ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE
May 5, 2003
8:20 a.m.

MEMBERS PRESENT

Representative Bruce Weyhrauch, Chair
Representative Jim Holm, Vice Chair
Representative Nancy Dahlstrom
Representative Bob Lynn
Representative Paul Seaton
Representative Ethan Berkowitz
Representative Max Gruenberg

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 157
"An Act eliminating the Alaska Public Offices Commission; transferring campaign, public official, and lobbying financial disclosure record-keeping duties to the division of elections; relating to reports, summaries, and documents regarding campaign, public official, and lobbying financial disclosure; providing for enforcement by the Department of Law; making conforming statutory amendments; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 157
SHORT TITLE:ELIMINATE APOC
SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
03/05/03	0426	(H)	READ THE FIRST TIME - REFERRALS
03/05/03	0426	(H)	STA, JUD, FIN
03/05/03	0426	(H)	FN(S): FORTHCOMING
03/05/03	0426	(H)	GOVERNOR'S TRANSMITTAL LETTER
03/11/03		(H)	STA AT 8:00 AM CAPITOL 102
03/11/03		(H)	Scheduled But Not Heard

03/12/03	0522	(H)	FN1: ZERO(GOV) RECEIVED
03/12/03	0522	(H)	FN2: (ADM) RECEIVED
03/12/03	0522	(H)	FN3: (ADM) RECEIVED
04/22/03		(H)	STA AT 8:00 AM CAPITOL 102
04/22/03		(H)	Heard & Held MINUTE(STA)
04/24/03		(H)	STA AT 8:00 AM CAPITOL 102
04/24/03		(H)	Heard & Held MINUTE(STA)
04/29/03		(H)	STA AT 8:00 AM CAPITOL 102
04/29/03		(H)	Heard & Held MINUTE(STA)
05/01/03		(H)	STA AT 8:00 AM CAPITOL 102
05/01/03		(H)	Heard & Held -- Recessed to Mon. 5/5 8:00 AM -- MINUTE(STA)
05/05/03		(H)	STA AT 8:00 AM CAPITOL 102

WITNESS REGISTER

BROOKE MILES, Executive Director
Alaska Public Offices Commission (APOC)
Anchorage, Alaska
POSITION STATEMENT: Answered questions for the committee during the hearing on HB 157.

JUSTIN ROBERTS, Intern
to Representative Max Gruenberg
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented Amendment 10 on behalf of Representative Gruenberg, sponsor, and explained the effects of Amendment 6 on Section 13, during the hearing on HB 157.

TAMMY KEMPTON
Regulation of Lobbying
Public Offices Commission
Department of Administration
Juneau, Alaska
POSITION STATEMENT: Answered questions for the committee during the hearing on HB 157.

ACTION NARRATIVE

TAPE 03-49, SIDE A
Number 0001

CHAIR BRUCE WEYHRAUCH called the House State Affairs Standing Committee meeting, which had been recessed on 5/1/03, back to order at 8:20 a.m. Representatives Seaton, Dahlstrom, Lynn, Berkowitz, and Weyhrauch were present at the call to order. Representatives Holm and Gruenberg arrived as the meeting was in progress.

HB 157-ELIMINATE APOC

Number 0030

CHAIR WEYHRAUCH announced that the first order of business was HOUSE BILL NO. 157, "An Act eliminating the Alaska Public Offices Commission; transferring campaign, public official, and lobbying financial disclosure record-keeping duties to the division of elections; relating to reports, summaries, and documents regarding campaign, public official, and lobbying financial disclosure; providing for enforcement by the Department of Law; making conforming statutory amendments; and providing for an effective date."

[Before the committee was the proposed committee substitute (CS) for HB 157, labeled HB 157.doc, 4/24/03.]

CHAIR WEYHRAUCH reminded the committee members that, through a roll call vote during the 5/1/03 portion of this meeting, they had adopted Amendment 1-B, which read as follows:

Page 1, lines 7 - 9:
Delete "**amending the campaign finance and public official financial disclosure laws to allow municipalities to choose whether they apply to municipal elections and municipal officials;**"

Page 2, lines 1 - 21:
Delete all material.

Page 2, line 22:
Delete "**Sec. 2**"
Insert "**Section 1**"

Renumber the following bill sections accordingly.

Page 22, lines 6 - 19:
Delete all material.

Renumber the following bill sections accordingly.

Page 22, line 24:
Delete "sec. 20"
Insert "sec. 19"

Page 22, line 29:
Delete "sec. 37"
Insert "sec. 34"

Page 23, line 5:
Delete "sec. 20"
Insert "sec. 19"

Page 23, line 6:
Delete "sec. 34"
Insert "sec. 31"

Page 23, line 8:
Delete "Section 36"
Insert "Section 33"

Page 23, line 9:
Delete "sec. 38"
Insert "sec. 35"

Number 0142

REPRESENTATIVE BERKOWITZ moved to adopt Amendment 1-C, which read as follows:

Page 1, line 1, following "**An Act**":
Insert "**relating to the master register of voter registration and to a list of persons who voted in the last election;**"

Page 1, following line 12:
Insert a new bill section to read:
"*** Section 1.** AS 15.07.127 is amended to read:
Sec. 15.07.127. Preparation of master register. The director shall prepare both a statewide list and a list by precinct of the names and addresses of all persons whose names appear on the master register [AND THEIR POLITICAL PARTY AFFILIATION]. Any person may obtain a copy of the list, or a part of the list, or an electronic format containing both residence and mailing addresses of voters, by applying to the

director and paying to the state treasury a fee as determined by the director."

Page 2, line 1:
Delete "**Section 1**"
Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 16, following line 24:
Insert a new bill section to read:
"*** Sec. 23.** AS 15.15.400 is amended to read:
Sec. 15.15.400. Preparation of voter list. The director shall prepare both a statewide list and a list by precinct of the names and addresses of all persons who voted in the election [AND THEIR POLITICAL PARTY AFFILIATION]. Any person may obtain a copy of the list, or a part of the list, or a computer tape containing both residence and mailing addresses of voters, by applying to the director and paying to the state treasury a fee as determined by the director."

Renumber the following bill sections accordingly.

Page 22, line 24:
Delete "sec. 20"
Insert "sec. 21"

Page 22, line 29:
Delete "sec. 37"
Insert "sec. 39"

Page 23, line 5:
Delete "sec. 20"
Insert "sec. 21"

Page 23, line 6:
Delete "sec. 34"
Insert "sec. 36"

Page 23, line 8:
Delete "Section 36"
Insert "Section 38"

Page 23, line 9:
Delete "sec. 38"
Insert "sec. 40"

Number 0164

REPRESENTATIVE LYNN objected for purposes of discussion.

REPRESENTATIVE BERKOWITZ explained that Amendment 1-C is a step towards a non-partisan legislature. He pointed out that the government doesn't keep track of people's religion, or other private information, so he questioned why it does keep track of a person's political party [affiliation]. He said that Amendment 1-C would remove the government's ability to keep track of people's political parties.

Number 0287

REPRESENTATIVE BERKOWITZ, in response to a question by Chair Weyhrauch, reiterated that the government does not currently keep track of "all kinds of private information." He opined that an individual's political affiliation is really none of the government's business. He stated that he has never understood how political parties have achieved a "unique status." He said they are not mentioned in the constitution and are an "evolved creature." He stated that it seems to him that political parties are being treated differently than other organizations. At the state level, particularly, he noted that he has not seen any wonderful benefits from political parties. He added, "I think they're more an impediment to the political process than anything else."

Number 0357

CHAIR WEYHRAUCH asked if the ability of people who register to vote to put down "undeclared," "undecided," or "non-partisan," deals with "the desire for them to not keep track of a political party?"

REPRESENTATIVE BERKOWITZ answered yes and no. He revealed that he was once undeclared, because he had thought he would be able to get literature from both political parties; however, he noted that he didn't receive literature from either [party]. [Referring again to Chair Weyhrauch's question], he said, "No, I think it doesn't." He explained, "It's still an intrusion ... by government into my privacy."

Number 0515

CHAIR WEYHRAUCH offered his understanding that the proposed Amendment 1-C would amend Section 1; however, Section 1 was deleted by the adopted Amendment 1-B. He asked if that is correct.

REPRESENTATIVE BERKOWITZ answered that it would be a "new Section 1."

REPRESENTATIVE GRUENBERG added, "It's just called that for convenience." He opined that it's helpful to "know the parties." In response to a question by Representative Berkowitz, he explained, "The more information we know, the better."

Number 0611

CHAIR WEYHRAUCH remarked that the whole system of government, politics, and elections seems to be imbued with a sense that identification of a party and/or person is not only legitimate, but constitutional, and is done and recognized by the [U.S.] Supreme Court, as well as by legislatures in the executive branch. He said it seems to him that an individual can opt out of providing that information, because it's not a requirement.

REPRESENTATIVE BERKOWITZ pointed out that Chair Weyhrauch could not say that he was undeclared and then run for office under a party label.

CHAIR WEYHRAUCH said that a voter [who is not running for office] could register to vote without giving [his/her party affiliation].

REPRESENTATIVE BERKOWITZ responded that his experience has been that when the party labels are put on, people "stereotype positions," and don't make further inquiries, and it stifles good quality debate. To illustrate his point, he noted that the committee members in the room [share] "all kinds of agreements in places that people wouldn't anticipate." He said that "we've" elevated loyalty to party to a place that he thinks is inappropriate. He continued as follows:

> Parties have a very distinct and critical role in the American political system; they're supposed to be fountains of ideas, not fountains of cash and raw political power. And that's what they've been transformed into.

