifically appropriated. Also, a union can pay for legal and accounting services of its PAC. AS 15.13.400(3)(B)(11).

D. Gaming Proceeds. Bingo and Pull-Tab proceeds may not be used as contributions to any lobbyist, groups (AS 15.13.400), political parties, or political candidates. However, raffles and lotteries may be conducted for political fundraising. Charitable gaming requires a gaming permit, which can be obtained from the Tax Division of the Alaska Department of Revenue.

E. Cash. You should avoid cash contributions altogether. If you must accept cash, you may not accept more than \$100 at a time, and you must obtain from the

contributor all necessary reporting information, including name, address, occupation, and employer of the contributor. AS 15.13.072.

F. Registered Lobbyists.

1. Lobbyists may not contribute to candidates for the legislature except for persons running in the district where the lobbyist lives. AS 15.13.074(g). Lobbyists cannot raise money. AS 24.45.121.

2. The lobbyist fundraising limitations only apply to races for governor, lieutenant governor, or legislature. AS 24.45.121(a)(8). It is legal for lobbyists to become involved in fundraising for other races such as municipal elections.

G. The Party.

1. There are limits on what a political party can give to a candidate, but there is no limit on what a political party can give to a group.

2. An individual can give up to \$5,000 to the party. A PAC can give up to \$1,000 to the party.

III. SPENDING MONEY

A. Contribution Limits. A group may contribute up to \$2,000<sup>1</sup> per year to each of the following: candidates, other groups, and political parties. (Note – An individual may only contribute \$1,000<sup>1</sup> per year to a candidate.) AS 15.13.070.

B. Non-Political Expenditures. Money raised by a group can only be used to pay the expenses that reasonably relate to election campaign activity. The following things are specifically prohibited:

1. Personal benefits.
2. Personal income.
3. Loans.
4. Paying more than fair market value for anything.
5. Criminal fines.
6. Civil penalties unless approved by APOC.

If you want to spend PAC money for anything other than candidate contributions, call APOC or Union Headquarters first.

C. When Contributions to Candidates Can Begin. AS 15.13.074.

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<sup>1</sup> Contribution limits per year to a candidate effective changed August 2004 for a Group from \$1,000 to \$2,000 and for an individual from \$500 to \$1,000.

1. **Governor/Lieutenant Governor.** No contributions may be made until January 1 following the year of the last general election in which a governor was elected.

2. **Candidates for Legislature.** Once an individual has filed a notice of intent to run for office, that candidate for state legislature may accept contributions beginning 18 months before the general election. AS 15.13.074(c)(2). However, a legislative candidate may not accept contributions while the legislature is in regular or special session in Juneau. A candidate can accept contributions 90 days immediately preceding an election in a place other than the capital city. AS 15.13.072(d)(1) and (2).

3. **Municipal Elections.** Contributions can be made to candidates for municipal office beginning 18 months before the general election. AS 15.13.074(c)(2).

D. **When Contributions to Candidates Must End.** Fundraising must end on December 31 of the year of the election or 45 days after the last contested election in which the candidate served, whichever is earlier. AS 15.13.074(c)(3).

E. **No Private Elections.** PAC money may only be used for federal, state and local elections. It cannot be used to influence elections of utility companies, boards of directors, and the like.

F. **Ballot Propositions.** This is one of the few areas where a union can spend its own money. A union may make independent contributions of any amount to influence general public opinion; its activities must be reported. 2 AAC 50.342 and 351. If a union solicits contributions it must register as a group. If a union doesn't solicit any contributions, but simply spends treasury money, it doesn't have to report as a group but can simply file a 15-5 report like an individual. 2 AAC 50.314. Finally, if the union is spending money from its general fund for the sole purpose of communicating with its own members about a ballot proposition, there is no reporting requirement.

G. **Independent Expenditures For or Against Candidates.** Individuals or groups may make independent expenditures for or against candidates. AS 15.13.135. There is no limit on the amount of money that may be spent for independent expenditures. 2 AAC 50.351(c). If a group is going to make independent expenditures, there are reporting requirements that must be followed as well as public notice requirements, which must accompany advertisements or other communications. AS 15.13.135.

**Extreme caution.** If a group's "independent" expenditures are coordinated with any candidate or a candidate's organization, the expenditures lose their independent status. If that happens, the expenditures become contributions. If the expenditures exceed the contribution limits (the whole purpose of an independent expenditure is to exceed the contribution limits), you're looking at both civil and criminal liability.

H. **Voter Education Allowed.** Alaska's campaign finance law does not prohibit a union from engaging in education related communications and activities. A

union may sponsor open candidate debates; fund voter registration drives and conducts get-out-to-vote activities. But, a union's activities must not favor a particular candidate, particular party or political position. As long as the activity is strictly neutral, there are no reporting or other requirements. AS 15.13.150.

#### IV. REPORTING THE MONEY

A. Get the Information. A group may not make an expenditure unless the group has first recorded all required information about the source of the funds. AS 15.13.082.

B. Required Information. All PAC financial transactions must be reported. Also, the report must include the name of each contributor who gave over \$100 during the year, plus their address, occupation, employer, and date and amount of contribution. AS 15.13.040(b). (*Note* – You need to get this information from every contributor of any amount during the year so you can tell if they go over \$100).

C. Deadlines. The general deadlines as set out in AS 15.13.110 for filing reports are as follows:

- ◆ Thirty days before the election.
- ◆ One week before the election.
- ◆ Ten days after the election.
- ◆ February 15, for expenditures and contributions that were not reported during the previous year.

D. One-Third Rule. If one-third or more of a group's funds go to a single candidate, the name of the candidate must be a part of the name of the group. Likewise, if the group was formed primarily to oppose a single candidate, that candidate's name must appear in the name of the group. (Example: "Citizens Opposed to Candidate X.") AS 15.13.050(b).

E. Prohibited Contributions. If you have received a contribution prohibited by law, return it to the contributor at once. Report both the receipt and your return of the money to APOC. AS 15.13.114.

#### V. WHEN YOU HAVE NO MONEY

A. Volunteers: Free to the Candidate. It is not a "contribution" to provide services without compensation if the individual is not offering professional services for which they ordinarily get paid. AS 15.13.400(3). Example: If you help a candidate make signs, have the painters do the carpentry and the carpenters do the painting. *See generally*, 2 AAC 50.313.

B. Some Opinions.

a. The law seems likely to reduce the amount of money flowing into state campaigns. A group with limited funds may nonetheless be able to influence elections by providing reliable volunteers for favored candidates.

b. You should have your members and retirees organized by election district for phone and mail purposes. These are people you can talk to. Ninety percent are votes you should be able to deliver.

c. Politically we should focus on collective bargaining issues over “social” issues. Government laws and regs on social issues such as civil rights, minimum wage, OSHA, etc., have actually made it harder to organize. Employees no longer think they need a union. We need to elect people favorable to collective bargaining. We need people who will support raises for public employees. We need people who will support project labor agreements for public projects.

## VI. PENALTIES

A. Civil Penalties. Up to \$50 a day for each day the report is late. AS 15.13.125. Penalties accrue separately for each separate report that is late. *See also*, 2 AAC 50.390.

B. Criminal Penalties. A violation of state election law is a misdemeanor punishable by imprisonment for not more than one year or by a fine of not more than \$5,000. AS 15.13.120.

C. Statute of Limitations. Four years. *Note* – The limitation period is implied. AS 15.13.120(d).