

# HCR 2

Updating the Alaska Legislature  
Conflict of Interest Procedure  
Representative Donna Mears

# What is a conflict of interest?

- Per AS 24.60.030:
  - A conflict exists when a legislator takes or withholds legislative action that is “likely to substantially benefit or harm the financial interest” of a legislator, their spouse, or either’s employer. (e)(3)
- What does that mean?
  - Substantially benefit or harm: the financial impact of an action to a person is “greater than the effect on the financial interest of a substantial class of persons to which the person belongs”. (j)(3)
  - Financial interest: “a substantial equity or ownership interest in a business, investment, real property, lease, or other enterprise”. (j)(2)

# Why do these procedures exist?

- Alaskans have a right to representation in the legislature on all matters.
- Allowing legislators to skip votes undermines that right.
- Members appearing to potentially vote in their own interest over their constituents' also undermines that right.

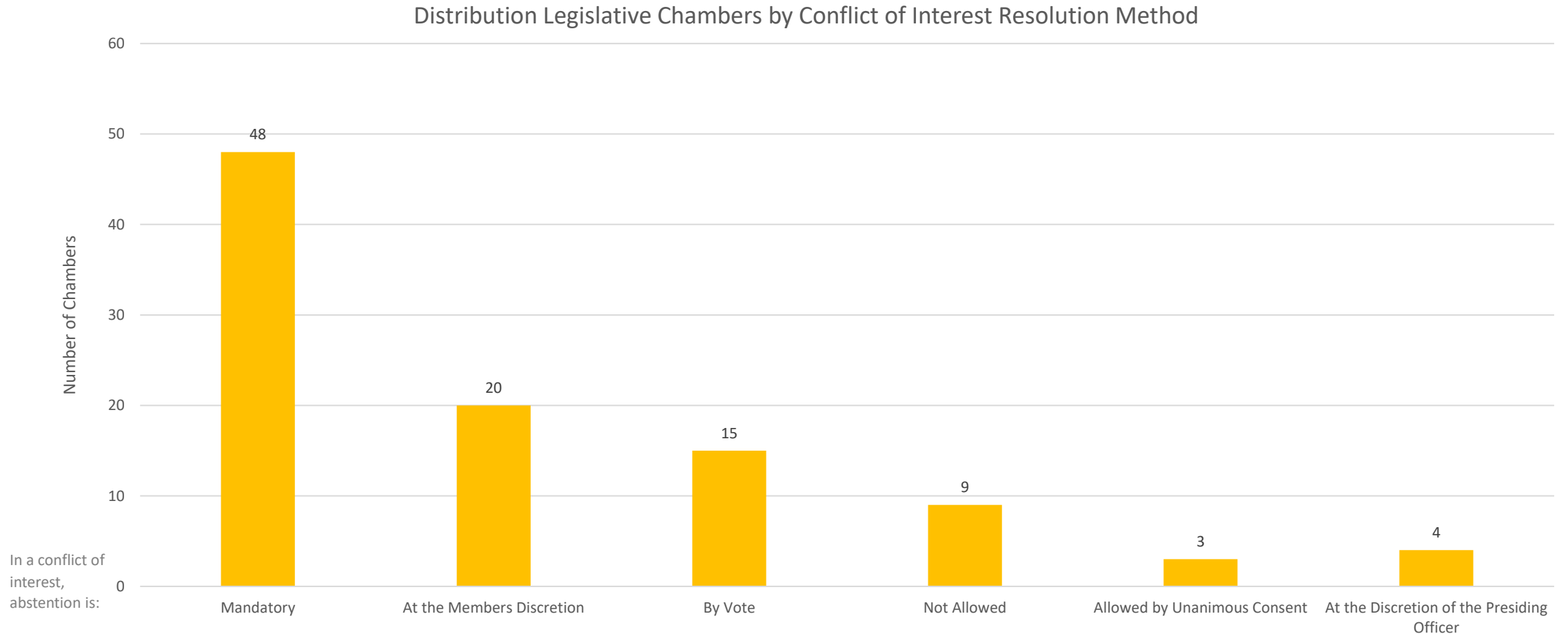
# What is the current system?

- Unless absent and excused, AS 24.60 and Rule 34(b) stipulate that a member must vote on all matters unless:
  - The member moves to abstain, and
  - The motion receives unanimous consent.

# What's wrong with that?

- A single objection stops the process, often before the statement of potential conflict has been completed.
- Motions for abstention are universally (going back decades) denied. Somebody always objects.
- This system appears to allow members to abstain when appropriate. In practice it does not.
- This system fails to balance constituents' competing equities of representation on all issues and faith in the honesty of that representation.

# How do other states handle this?



# What would the new system be?

1. A member feels that they have a conflict of interest as defined by AS 24.60 with respect to a question before the body.
2. The member rises, requests to abstain, and briefly explains their conflict of interest
3. Without debate, the body votes to affirm, or not, that a conflict exists
4. With a majority vote, the member is excused. Without a majority, the member is required to vote on the question.

# Why is that better?

- Improves transparency by requiring members to explain their potential conflicts
- Allows members to avoid legitimate conflicts of interest
- Requires members to be more familiar with Alaska's narrowly defined conflict of interest standard

Questions?

# Supplemental Slides

# Conflict of interest examples

## Yes

- A legislator who owns an insurance agency voting on a bill that would benefit the legislator's firm more than comparable firms.
- A legislator is employed by an oil services company that enjoys a unique tax break voting on a bill that would eliminate the unique tax break.

## No

- A member who owns a chicken farm voting on whether to establish a program to subsidize chicken farming
- A member who operates a car rental service voting on a measure to reduce the vehicle rental tax

# This system would not allow for chicanery

- The obligation to declare conflicts would lie with the member, as it does today.
- In the rare cases where members face legitimate conflicts of interest, they should abstain to avoid appearances of impropriety and the result should reflect that.
- There would be no way to force another member to abstain in order to win a vote.
  - The same majority that supports any measure could reject any conflicts of interest that might compromise that majority