> I don't see a lot of great new ideas coming out of the parties. I see ideas coming out of think tanks. I see ideas coming out of individuals. But the parties are now all about who's in control and who's winning, and forgetting about what the stakes are all about; forgetting about why we're involved in the political process. ... Anything we can do to diminish the power seems to me a step in the right direction.

REPRESENTATIVE BERKOWITZ clarified that this [amendment] would not preclude membership in political associations, but is one step toward removing official government sanction of these entities.

Number 0805

REPRESENTATIVE SEATON said, "I think ... this amendment is beyond the title of what we're talking about." He stated that the issue before the committee is in regard to the Alaska Public Offices Commission (APOC), not the abolition of political parties, for example; therefore he encouraged the committee to move past Amendment 1-C.

Number 0848

REPRESENTATIVE LYNN stated that [Representative Berkowitz] makes a good point regarding what political parties have become. He added, "Nonetheless, it seems to me that we need to have it a part of the voter list." He said he knows that non-partisan [candidates] can run for office, because his opponent in the general election was non-partisan.

Number 0900

REPRESENTATIVE BERKOWITZ withdrew his motion to adopt the Amendment 1-C, because he said he takes Representative Seaton's point.

Number 0929

REPRESENTATIVE GRUENBERG suggested that Representative Berkowitz's issue may be appropriately heard at another time.

Number 0940

CHAIR WEYHRAUCH announced that, there being no objection, Amendment 1-C was withdrawn.

CHAIR WEYHRAUCH clarified that Amendments 1 and 1-A were not going to be offered by Representative Gruenberg.

Number 1020

REPRESENTATIVE DAHLSTROM moved to adopt Amendment 2, which read as follows [including handwritten section notations]:

Page 1, line 8:
Delete "**to allow municipalities to choose whether they**"
Insert "**that**"

Sec 1

Page 2, lines 10 - 21:
Delete "**only if** [UNLESS] the municipality has **opted for** [EXEMPTED ITSELF FROM] the provisions of this chapter **to apply**; a municipality may **opt into** [EXEMPT ITS ELECTED MUNICIPAL OFFICERS FROM] the requirements of this chapter if a majority of the voters voting on the question at a regular election, as defined by AS 29.71.800(20), or a special municipality-wide election called for that purpose, votes to **apply** [EXEMPT ITS ELECTED MUNICIPAL OFFICERS FROM] the requirements of this chapter; the question of **the application of** [EXEMPTION FROM] the requirements of this chapter may be submitted by the governing body by ordinance or by initiative election. **A municipality that opts for the application of the requirements of this chapter shall pay a fee to the state for services under this chapter. The amount of the fee will be set by the Department of Administration in regulation.**"
Insert "**; the Department of Administration shall assess an annual fee to each municipality covered by this chapter to pay the municipality's proportional share of the actual costs of the commission for providing services under this chapter** [UNLESS THE MUNICIPALITY HAS EXEMPTED ITSELF FROM THE PROVISIONS OF THIS CHAPTER; A MUNICIPALITY MAY EXEMPT ITS ELECTED MUNICIPAL OFFICERS FROM THE REQUIREMENTS OF THIS CHAPTER IF A MAJORITY OF THE VOTERS VOTING ON THE QUESTION AT A REGULAR ELECTION, AS DEFINED BY AS 29.71.800(20), OR A SPECIAL MUNICIPALITY-WIDE ELECTION CALLED FOR THAT PURPOSE, VOTES TO EXEMPT ITS

ELECTED MUNICIPAL OFFICERS FROM THE REQUIREMENTS OF THIS CHAPTER; THE QUESTION OF EXEMPTION FROM THE REQUIREMENTS OF THIS CHAPTER MAY BE SUBMITTED BY THE GOVERNING BODY BY ORDINANCE OR BY INITIATIVE ELECTION]."

Sec 33

Page 22, lines 18 - 19:
Delete all material.
Insert "services under AS 15.13 and the fee for a municipality to pay the state if the municipality opts under AS 39.50.145 to have AS 39.50 apply to its public officials."

Number 1027

REPRESENTATIVE BERKOWITZ objected for purposes of discussion.

REPRESENTATIVE DAHLSTROM spoke to Amendment 2, explaining that its two main points are to remove the "opt in" and "opt out" provisions and to have the administration assess an annual fee that each municipality will pay to cover its share of costs.

Number 1097

CHAIR WEYHRAUCH, in response to comments by Representatives Berkowitz and Gruenberg, said he thinks Representative Dahlstrom's Amendment 2 is "the opposite" of the adopted Amendment 1-B. He asked Representative Dahlstrom to clarify if "they would be in ... automatically, unless they opted out."

Number 1102

REPRESENTATIVE DAHLSTROM answered no. She clarified that [Amendment 2] says that [all municipalities] are in and pay their share of the administrative cost of running the election. She stated that she feels the rules for elections and the fees should be consistent statewide, so that candidates know the rules are the same, even if they move to new areas to run. She also posited that municipalities should pay and the state should not be made to pick up the cost of elections.

Number 1197

REPRESENTATIVE SEATON asked if [Amendment 2] is an apportioned fee covering the full costs of an election or of reporting.

REPRESENTATIVE DAHLSTROM answered yes. Responding to a follow-up question by Representative Seaton, she reiterated that all municipalities would be "in" - [there would be no opting in or out].

Number 1287

[There was discussion about where the deletion would occur on lines 10-21, and ultimately a technical amendment was offered by Representative Berkowitz.]

Number 1358

REPRESENTATIVE BERKOWITZ suggested a technical amendment to Amendment 2, which would be to add a period after the word "Development" [on page 2, line 10 of the CS].

CHAIR WEYHRAUCH clarified that with the addition of Representative Berkowitz's technical amendment, the language impacted in Amendment 2, would read as follows:

> Insert "**. The Department of Administration shall assess an annual fee to each municipality covered by this chapter to pay the municipality's proportional share of the actual costs of the commission for providing services under this chapter**

CHAIR WEYHRAUCH announced, "Without objection, those technical amendments are made."

Number 1500

REPRESENTATIVE BERKOWITZ explained that his previous objection to Amendment 2 is because it is a classic unfunded mandate. There is no "opt in" or "opt out," but rather, "You shall do this and you shall pay us."

Number 1520

REPRESENTATIVE GRUENBERG asked [the executive director of APOC] to confirm the amount she had [estimated] at a previous hearing on HB 157 that "the total savings ... to the state" would be.

Number 1560

BROOKE MILES, Executive Director, Alaska Public Offices Commission (APOC), confirmed that at the last hearing on HB 157 by the committee, the commission had attempted to come forward with some figures that were "our best possible effort at saying what it was, that were really somewhat - I'm sorry to say - 'bogus,' because the way we implement the law doesn't differentiate the municipal work from the state work in any way." She explained that it's the same financial and campaign disclosure law. She stated that the commission really needs more time to figure out a formula to determine what the actual cost is.

REPRESENTATIVE GRUENBERG stated his intention to "reluctantly vote against" [Amendment 2], because [the outcome] could be difficult for small communities. He emphasized that he wants to see statewide uniformity and "quality enforcement of campaign laws." He opined that it would be easy for somebody in a small community to manipulate an election.

Number 1656

REPRESENTATIVE SEATON turned to a letter dated April 30, [2003], from APOC, [which is attached to a 5-page listing of communities and their public official financial disclosure status, and is included in the committee packet]. He pointed out all of the communities that are exempt and stated that most of those communities have a difficult time getting people to run for their local offices. He posited that putting these small communities "into the APOC situation" would have a negative effect on the number of people who would be willing to run [for office] in these small communities. For that reason, he concluded, he would oppose [Amendment 2].

Number 1714

MS. MILES, in response to a request by Representative Dahlstrom, stated that after looking at [Amendment 2], she realized that it would make all of the communities less than 1,000 in population be subject to the law, as well as the seven communities that have voted themselves exempt from the campaign disclosure law. Although there would be "proportional sharing of payment," it would cost money [to those communities].

Number 1758

CHAIR WEYHRAUCH said that he wants the communities to be able to opt in and then be assessed the full value of doing so. The

communities would know this in advance, he said, so that when they have their elections, "the community voting on it would know what the true value would be." He explained that's why he would vote against [Amendment 2].

Number 1789

REPRESENTATIVE DAHLSTROM withdrew [her motion to adopt] Amendment 2.

Number 1812

REPRESENTATIVE LYNN moved to adopt Amendment 3, which read as follows [including handwritten section notations]:

Sec 2

Page 3, line 16:
Delete "**and**"

Sec 2

Page 3, line 18, following "**AS 39.50**":
Insert "**; and**
(11) provide for a system of campaign finance disclosure by candidates directly through the Internet in lieu of reports filed with the commission"

Sec 8

Page 6, following line 3:
Insert a new subsection to read:
"(n) A properly reported and described transaction in an approved campaign account established under AS 15.13.043 is sufficient to satisfy a candidate's reporting or filing requirements of this section in regard to that transaction."

