

31st Alaska State Legislature



Senate Rules Committee

Bullet Points

Senate Bill 89 (SB 89) – Version G

1. Why is SB 89 necessary?

ANSWER: SB 89 clarifies uncertainties that emerged after the 2018 passage of SCS CSSSHB 44(STA) (known as “House Bill 44” or “HB 44”). Specifically, certain portions of HB 44 eroded Alaskans’ ability to have full, constitutionally required representation by a citizen legislature.

Portions of HB 44 infringed on rights/duties found in Article I and Article II of the Alaska Constitution. SB 89 corrects those issues.

2. What is the “policy goal” of SB 89?

ANSWER: To eliminate personal enrichment by legislators (or their spouses), while ensuring legislators can still represent their constituents on issues important to Alaska.

3. What is legislative action?

ANSWER: Legislative action means conduct relating to the development, drafting, consideration, sponsorship, enactment or defeat, support or opposition to or of a law, amendment, resolution, report, nomination, or other matter affected by legislative action or inaction. *See AS 24.60.990 (10).*

4. When is a legislator prohibited from taking legislative action?

ANSWER: In circumstances where legislative action is likely to substantially benefit or harm the financial interest of the legislator, the legislator’s spouse, or a person with whom the legislator or the legislator’s spouse is employed or is negotiating for employment.

5. What qualifies as “likely?”

ANSWER: “More likely than not.” In other words: A greater than 50% chance.

6. What does “substantially benefit or harm” mean?

ANSWER: The effect on the person’s financial interest is greater than the effect on the financial interest of a substantial class or persons to which the person belongs as a member of a profession, occupation, industry, or region. *See* Section 4 of SB 89 (AS 24.60.030(j)(2)).

For example: Legislator A works for Company A in a statewide industry. Other companies are also in that industry, including companies B, C, D, E, F, G. A substantial benefit occurs when Company A greatly benefits, but there is no benefit to companies B, C, D, E, F, G.

There is no “substantial benefit” if all companies (A, B, C, D, E, F, G) benefit because of an equal policy that benefits the entire industry (even if, in reality, the benefit from company to company varies)...As long as the policy does not target Company A, for the purpose of benefiting Company A, to the detriment of the rest of the industry, then it is allowable.

7. What does “financial interest” mean?

ANSWER: A substantial equity or ownership interest in a business, investment, real property, lease, or other enterprise. *See* Section 5 of SB 89 (AS 24.60.030(j)(3)).

The goal with this legislation is to ensure that personal enrichment does not occur. That’s why “equity or ownership interest” has been chosen. It’s the proper balance between ensuring that corruption doesn’t occur, while still allowing legislators to represent their constituents on issues that affect the state.

8. When does a legislator have to declare a conflict?

ANSWER: Before voting on a question in a committee or on the floor if:

- I. The effect of the vote is likely to substantially benefit or harm the financial interest of:
 - a. The legislator;
 - b. The legislator’s spouse;
 - c. A person with whom the legislator or the legislator’s spouse is employed; or
 - d. A person with whom the legislator or the legislator’s spouse is negotiating for employment.