

HOUSE BILL NO. 343

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE JOSEPHSON

Introduced: 2/24/16
Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to political expenditures by corporations; and providing for an**
2 **effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 10.06 is amended by adding a new section to article 12 to read:

5 **Sec. 10.06.940. Political expenditures.** (a) A corporation may only use money
6 or other property of the corporation in connection with a political expenditure if the
7 shareholders of the corporation at an annual or special meeting of the shareholders, by
8 an affirmative vote of a majority of all votes entitled to be cast,

9 (1) authorize in advance the total amount of money or property that
10 may be used for all political expenditures during a specific fiscal year of the
11 corporation; and

12 (2) direct that the money or property be used for one or more specific
13 (A) candidates;
14 (B) political parties' candidates;

1 (C) political parties;

2 (D) entities exempt from taxation under 26 U.S.C. 501(c)(4) or

3 (6) (Internal Revenue Code); or

4 (E) questions.

5 (b) Within 48 hours after making a political expenditure under this section, the
6 corporation shall give notice of the political expenditure and include the amount,
7 recipient, date, and purpose of the political expenditure by

8 (1) electronic transmission of the notice to each shareholder that has
9 requested notice; and

10 (2) posting the notice on the corporation's Internet website if the
11 corporation maintains a website.

12 (c) The annual report of the corporation must contain a list of all political
13 expenditures made by the corporation during the reporting period, including the
14 amount, recipient, date, and purpose of each political expenditure.

15 (d) A violation of this section shall be considered a breach of a fiduciary duty
16 of the officers or directors who authorized the expenditure. Officers or directors who
17 use money or property of the corporation in connection with a political expenditure
18 without first obtaining the authorization of shareholders under (a) of this section shall
19 be jointly and severally liable in an action brought in a court of competent jurisdiction
20 to a shareholder or class of shareholders for the amount of the expenditure.

21 (e) The attorney general may bring an action against a person who violates
22 this section to obtain one or more of the following remedies:

23 (1) a temporary restraining order;

24 (2) a temporary or permanent injunction;

25 (3) a civil penalty not to exceed

26 (A) three times the amount of the political expenditure made in
27 violation of (a) of this section; or

28 (B) \$5,000 for any other violation of this section;

29 (4) a declaratory judgment;

30 (5) rescission;

31 (6) restitution; and

1 (7) any other appropriate relief provided by law or in equity.

2 (f) In this section, "political expenditure" means a contribution, gift, transfer,
3 disbursement, or promise of money or a thing of value to promote or assist in the
4 promotion of the success or defeat of a candidate, political party, or question in any
5 state or federal election.

6 * **Sec. 2.** This Act takes effect October 1, 2016.