Sec 9

Page 6, line 4:
Delete "a new section"
Insert "new sections"

Sec 9

Page 6, following line 31:

Insert "**Sec. 15.13.043. Online reporting of candidate contributions and expenditures.** (a) Each candidate shall establish an approved campaign account for all contributions and expenditures made in monetary form, and information of all transactions involving the account shall be made available to the public. A candidate may not deposit campaign contributions or make campaign expenditures from any other account.

(b) For all contributions and expenditures made from the campaign account in (a) of this section, a candidate is not required to file a report with the commission so long as all information required under this chapter is made in the transaction information, notwithstanding AS 15.13.040 and 15.13.110.

(c) In this section,

(1) "approved campaign account" means an account at a financial institution in the state that provides the following services:

(A) all transactions and any additional information regarding a transaction occurring in the account are available to the public;

(B) the account allows the holder to post additional information in relation to each transaction to meet the reporting requirements of this chapter, such as information regarding a contribution or expenditure;

(C) all account information, such as deposit slips, checks, and other evidence of the activity in the account is held by the financial institution for a period of at least two years, and this information is provided to the commission for inspection and copying at the request of the commission;

(D) the financial institution communicates with the commission to ensure the availability, compatibility, and format of the account information provided under (A) of this paragraph; and

(E) the financial institution is responsible only for providing the account and the account services, may charge a reasonable fee for the services provided to the holder, and is not responsible for the holder's compliance with the campaign disclosure requirements of state law;

(2) "available to the public" means the information is accessible within 48 hours after a transaction on an Internet site maintained by the

candidate according to the standards set by the commission and is also available for download at any commission office to the public for a fee not greater than the cost of providing the information."

Sec 18

Page 10, following line 8:
Insert a new bill section to read:
"*** Sec. 18.** AS 15.13.110 is amended by adding a new subsection to read:
(g) Notwithstanding (a) - (c) and (f) of this section, a candidate reporting campaign contributions and expenditures as required by AS 15.13.043 is not required to file a report with the commission for a contribution or expenditure made through the approved campaign account."

Renumber the following bill sections accordingly.

Sec 35

Page 22, line 24:
Delete "sec. 20"
Insert "sec. 21"

Sec 36

Page 22, line 29:
Delete "sec. 37"
Insert "sec. 38"

Sec 37

Page 23, line 5:
Delete "sec. 20"
Insert "sec. 21"

Sec 37

Page 23, line 6:
Delete "sec. 34"
Insert "sec. 35"

Sec 38

Page 23, line 8:

Delete "Section 36"
Insert "Section 37"

Sec 39

Page 23, line 9:
Delete "sec. 38"
Insert "sec. 39"

Number 1819

REPRESENTATIVE GRUENBERG objected for purposes of discussion.

Number 1840

REPRESENTATIVE LYNN stated that the purpose of [Amendment 3] is to broadly expand the disclosure of campaign contributions and expenditures, to eliminate the potentiality for computational errors, and to drastically reduce the paperwork and, thereby, the expenses of APOC. He described it as a "win-win" amendment. He explained that, after filing for candidacy, candidates open bank accounts in order to deposit contributions and write checks for expenditures. According to APOC regulations, he said, candidates must comply with periodic "reporting," including the reporting of expenses. He stated that this is a "very onerous process," which makes it difficult for candidates to find someone who will be a treasurer.

REPRESENTATIVE LYNN explained that Amendment 3 would mean that after a candidate files for election, the state would open a bank account in that candidate's name. This bank account would be available "to the world" to look at without a password, and every contribution, no matter the size, would show up on the account immediately. He suggested that this would prevent the practice of withholding contribution or expenditure information until "the day after the report is due." He opined that [Amendment 3] would eliminate "fun and games," would save money, and would serve the public interest. He described it as "thinking outside the box."

REPRESENTATIVE LYNN noted that some people have said this idea would cause technical problems; however, he said that he has spoken with "an expert in the field" who saw no problem with the idea. He also noted that some people in the higher administration levels have said they think the idea is feasible and would solve a lot of problems. He asked the committee to give [Amendment 3] consideration.

REPRESENTATIVE LYNN, in response to comments by Chair Weyhrauch, noted that, currently, Internet filing of campaign reports is available; however, this amendment would provide instant reporting of any transactions. He said, "It would eliminate all these reporting periods."

Number 2435

REPRESENTATIVE SEATON asked Representative Lynn if this amendment would cover statewide offices and "anyone else that APOC regulates."

REPRESENTATIVE LYNN answered yes.

Number 2164

MS. MILES stated that [Amendment 3] is certainly the direction that APOC wishes to go and is one of the concepts being considered by the commission. She stated her concern with the legislation at this time is that it's premature. She explained, "This cannot happen without funding." She remarked that the expert that Representative Lynn had previously mentioned would certainly know that fact, because he is in the business of selling these types of systems.

MS. MILES indicated that [candidates] publicizing their bank accounts doesn't necessarily mean that the deposits made will include information such as occupation, employer information, name, and address - all the categories currently required by the campaign disclosure law. She stated that her concern would be to ensure consistency. She pointed to the 48-hour requirement [in Amendment 3], and said she assumed that means that if a candidate received a contribution and didn't post it to the Internet within 48 hours it would be considered late and, perhaps, be subject to a civil penalty. She stated that there are some technicalities [to be considered]. She concluded that [Amendment 3] is a good idea that the commission wants; however, "mandating it in this form could be somewhat premature."

Number 2247

REPRESENTATIVE BERKOWITZ stated that he is actually very supportive of this concept. He recalled that when APOC first permitted on-line reporting, there was some "beta testing," and some candidates were allowed to opt in, including him. He noted that there were some glitches and "it was an interesting ride,"

but the bugs eventually worked themselves out. He asked Ms. Miles if she has given any thought to "creating something like this in a ... beta-testing form." In response to a question by Chair Weyhrauch, he explained that beta-testing form was a term used by computer [experts] to denote a pilot project.

MS. MILES answered that APOC has absolutely made this consideration. She noted that it is currently a question of funding to go forward; [because] APOC's electronic filing system is literally on its deathbed and can't accept any more electronic filers, because it's an old system. She explained that, after being one of the first states that have an electronic filing program for candidates, Alaska is now falling behind and needs to "come onboard." She noted that there is currently a request for capital funding going through the process, which is slated for a project like this. She added, "This seems to be one of the most popular concepts." She offered her definition of beta as a word used by technology people to describe a test run and test users.

Number 2364

REPRESENTATIVE DAHLSTROM asked if [Amendment 3] would allow candidates to set up their own personal bank accounts, or if everyone would be required to use a bank account provided by the state. She also asked if the state, in setting up the accounts and issuing passwords, for example, would be responsible for fraudulent behavior of a candidate or overdrawn accounts, for example.

REPRESENTATIVE LYNN, answering the last question first, stated that he thinks the candidate will always be responsible for any fraudulent actions he/she makes, no matter the format used. Regarding Representative Dahlstrom's first question, he responded that, at some point, he would like to see everybody required to [use a bank account provided by the state] in order to have full disclosure. He suggested there may need to be some sort of beta process involved. He noted that there is a new Microsoft Office program coming out that is currently being beta-tested. Regarding the name, address, and occupation of the contributor, he said, "That would just be a different field in the report. That's no big deal."

Number 2478

REPRESENTATIVE GRUENBERG commented that all of the committee members are intrigued by the possibilities here, but many on the

committee may be concerned about mandating something that isn't quite ready yet. He suggested that Amendment 3 be moved to the bottom of the calendar and that Representative Lynn and his staff work with APOC to come up with the concept of a pilot project, with a small fiscal note. This might allow the commission to get started on this project [if it is adopted].

Number 2568

REPRESENTATIVE LYNN responded that he is amenable to Representative Gruenberg's suggestion.

Number 2591

MS. MILES reiterated that [APOC] currently has a request in for capital funding and has computer programmers working on technologically putting together a pilot program. She stated that she is uncomfortable thinking about doing in one night what is taking the programmers six weeks.

Number 2616

REPRESENTATIVE GRUENBERG clarified that he had intended that the concept for a pilot project be written in a paragraph that would "embrace this concept generally." He indicated that this idea would give the commission another way of possibly funding this - perhaps by getting money "in the capital process," or through new legislation.

Number 2649

CHAIR WEYHRAUCH asked if a pilot project is the same as a beta project.

[MS. MILES nodded yes.]

CHAIR WEYHRAUCH asked if the same intent that both Representatives Gruenberg and Lynn seems amenable to could be accomplished by adopting "this" and having the effective date be 2004.

MS. MILES stated that she is still concerned that [Amendment 3] is still too specific in some ways to allow [APOC] to develop it the way it would need to be developed. She reiterated that she likes the concept and wants to move in that direction. She suggested that the 48-hour requirement could be changed to 72

hours. She said, "I'm just afraid that the way this is worded it's a little premature."

Number 2691

REPRESENTATIVE SEATON stated that he gets uncomfortable talking about a "small fiscal note," because a large part of [Amendment 3] would involve the acquisition of computer systems, which is [expensive]. He said that he would be more comfortable with the idea of getting together with the commission to come up with some intent language. He suggested that that language might state that it's the intent of the legislature to move into Internet reporting, and the legislature encourages the commission to continue to develop the system, thereby stimulating the funding mechanism, rather than trying to adopt a amendment with specific requirements right now.

Number 2743

CHAIR WEYHRAUCH stated one concern he has is unless the legislature speaks and directs, the government may not act or follow. He requested that Representative Lynn temporarily withdraw Amendment 3.

