

# Alaska Ballot Measure Targets the 'True Sources' of Dark Money

March 2021

As previously reported in *Election Law News*, Alaskans narrowly passed Ballot Measure 2 in the 2020 general election. This measure implements an open primary and ranked choice voting in the state, along with other electoral reforms. The measure also takes a substantial swipe at the role of so-called "dark money" in Alaska's elections by implementing rigorous disclosure for contributions made to entities that engage in independent expenditures to advocate for a candidate's election or defeat. The disclosure regime focuses primarily on identifying the "true source" of the contributions, as well as any intermediaries.

**Definitions.** Alaska defines "dark money" as "a contribution whose source or sources, whether from wages, investment income, inheritance, or revenue generated from selling goods or services, is not disclosed to the public." "True source" means "the person or legal entity whose contribution is funded from wages, investment income, inheritance, or revenue generated from selling goods or services." However, "[a] person or legal entity who derived funds via contributions, donations, dues, or gifts is not the true source, but rather an *intermediary* for the true source. If a membership organization receives dues or contributions of less than \$2,000 per person per year, the organization itself is considered the "true source."

**Reporting.** Ballot Measure 2 seeks to combat the role of "dark money" with rigorous disclosure, imposing 24-hour reporting obligations on both entities engaged in independent expenditures and their contributors.

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## Practice Areas

Election Law & Government Ethics

Any individual or group that contributes more than \$2,000 in the aggregate in a calendar year to an entity that has made, is making, or might reasonably make an independent expenditure must report the contribution within 24 hours of crossing that monetary threshold. The report must include the name, address, principal occupation, and employer of the filer; the amount of the contribution; and the total amount of contributions made by the filer to that entity during the calendar year. The filer must also report and certify the "true source" of the contribution, as well as any intermediaries. Additionally, contributors must "provide the identity of the true source of the recipient of the contribution simultaneously with providing the contribution itself."

Entities receiving contributions described above must also report the qualifying contribution and all subsequent contributions within 24 hours of receipt.

**Disclaimers.** The measure also requires any group receiving more than 50% of its funding from outside Alaska to include a disclaimer on all communications that reads: "A MAJORITY OF CONTRIBUTIONS TO (OUTSIDE-FUNDED ENTITY'S NAME) CAME FROM OUTSIDE THE STATE OF ALASKA."

Wiley's Election Law & Government Ethics Practice will continue to monitor the implementation of this ballot measure.