Number 2789

REPRESENTATIVE LYNN withdrew his motion to adopt Amendment 3, and stated his intent to bring the motion up again at a future time.

Number 2808

REPRESENTATIVE SEATON moved to adopt Amendment 4, which read as follows [original punctuation provided, including some handwritten changes]:

Sec 3
Page 3, lines 24-30:
Delete all material.
Insert "contributions in excess of $100 in the aggregate a year listing the name, address, principal occupation, and employer of the contributor and the date and amount contributed by each contributor. The report shall be filed in accordance with AS 15.13.110 and shall be certified correct by the candidate or campaign treasurer."

Sec 4
Page 4, lines 5-13:
Delete all material.
Insert "and, for all contributions in excess of $100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor, and the date and amount contributed by each contributor; for purposes of this paragraph, "contributor" means the true source of the funds, property, or services being contributed; and
(3) the date and amount of all contributions made by it and all expenditures made, incurred or authorized by it."

Sec 5.
Page 4, lines 14-30:
Delete all material.

Renumber the following bill sections accordingly.

Sec 7
Page 5, lines 8-15:
Delete all material.
Insert "and, for all such contributions in excess of $100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor, and the date and amount contributed by each contributor; for purposes of this paragraph, "contributor" means the true source of the funds, property, or services being contributed; and
(3) the date and amount of all contributions made by the"

Sec *
Page 6, line 1:
Delete "(b)(3), and (j)(3)"
Insert "(b)(2), and (j)(2)"

Sec 9
Page 6, line 10:
Delete "(b)(3), and (j)(3)"
Insert "(b)(2), and (j)(2)"

Number 2813

REPRESENTATIVE GRUENBERG [objected] for discussion purposes.

Number 2817

REPRESENTATIVE SEATON stated that Amendment 4 addresses the $100 aggregate reporting and listing of the name, [address], principal occupation, and employer of the contributor.

[The committee took a brief at-ease.]

REPRESENTATIVE SEATON offered an amendment to his Amendment 4, which read as follows [original punctuation provided]:

> Page 3, line 30,
> End of Section 3
> After all language, insert the following
>
> **Nothing in this section prevents a candidate from reporting all contributors if so desired by the candidate.**

Number 2919

REPRESENTATIVE GRUENBERG objected for discussion purposes.

Number 2884

REPRESENTATIVE SEATON explained that he did not want to preclude the ability of someone to use an electronic checkbook and "file their electronic checkbook with all the information for the commission." He noted that that had been an oversight on his part when Amendment 4 was drafted. He continued as follows:

> So, the commission could now receive the electronic checkbook; those people that are up and running that way could just file it to the commission. Or, the people could do as they are now, filing when there's over $100-dollar contribution.

Number 2919

CHAIR WEYHRAUCH read the amendment to Amendment 4 and offered his understanding that it would allow a candidate to report everything from a penny to $1,000.

Number 2934

REPRESENTATIVE SEATON answered that is correct. He clarified, "It just sets it out so we're not saying that somebody has to go

back through their electronic checkbook and has to pull out aggregates and report a $100." He explained that a candidate could file [using] an electronic checkbook, as long as it had all the contributor information required, or he/she could use the current method of the $100 aggregate.

Number 2958

REPRESENTATIVE LYNN asked, "Can we not now report something less than a hundred bucks?"

CHAIR WEYHRAUCH restated Representative Lynn's question by asking Ms. Miles, "Can a candidate report ... every contribution?"

MS. MILES answered yes.

TAPE 03-49, SIDE B

REPRESENTATIVE SEATON reiterated the intent of [the amendment to Amendment 4].

Number 2967

REPRESENTATIVE BERKOWITZ stated his support of the amendment to Amendment 4. He said he wants to make sure that it's appropriate or acceptable to file redacted information about "these smaller contributions." He continued as follows:

> For example, you could list the checks individually, without listing the contributor by name. Or, you could list the check and use the individual's initials. Would that be acceptable?

Number 2948

MS. MILES answered yes, under current law it would be acceptable, because current law does not require detailed information [about] contributors [who give] less than $100.

Number 2937

REPRESENTATIVE GRUENBERG asked Representative Seaton if by using the word "contributors" in the amendment to Amendment 4, he meant "contributions".

REPRESENTATIVE SEATON said yes.

Number 2937

REPRESENTATIVE GRUENBERG moved to change the word "contributors" to "contributions" in the amendment to Amendment 4. There being no objection, it was so ordered.

REPRESENTATIVE GRUENBERG [as part of the amended amendment to Amendment 4] moved to add a comma after the word "contributions".

CHAIR WEYHRAUCH indicated that there being no objection, it was so ordered.

REPRESENTATIVE GRUENBERG [as part of the amended amendment to Amendment 4] moved to delete the word "so".

CHAIR WEYHRAUCH indicated that there being no objection, it was so ordered.

Number 2900

REPRESENTATIVE GRUENBERG withdrew his objection to the amended amendment to Amendment 4.

Number 2892

CHAIR WEYHRAUCH asked if there was any objection to adopting the amended amendment [to Amendment 4]. There being none, it was so ordered.

CHAIR WEYHRAUCH noted that an objection to Amendment 4 [as amended] was pending.

Number 2873

REPRESENTATIVE SEATON noted that Amendment 4 would leave the contribution and reporting limits the way they are currently and allow a candidate to "do $100 aggregate in contributions." He continued as follows:

> So, ... on small donations [of] $25 [to] $50 ... a candidate can take those contributions. They must maintain the records, but we have a number of people that want to aid in someone's campaign, but really don't want to get crosswise with an incumbent or with the challenger, and they really don't want to have

their name out there. And yet, they're not contributing enough to have undue influence in the campaign.

REPRESENTATIVE SEATON noted that the bill, as currently written, would require that candidates report every person who gives money, even at small amounts. [Amendment 4, as amended] would change that requirement, so that only those who give $100 in aggregate must be identified.

Number 2860

REPRESENTATIVE GRUENBERG proposed a technical amendment to Amendment 4, to make the word "listing" underlined and in bold [type], because on page 3, line 24 of the CS, the word "**listing**" is in bold [type] and underlined.

Number 2845

CHAIR WEYHRAUCH announced, "Without objection, we will make that technical amendment."

CHAIR WEYHRAUCH asked Representative Seaton to clarify that his intent is to change the bill's providing "an amendment to $250 in the aggregate a year," back to $100.

REPRESENTATIVE SEATON answered that that is his intent.

CHAIR WEYHRAUCH announced that once the committee has gone through all of the proposed amendments, it would give them to Legislative Legal and Research Services to produce a final draft for the committee to review, so the committee can "pass out something that we can recognize."

REPRESENTATIVE GRUENBERG asked that that be done on a daily basis.

CHAIR WEYHRAUCH said he would think about that, but commented that he isn't sure that that would work better than "what we're doing."

CHAIR WEYHRAUCH asked if there was still an objection to Amendment 4 [as amended].

Number 2696

REPRESENTATIVE GRUENBERG withdrew his objection.

CHAIR WEYHRAUCH said, "I'm going to maintain the objection."

Number 2650

REPRESENTATIVE GRUENBERG turned to page 4, line 5 [of the proposed CS], and read the bold, underlined language as follows:

described in (2) of this subsection

REPRESENTATIVE GRUENBERG asked if the words "[AND]" and "**described in (2) of this subsection**" should be left in "despite ... the new proposed language."

Number 2588

REPRESENTATIVE SEATON stated his belief that that [language] would only have to stay in if the aggregate was being taken to $250, instead of to $100.

Number 2576

MS. MILES confirmed that is correct.

Number 2571

CHAIR WEYHRAUCH said, "That would have to be a conforming amendment if ... Amendment 4 [as amended] is adopted.

CHAIR WEYHRAUCH reminded the committee that there is a motion pending to adopt Amendment 4 [as amended], and an objection.

Number 2560

REPRESENTATIVE BERKOWITZ asked Chair Weyhrauch to explain why he objects to the amendment.

CHAIR WEYHRAUCH commented that the numbers are arbitrary in a way. He asked Ms. Miles when the $100 amount was inserted in statute.

MS. MILES answered that the $100 reporting detail has been in the statute since it was enacted in 1974.

CHAIR WEYHRAUCH said that he just thinks it's time to recognize that a higher amount - even $150 - is not that much. He stated that he understands that the public has a right to know who

gives to campaigns; however, he said that he thinks that has to be balanced against the administration of detaining money, and the recognition that, over time, $100 buys a lot less now. He indicated that [his preference for a] $250 [amount] is more of a gut [feeling].

Number 2491

REPRESENTATIVE BERKOWITZ said he understands that; however, he noted that $100 is 20 percent of what can be given on an annual basis, and $250 is 50 percent. He stated that he thinks those proportions are meaningful. He opined that there are good arguments to having no limit at all, "if you want pure transparency." He stated his intent to support Representative Seaton.

Number 2457

REPRESENTATIVE LYNN said that he would like to keep the amount at $100, which is [the limit at which] every [legislator] in the room got elected.

Number 2433

REPRESENTATIVE GRUENBERG stated that he thinks the public perceives the listing and publicity requirements as being an important part of its participation in the political process. Although no one may actually pull up information on the Internet or go down to the APOC office to look at a file, it's important for people to know that they can do that, he said. He suggested that there is a sort of proxy system [between] the public and the press, because the public believes the press would report anything the public feels it should know. He stated that he supports [Amendment 4, as amended].

Number 2377

CHAIR WEYHRAUCH noted that paper filing has been the system for a long time, and the whole point of Representative Lynn's argument is that times change and "we should advance that." He opined that there is a balance between the public's right to know and the ability of candidates to operate in a way that attracts people to run for public office. He continued as follows:

> I understand we all ran for office on a $100 limit, and I'm not going to live and die on this amendment.

I just want that comment noted, that I think it's an appropriate time to consider raising this, and I think the public will still be served by the media and the ability to know who's getting the campaigns and the significant amount.

Number 2328

REPRESENTATIVE LYNN stated that although times are changing, he does not think that contribution or reporting amounts need to change. He said, "Apples and oranges."

CHAIR WEYHRAUCH stated that he understands that the example he used is "apples and oranges," in terms of contribution limits and the ability to report electronically; however, he said he thinks that the desire to look at this issue anew [29 years after] it was enacted is not unreasonable. He explained that he had just wanted to get his comments on the record regarding why he is supporting the increase, but not as a reflection of "the kind of amendment that you're offering." He said, "My comments on the contribution limits should [in] no way be associated with your promotion of your amendment on electronic reporting."

REPRESENTATIVE LYNN commented that it's not unreasonable to make the [limits] any amount; it's just that he prefers to keep them as they are, while Chair Weyhrauch wants to raise them.

Number 2261

A roll call vote was taken. Representatives Dahlstrom, Lynn, Berkowitz, Gruenberg, and Seaton voted in favor of Amendment 4 [as amended]. Representative Weyhrauch voted against it. Therefore, Amendment 4 [as amended] was adopted by a vote of 5-1.

Number 2200

REPRESENTATIVE GRUENBERG specified that he would not be offering Amendment 4-B.

Number 2183

CHAIR WEYHRAUCH brought attention to Representative Seaton's Amendment 5, which read as follows [original punctuation provided, including some handwritten changes]:

Sec 10,11,12

Page 7, line 1-20
Delete all material
Sections 10-12

Renumber the sections accordingly

Number 2179

REPRESENTATIVE GRUENBERG objected for discussion purposes.

Number 2145

REPRESENTATIVE SEATON moved to adopt Amendment 5.

CHAIR WEYHRAUCH reminded the committee that there was an objection stated by Representative Gruenberg [for discussion purposes].

Number 2140

REPRESENTATIVE GRUENBERG noted that if the committee adopts Amendment 5, Amendments 5-A and 5-B would be moot.

Number 2108

REPRESENTATIVE SEATON explained that the deletion of Sections [10, 11, and 12] would take the legislation back to the current campaign contribution limit, which is $500-$5,000.

REPRESENTATIVE GRUENBERG withdrew his objection.

CHAIR WEYHRAUCH announced, "I'm going to maintain an objection."

Number 2068

MS. MILES, in response to questions by Chair Weyhrauch, noted that "these current numbers" were set in statute in accordance with campaign finance reform in 1996, effective January 1, 1997. She revealed that it was done by legislation in response to initiative action. Before the initiative, she continued, "the individual amount was $1,000." She explained that that was $1,000 that an individual could give to a candidate only. Before the 1996 reform, the amount that an individual could give to a political action committee or a political party was not limited. She clarified that, prior to the reform, the amounts that came from political action committees were limited, whereas the amounts that came from political parties were not.

Number 1973

REPRESENTATIVE GRUENBERG stated for the record, "My views are the same as on the Amendment 4, and I'd like to keep ... the current limits the same." He explained that that's why he's supporting [Amendment 5].

Number 1951

REPRESENTATIVE LYNN reiterated that he thinks that the campaign contribution limits ought to remain the same for candidates. He posited that if [the limit] were raised to $1,000, [an affluent, well-known] candidate who has no trouble getting $100 contributions now, would probably have no trouble getting "almost as many $1,000 contributions." On the other hand, he said, [an unknown candidate with few, if any, connections] would be lucky to get a $25-$50 contribution, whether or not the limit is set at $500 or $1,000. Raising the limit to $1,000 would widen the gap, he said, which would have a "chilling effect" on people who want to get into politics. He stated that he thinks it serves the public to broaden the field of available candidates, and he proffered that the person with the least amount of connections might be the most qualified for candidacy.

Number 1790

REPRESENTATIVE SEATON said he thinks the major beneficiary of raising the limit would be the incumbent who already has the advantage. The $500 limit would [ensure] that candidates have to go talk to a great many people in their districts, which he explained is why he thinks the existing numbers work well and why he sponsored [Amendment 5].

REPRESENTATIVE LYNN concurred with Representative Seaton.

Number 1749

CHAIR WEYHRAUCH withdrew his objection. He asked if there was any other objection to Amendment 5. There being no objection, Amendment 5 was adopted.

Number 1720

REPRESENTATIVE LYNN announced that he would withdraw Amendments 5-A and 5-B. He asked if, by having adopted Amendment 5, and

with Amendment 5-A and 5-B withdrawn, the legislation is "back to where we are now."

CHAIR WEYHRAUCH responded that that's his understanding.

Number 1700

CHAIR WEYHRAUCH asked if there was any objection to withdrawing Amendments 5-A and 5-B [although no motion had been formally made to adopt them]. There being none, it was so ordered.

Number 1677

REPRESENTATIVE GRUENBERG noted that [the portions of his own Amendment 6 and Representative Seaton's Amendment 7 dealing with Page 1, line 4 and Page 8, lines 14-29 of the proposed CS] are the same. He said he would yield to Representative Seaton to offer his Amendment 7 at this time.

Number 1658

CHAIR WEYHRAUCH announced that the committee would "pass on Amendment 6, at this time, and move to Amendment 7, by Representative Seaton."

Number 1650

REPRESENTATIVE SEATON moved to adopt Amendment 7, which read as follows [original punctuation provided, including some handwritten changes]:

Page 1, line 4:

Delete "**and the limits in lobbyists' campaign contributions to candidates**"

Sec 15
Page 8, lines 14-29:
Delete all material and insert:
"**Sec. 15.** AS 15.13.074(g) is amended to read:

(g) An individual required to register as a lobbyist under AS 24.45 may not make a contribution to a candidate for the legislature at any time the individual is subject to the registration requirement under AS 24.45 and for one year after the date of the individual's initial registration or its renewal.

However, the individual may make a contribution under this section to a candidate for the legislature in a district in which the individual is eligible to vote or will be eligible to vote on the date of the election. An individual who is subject to the restrictions of this subsection shall report to the commission, on a form provided by the commission, each contribution made while required to register as a lobbyist under AS 24.45. **Upon request of the commission, the information required under this subsection shall be submitted electronically.** This subsection does not apply to a representational lobbyist as defined in regulations of the commission."

Number 1644

REPRESENTATIVE LYNN objected for discussion purposes.

[The committee took an at-ease from 9:24 a.m. to 9:25 a.m.]

Number 1620

REPRESENTATIVE GRUENBERG noted that his [Amendment 6] had been drafted by Legislative Legal and Research Services. He stated concern that there is language in Amendment 6 that is not in Amendment 7. He suggested that it may be necessary later to offer parts of Amendment 6 to conform to Amendment 7, if necessary.

Number 1580

CHAIR WEYHRAUCH reminded the committee that Amendment 6 had not been offered.

Number 1550

REPRESENTATIVE SEATON returned to the proposed Amendment 7. He explained that the amendment would [add back the language] stating that a lobbyist can only contribute to a candidate within his/her district.

Number 1440

CHAIR WEYHRAUCH clarified that Amendment 7 maintains the language currently in statute, but would also keep the language in the proposed CS, [beginning on page, 8, line 26], which read as follows:

Upon request of the commission, the information required under this subsection shall be submitted electronically.

Number 1389

REPRESENTATIVE LYNN withdrew his objection.

Number 1376

CHAIR WEYHRAUCH asked if there was any other objection to adopting Amendment 7. There being none, Amendment 7 was adopted.

Number 1363

REPRESENTATIVE GRUENBERG moved to adopt Amendment 8, which read as follows:

Page 8, line 30, through page 9, line 17:
Delete all material and insert:
"*** Sec. 16.** AS 15.13.078(b) is amended to read:
(b) The provisions of this chapter do not prohibit the individual who is a candidate from lending any amount to the campaign of the candidate. Loans made by the candidate shall be reported as contributions in accordance with AS 15.13.040 and 15.13.110. However, the candidate may not
(1) recover, under this section and AS 15.13.116(a)(4), the amount of a loan made by the candidate to the candidate's own campaign that exceeds
(A) $25,000, if the candidate ran for governor or lieutenant governor;
(B) $10,000, if the candidate ran for
(i) the legislature; or
(ii) delegate to a constitutional convention;
(C) $10,000, if the candidate was a judge seeking retention;
(D) $5,000, if the candidate ran in a municipal election; or
(2) repay a loan that the candidate has made to the candidate's own campaign unless, within **10** [FIVE] days of making the loan, the candidate notifies the commission, on a form provided by the commission,

of the candidate's intention to repay the loan under AS 15.13.116(a)(4)."

Number 1354

REPRESENTATIVE LYNN objected for discussion purposes.

Number 1330

REPRESENTATIVE GRUENBERG noted that Amendment 8 addresses Section 16 of [the proposed CS]. He said that Section 16 proposes to delete the language on page 9, beginning on line 12, through line 17, which reads as follows:

[; OR
(2) REPAY A LOAN THAT THE CANDIDATE HAS MADE TO THE CANDIDATE'S OWN CAMPAIGN UNLESS, WITHIN FIVE DAYS OF MAKING THE LOAN, THE CANDIDATE NOTIFIES THE COMMISSION, ON A FORM PROVIDED BY THE COMMISSION, OF THE CANDIDATE'S INTENTION TO REPAY THE LOAN UNDER AS 15.13.116(a)(4)].

REPRESENTATIVE GRUENBERG offered his understanding that with the deletion proposed in Section 16 of the CS, the bill would not require a candidate to notify the commission at any time.

Number 1263

MS. MILES responded that a candidate would still be required to notify [APOC] that he/she had made the contribution, but would not be required to file a separate form making clear that it was a loan that he/she wished to recoup, given sufficient surplus funds at the end of the campaign.

Number 1238

REPRESENTATIVE GRUENBERG explained that Amendment 8 would retain the requirement that [the candidate] notify the commission, but would extend the period of time from 5 to 10 days.

Number 1212

CHAIR WEYHRAUCH asked why the language that the proposed CS would remove was ever there in the first place.

Number 1180

MS. MILES answered that it was there as a result of campaign finance reform and was part of the initiative language. She noted that the commission had recommended doing away with [the language], because it had proven problematic to some candidates, especially those new to running for office who had not had close communications with commission staff.

MS. MILES noted that the committee aide had distributed "a copy of the form" [included in the committee packet]. She said that expanding the time [to turn in the form] would be helpful, although some people will still have trouble getting a form in on time. The contribution would have to be reported anyway, she noted, and the law restricts the amount of money that a candidate can recoup from surplus funds, regardless how much he/she has put into his/her own campaign.

MS. MILES, in response to a question by Chair Weyhrauch, surmised that the intent behind law was to provide an early warning system for a candidate who's personally wealthy. She continued as follows:

> In addition to this, however, you should also remember that candidates are restricted to only $5,000 of their own money after within 30 days of the election.

Number 1043

CHAIR WEYHRAUCH described a scenario whereby a candidate might file the election forms for office, infuse the campaign "war chest" with $1,000,000, report that loan - as required under existing language, subsequently raise $1,000,000, and pay himself/herself back over time. He asked if that is [allowable].

MS. MILES explained that, over time, that candidate could only pay himself/herself back a given amount, depending what office they ran for. She offered her recollection that [that amount] may be $10,000 for [candidates to] the House, $15,000 for [candidates to] the Senate, and $50,000 for [gubernatorial candidates]. She explained that she doesn't have that information with her presently, but emphasized that it's "a limited amount."

CHAIR WEYHRAUCH asked if the bill changes the amount that candidates can pay back to their campaigns.

MS. MILES answered that it does not.

CHAIR WEYHRAUCH asked if the committee could choose to offer an amendment stating that a candidate could pay back 100 percent of his/her loan.

MS. MILES answered, "Yes, you could."

Number 0952

REPRESENTATIVE BERKOWITZ opined, "You know, this is one of the real problematic areas of law, and I think it came out of the [Buckley v. Valeo] case." He stated that he has always found it objectionable that the candidate is being treated differently than other contributors. Contributors, he clarified are limited, while candidates have no limit on how much they can contribute. He suggested there may possibly be "some multiplier in [Buckley v. Valeo] that would limit the amount that a candidate could give. He proffered that the reason there are so many millionaires in the [U.S.] Congress is that they can - at least initially - underwrite their own campaigns. He said he thinks that does a disservice to the idea that [the unknown candidate previously referred to by Representative Lynn] can run. He stated, "If there were a way to get around that unlimited contributions, I'd surely like to know what it is."

Number 0873

REPRESENTATIVE SEATON turned to [paragraph] (2) at the bottom of Amendment 8. Regarding [the proposed change] from 5 days to 10 days. He said he finds that "superfluous." He stated that candidates are making contributions that they are required to report, and the individual amount that they can repay themselves is set in statute.

Number 0800

REPRESENTATIVE SEATON proposed a friendly amendment to Amendment 8, to delete [paragraph] 2. The effect of that amendment, he noted, would be to eliminate "the pre-reporting that you [intend] to repay yourself a loan."

REPRESENTATIVE GRUENBERG offered his understanding that the intent of [the friendly amendment to Amendment 8] is to continue to allow candidates to repay themselves, but to eliminate the reporting requirement.

REPRESENTATIVE SEATON answered that's correct. He clarified that the reporting requirement doesn't serve much purpose, because of the tight limits on what can be repaid by a candidate from his/her campaign. For example, he said, "If you put in $100,000 or $200,000 ... it doesn't matter; if you are a candidate for the legislature, you are limited to repaying yourself $10,000."

Number 0720

REPRESENTATIVE GRUENBERG responded that he would have no problem with that concept and would consider it a friendly amendment.

Number 0703

REPRESENTATIVE LYNN stated that he would agree with that. He said that as candidates get close to the general election, they get very busy. He revealed that, in his own election, he was unable to repay himself the sum of money he contributed, because he [chose to] knock on doors than [take the time to] "carry a piece of paper down to APOC."

Number 0578

REPRESENTATIVE BERKOWITZ stated that the way he reads the friendly amendment to Amendment 8, it would leave the committee with "the original language as proposed in the bill." He said that, if that's the case, he would urge Representative Gruenberg to withdraw [Amendment 8].

Number 0550

REPRESENTATIVE GRUENBERG withdrew his motion to adopt Amendment 8.

Number 0520

REPRESENTATIVE BERKOWITZ moved to adopt Amendment 9, labeled 23-LS8005\A.40, which read as follows:

Page 10, lines 1 - 2:
Delete "(3) **105** [10] days after **a** [THE] **special, municipal, or municipal run-off** election"
Insert "(3) 10 days after the election"

Number 0506

REPRESENTATIVE GRUENBERG objected for discussion purposes.

REPRESENTATIVE BERKOWITZ stated that the 105-day requirement is problematic, because, if there are objections to something that's happened towards the end of a campaign, then "you need to know about it fairly swiftly." He remarked that the 10 days probably precisely dovetails with the time that all the absentee votes come in and there is a final idea of where votes stand. If there are objections to expenditures or contributions, he said, "you would know it fairly immediately, and immediate action could be taken." He continued as follows:

> If you wait 105 days, you're in a period of time in most instances - in fact almost every instance I can think of - where ... the prevailing party might have been sworn in. So, in a way, the 105-day period works against correcting problems that exist. So, I would say, "Let's just stick with the ... 10 days." It works; I haven't heard any major problems with it. It's a pain in the neck to deal with, but..."

Number 0400

MS. MILES, in response to a question by Chair Weyhrauch, explained that the commission's recommendation was to delete the 10-day report. She continued as follows:

> And so, the 105 days would have been the year end report. ... The 105 would cover the reporting period. Currently, language reads 90 days after the general election, and [the commission] was providing a little bit less. This was when we still had to have some report for a special, municipal, or municipal run-off election, because we deleted the 10-day for the state.

Number 0330

MS. MILES, in response to a question by Chair Weyhrauch, turned to page 10, line 1, [paragraph] (3), which she explained actually "deleted the 10-day report [requirement] for state campaigns."

REPRESENTATIVE BERKOWITZ said, "This just keeps things the way they are."

CHAIR WEYHRAUCH echoed Representative Berkowitz's remark by saying that Amendment 9 is another status quo amendment.

MS. MILES concurred.

Number 0225

REPRESENTATIVE SEATON asked how useful or problematic the commission has found the 10-day report.

Number 0218

MS. MILES said that the commission, during an effort to streamline and look for efficiencies, asked [its] staff, "If we were going to get rid of one campaign disclosure report, what would it be?" The staff unanimously chose the 10-day report. She said that the 10-day report is not particularly problematic; however, she noted that there are more late filings on that report than on any other. She explained the reason for that is that [at the time of the 10-day report] it is already the week after the election week and the press often won't even pick that report up until after it picks up the year-end report, because it is looking for the cost of the entire campaign.

Number 0100

REPRESENTATIVE GRUENBERG announced that he would "part company with Representative Berkowitz on this." He stated that he agrees with the staff of the commission. He said the 10-day report is "just another report" that he does not see as very important, but does see as an additional burden on the campaign. He said he can understand wanting to bring special, municipal, and municipal run-off elections into conformity with the state system; however, he said he is reluctantly going to vote [against Amendment 9].

Number 0010

REPRESENTATIVE SEATON stated that he didn't see much use in the 10-day [reporting requirement]. He mentioned the one week before the election, and "then the election is over."

TAPE 03-50, SIDE A
Number 0036

REPRESENTATIVE BERKOWITZ noted, "We do have to file large contributions going in to the very end. What we don't have to file are large expenditures." He warned that the danger is that campaigns that are stockpiling money or, perhaps, borrowing and

not being held accountable, could dump a lot of money at the very end of a campaign, and no one would know about it until 105 days after the election. Representative Berkowitz continued as follows:

> Now, to me, that can be incredibly problematic, if those expenditures are inappropriate expenditures. ... You're saying we're not going to have any trail on the campaign at the most critical time of the campaign's history. ... I've run enough campaigns, I've watched enough campaigns - those first three [or] four months you're just building the support. It's those final two weeks in the campaign that are most critical. And to say we're not going to know ... until 105 days afterwards where the money has gone, raises a lot of questions and takes an important check out of the system.

Number 0156

REPRESENTATIVE BERKOWITZ, in response to a question by Chair Weyhrauch, confirmed that his desire is to keep the 10-day [requirement], and that 105 days is too long for his previously stated reasons. He added that [the intent of Amendment 9 also is in regard to] "the important checks." He said, "Perhaps if there were some requirement as you go into the end, that expenditures over a certain amount be reported - just as we have contributions over the last couple of days be reported - I think that might satisfy my concern."

Number 0215

CHAIR WEYHRAUCH asked if 30 days, for example, would be [acceptable].

REPRESENTATIVE BERKOWITZ reiterated that the 10 days made sense to him, because it roughly dovetailed with the time that all the absentee ballots have been counted and there is some definitive word regarding what had happened in the election. In a close election, where the material contained in a report might be important in ensuing challenges to the results of an election, [that material] would be wanted quickly. He suggested [the number of days] could be tied to the final count, for example. He said what makes the process more transparent is to require people to indicate their expenditures at the end. Some people may hide it by not paying their consultants until 30 days afterwards, for example.

CHAIR WEYHRAUCH interjected that he thought that would be illegal.

REPRESENTATIVE BERKOWITZ responded that that's not necessarily so, because many times there are contracts that make a fee contingent upon an outcome, for example. He explained, "And, if we're not requiring for 105 days afterwards, the outcome is outside -- it would sweep up in the 105-day [requirement], but it might not -- that's why you want to know right away."

CHAIR WEYHRAUCH said, "That just seems to me to be shading the law to the point where you're cutting into the blood of the statute."

MS. MILES said, "I'm shocked." She stated that an accrued expenditure whose amount is contingent upon the outcome of the election would be a serious concern under the campaign disclosure law.

CHAIR WEYHRAUCH said that he interpreted Representative Berkowitz's statement as brainstorming potential reasons [to support Amendment 9], rather than [reporting] an actual occurrence.

Number 0447

REPRESENTATIVE BERKOWITZ responded as follows:

> The friendly component is, if we required immediate disclosure of expenditures, just as we do for contributions, that would satisfy the bulk of my concern.
>
> But going to what you're talking about, there's no accrued expense until you've won. ... And I'm not talking about someone who's selling you steaks - I'm talking about political consultants who very frequently, as part of their contract, say, "This is the amount you owe us [and] there's a bonus if you win." And that would get reported at 105 days. It's not an accrued expense until the contingency materializes.

MS. MILES stated her certainty that APOC has no idea that "this arrangement exists between campaign consultants and candidates," and she said the commission would have serious concerns with

[such an arrangement]. She said the commission considers that the day a consultant agrees to do something for a candidate is the day [of accrual]. She indicated that charging winning and losing candidates differently would be problematic.

Number 0567

REPRESENTATIVE SEATON noted that large expenditures are difficult to make in the final week before the election report, because media are often "swamped up." Notwithstanding that, he asked, "What difference does it make?" He continued as follows:

> It's not an illegal contribution; it's not going to influence what somebody does, because you're not going to find out until after the election. And I just don't think this 10-day report is (indisc.) meaningful.

REPRESENTATIVE BERKOWITZ explained that that's why he's "coming more and more to the idea" that immediate disclosure should be required of expenditures, as it is of contributors. He said that it can be critical for a candidate to be aware if his/her component has purchased radio time, or has "brought in a hired gun from Outside." He explained it is critical in the sense of ensuring that the campaign gets waged in the most open fashion.

CHAIR WEYHRAUCH offered his understanding that Representative Berkowitz was referring to "the barrage at the end."

Number 0637

REPRESENTATIVE GRUENBERG suggested that he would [ultimately] offer an amendment that would "outlaw contingency kinds of contracts or bonuses."

CHAIR WEYHRAUCH responded, "It sounds like that may be outlawed already."

Number 0750

MS. MILES offered the following explanation:

> With a campaign ... consultant giving a bonus to a candidate, I believe under the current law the commission would look at that as a contribution from a business and, therefore, prohibited.

REPRESENTATIVE GRUENBERG described the his understanding of the scenario as follows:

> The consultant says, "I'll charge you 10 grand and, if you win, there'll be a bonus of another 5 to me." I find that a tortured reasoning to get to a contribution; I'd like it very explicit.

REPRESENTATIVE BERKOWITZ replied, "I think, if you do that, you work against challengers." He explained that, very frequently, challengers have a difficult time raising money until they win. And when they win, everybody wants to be their friend, and the money comes flooding in. He stated, "A cash-strapped challenger campaign frequently can't pay consultants or advisors until after they've prevailed." He opined that [APOC] ought to allow these kinds of contracts, and he added that he doesn't see the problem with them.

Number 0862

REPRESENTATIVE SEATON stated that he thinks the issue before the committee is APOC and the disclosure of campaign-related expenditures and contributions. He opined that allowing either secret contributions or expenditures on the part of a party for "whatever reason" is "totally anathema to the entire goal of APOC" - that goal being to ensure that everyone is aware of all contributions and expenditures related to campaigns.

Number 0960

REPRESENTATIVE BERKOWITZ withdrew his motion to adopt Amendment 9. He explained that he would like to have the opportunity to come back and offer "an amendment that requires extemporaneous disclosure of expenditures in the last week, just as we do for contributions."

Number 0980

REPRESENTATIVE BERKOWITZ moved to adopt Amendment 10, which read as follows [including a handwritten section notation]:

> Page 1, line 5, following "**limits;**":
> Insert "**relating to unused campaign contributions;**"
>
> Sec 18
> Page 10, line 21:

Delete "(A) a political party;
(B) the state's general fund;
(C) a municipality of the state; or
(D) the federal government;"
Insert "(A) [A POLITICAL PARTY;
(B)] the state's general fund;
(B) [(C)] a municipality of the state; or
(C) [(D)] the federal government;"

Number 0988

REPRESENTATIVE SEATON objected for discussion purposes.

Number 0990

REPRESENTATIVE BERKOWITZ explained that Amendment 10 as follows:

> What I'm trying to do is clean up a lot of what I have seen to be a problematic area, where elected officials who have no real intention of running again amass large war chests, and then turn ... their ... excess contributions to the political party, sometimes then gaining a contract from the political party to perform services.
>
> So, If we eliminate the possibility that an individual - ... who subsequently decides not to run - can return that money to the political party, then I think we help ... do away with that kind of nefarious activity.
>
> Again, this is an instance where we're elevating the political parties over all other types of affiliations - all of them. I mean, if you want to give your money back, that's great. If you want to give your money to government, that's fine. If you want to give it to recognized charities, that's acceptable. But giving it back to a political party invites all kinds of self-dealing, and it's an ugly process. And I have seen it, and it just does not reflect well on politics.

Number 1160

CHAIR WEYHRAUCH asked if there was any discussion of Amendment 10.

Number 1187

REPRESENTATIVE SEATON maintained his objection.

Number 1202

A roll call vote was taken. Representatives Lynn, Berkowitz, Gruenberg, and Dahlstrom voted in favor of Amendment 10. Representatives Seaton and Weyhrauch voted against it. Therefore, Amendment 10 was adopted by a vote of 4-2.

Number 1275

REPRESENTATIVE GRUENBERG moved to adopt Amendment 11, labeled 23-LS8005\A.34, Craver, 4/30/03, which read as follows [original punctuation provided, including a handwritten section notation]:

Sec 19
Page 13, line 2:
Delete "described in"
Insert "the subject of"

Number 1278

REPRESENTATIVE LYNN objected for discussion purposes.

Number 1292

JUSTIN ROBERTS, Intern to Representative Max Gruenberg, Alaska State Legislature, told the committee that the "current version of the bill doesn't allow you to file a complaint if it was described in an advisory opinion." He said that seems broad, because a person "could have something described in advisory opinion that isn't (indisc. - coughing) material subject of the advisory opinion." Amendment 11 would require that [a person] cannot file a complaint "if it was the subject of an advisory opinion." He opined that it might be worthwhile to add in the word "material".

Number 1349

REPRESENTATIVE GRUENBERG offered a friendly amendment to his Amendment 11, to add the word "material" between the words "the" and "subject".

REPRESENTATIVE LYNN objected to the friendly amendment to Amendment 11 for discussion purposes.

REPRESENTATIVE GRUENBERG stated that a person should not be able to be prosecuted if he/she is seeking an advisory opinion and acting in good faith on that advisory opinion. He said that that was the intent of the language in the bill, and noted that his amendment "makes certain that there's no question that it's limited to that kind of a circumstance."

Number 1447

REPRESENTATIVE SEATON asked Ms. Miles if the commission would have any problem with "this change in language."

MS. MILES answered no.

Number 1469

REPRESENTATIVE LYNN withdrew his objection to the friendly amendment to Amendment 11.

Number 1475

CHAIR WEYHRAUCH asked if there was any further objection to the friendly amendment to Amendment 11. There being none, the friendly amendment to Amendment 11 was adopted.

Number 1499

REPRESENTATIVE LYNN withdrew his objection to Amendment 11 [as amended].

CHAIR WEYHRAUCH asked if there was further objection to Amendment 11 [as amended]. There being none, Amendment 11 [as amended] was adopted.

Number 1520

REPRESENTATIVE GRUENBERG moved to adopt Amendment 12, labeled 23-LS8005\A.35, Craver, 4/30/03, as follows [original punctuation provided, including handwritten section notations]:

Sec 20
Page 15, line 5:
Delete "shall"
Insert "may"

Sec 20
Page 15, line 6:

Delete "shall"
Insert "may"

Number 1528

REPRESENTATIVE LYNN objected.

REPRESENTATIVE GRUENBERG explained that the language in the [proposed CS] basically gives the commission no discretion. [The amendment being discussed would effect a sentence on page 15, beginning on line 3, of the proposed CS, which read as follows:]

> If the commission finds that the respondent has engaged in or is about to engage in an act or practice that constitutes or will constitute a violation of this chapter or a regulation adopted under it, the commission shall enter an order requiring the violation to be ceased or to be remedied, and shall assess civil penalties under AS 15.13.390.

REPRESENTATIVE GRUENBERG stated that he thinks the intent of "the bill itself" was to give the commission the authority to do what it needs to do "here." Therefore, he explained that's the reason he thinks the words "shall" should be changed to "may".

Number 1579

MS. MILES said that although she has no objection to the change in language, she indicated her understanding that the "shall" language [in the proposed CS] was a result of the drafter's trying to "expedite this complaint process." She noted that [Amendment 12] would not effect the "shall" on [page 15], line 3, which she posited is good.

REPRESENTATIVE GRUENBERG remarked that [that "shall" is in regard to] "a requirement of the time" and, therefore, is "different."

MS. MILES indicated that she has no objection [to Amendment 11].

Number 1630

REPRESENTATIVE SEATON stated that he thinks he likes the word "shall", because if the commission finds that a respondent has engaged, or is about to engage "in an act," he thinks it's good to require the commission to enter an order "that it be ceased

or remedied." [The language in the proposed CS] gives the commission clear direction. He also said that it protects the candidate, because he/she will be given notice.

REPRESENTATIVE SEATON stated his objection to Amendment 12.

Number 1677

REPRESENTATIVE BERKOWITZ stated that he thinks the "shall enter an order" is absolutely appropriate; however, he stated that he thinks mandatory assessment of [civil] penalties is inappropriate and intrudes on the discretion of the commission. He suggested [that the only change be that] the "shall" on line 6 be a "may".

Number 1723

REPRESENTATIVE GRUENBERG, in regard to his first proposed change [on line 5], noted, "The order could come after the campaign, and it could be too late to enter, basically, an injunctive order." He explained that that is one of the reasons he had suggested that change in the language, "because it could be a moot point for that election." He added that a simple declaratory judgment may be sufficient.

REPRESENTATIVE GRUENBERG, with respect to civil penalties, said that that court, in a given circumstance, may find that there was a technical violation only, and may decide, in a given case, not to assess a civil penalty. He stated his intent is to give the commission the authority to do "what it sees just in the given days."

Number 1792

CHAIR WEYHRAUCH asked Representative Gruenberg if he is agreeing with Representative Berkowitz.

REPRESENTATIVE GRUENBERG answered no. He reiterated that he thinks the language should read "may" in both places.

Number 1817

REPRESENTATIVE BERKOWITZ revealed that having read what is actually in "the bill," he is "coming around to Representative Gruenberg's perspective here." He turned to the language in the CS that reads "about to engage in", and opined that it is inappropriate that "the commission shall enter an order

requiring the violation to be ceased or to be remedied", because he said that that conduct has not been started yet and therefore there would be nothing to remedy. He said, "The language doesn't parallel, and so that is problematic." To illustrate his point, he asked how it would be possible to enter an order for something that hasn't happened.

Number 1871

CHAIR WEYHRAUCH noted that courts enter orders all the time to prevent things that might happen. If offered examples. He said it is a preemptive strike by a court, based on finding the fact.

REPRESENTATIVE BERKOWITZ said he agrees; however, he stated that that is not what is being said in [the language before the committee]. He explained, "If you're about to engage in something and you don't do it, [then] if it's brought to your attention, why would there need to be an order for cessation or remedy?" Neither is required, he said.

Number 1919

MS. MILES, in response to a question by Chair Weyhrauch, stated that, usually, activities that are, perhaps, going to happen are addressed in [an] advisory opinion process; whereas, "activities of question that have occurred, are those that are (indisc) under the complaint process." She said she doesn't believe that [the commission] has ever had a complaint filed stating that a candidate was "thinking about doing it."

Number 1940

REPRESENTATIVE GRUENBERG stated that, usually by the time the commission "does this," [there's been] "a little lapse," and quite often the campaign is over, and an injunction may be moot by that time.

Number 1983

MS. MILES stated the following:

> This is one of the primary provisions of this ... proposed legislation that is most important to the commission, that they be able - in working on the complaint process, especially up in the expedited process, and this is not the expedited process we're

working in here - ... to tell a candidate, and even a provider, "Stop it now. It's not legal. Stop it."

Number 2032

REPRESENTATIVE SEATON, in response to the recent discussion, asked [Ms. Miles] if [she, on behalf of the commission] has changed her opinion, or feels that at least the first "shall" on line 5 is helpful.

MS. MILES responded that after hearing Representative Gruenberg's comments, having the commission enter an order that a violation be ceased "when it's already over and done and not happening," wouldn't make much sense; therefore, she said that perhaps it's correct to change that to "may".

Number 2075

CHAIR WEYHRAUCH stated his intent to hold [Amendment 12] until an attorney involved in the drafting could be asked to explain her reasoning behind the language. He said his sense is that, if there's no [objection] from the attorney, the committee would most likely adopt [Amendment 12].

Number 2100

REPRESENTATIVE BERKOWITZ, as a point of order, noted that there is an objection [to Amendment 12] pending.

Number 2123

REPRESENTATIVE GRUENBERG withdrew his motion to adopt Amendment 12.

Number 2155

MS. MILES introduced Amendment 13, [an amendment proposed by APOC], which read as follows [original punctuation provided]:

Page 18, Lines 8-17, Section 25.

Sec.25. AS 24.45.116 is deleted in its entirety.

Sec. 24.45.116. [DISCLOSURE OF CONTRIBUTIONS. A CIVIL LEAGUE OR ORGANIZATION SHALL REPORT THE TOTAL AMOUNT OF CONTRIBUTIONS RECEIVED FOR THE REPORTING PERIOD AND FOR ANY CONTRIBUTION OVER $100, THE NAME OF

THE CONTRIBUTOR AND THE AMOUNT CONTRIBUTED. THE CIVIL LEAGUE OR ORGANIZATION MAY ESTABLISH A SEPARATE FUND TO ACCOUNT FOR RECEIPTS AND EXPENDITURES ARISING OUT OF ACTIVITIES TO INFLUENCE LEGISLATIVE ACTION. REPORTS SHALL BE MADE ON A FORM PROVIDED BY THE COMMISSION ON FEBRUARY 10, APRIL 25, AND JULY 10 OF EACH YEAR, LISTING CONTRIBUTIONS RECEIVED DURING THE PERIOD THAT ENDED 10 DAYS EARLIER.]

MS. MILES told the committee that the commission considers [Amendment 13] to be somewhat of a cleanup measure. She explained that it [relates to] a section of the lobbying law that years ago used to relate to tax credit for contributions to political committees and candidates. She commented that many legislators who were in office back then may recall that "your first $100 that you gave to [a] political party, [a] political action committee, or a candidate would be paid back by the state at the end of the year."

MS. MILES noted that that language was amended in the early 90s to take out the reference to the revenue, "but they left the rest of it." Ms. Miles stated, "It does not fit within the lobbying law, because civic leagues or organizations who retain or employ lobbyists are required to report on a quarterly schedule, under the lobbying law." She added that nothing in the lobbying law requires them to report their membership or funding separately, "unless they're not what we call, 'a bona fide employer.'"

MS. MILES said that this is confusing language that sits in the statute, and [APOC] doesn't know how to do anything with it. She added, "We'd be much happier if it was just gone."

Number 2219

REPRESENTATIVE SEATON moved to adopt Amendment 13.

Number 2250

REPRESENTATIVE GRUENBERG objected for discussion purposes.

CHAIR WEYHRAUCH asked if there were any comments of questions by the committee. [No comments were offered.]

REPRESENTATIVE GRUENBERG withdrew his objection to [Amendment 13].

CHAIR WEYHRAUCH asked if there was any further objection to [adopting] Amendment 13. There being none, it was so ordered.

Number 2295

REPRESENTATIVE GRUENBERG moved to adopt Amendment 14, labeled 23-LS8005\A.16, Craver, 4/30/03, which read as follows:

Page 19, lines 7 - 21:
Delete all material and insert:
"*** Sec. 27.** AS 24.45.171(8) is amended to read:
(8) "lobbyist" means **a person who**
(A) **engages** [A PERSON WHO IS EMPLOYED AND RECEIVES PAYMENTS, OR WHO CONTRACTS FOR ECONOMIC CONSIDERATION, INCLUDING REIMBURSEMENT FOR REASONABLE TRAVEL AND LIVING EXPENSES, TO COMMUNICATE DIRECTLY OR THROUGH THE PERSON'S AGENTS WITH ANY PUBLIC OFFICIAL FOR THE PURPOSE OF INFLUENCING LEGISLATIVE OR ADMINISTRATIVE ACTION IF A SUBSTANTIAL OR REGULAR PORTION OF THE ACTIVITIES FOR WHICH THE PERSON RECEIVES CONSIDERATION IS FOR THE PURPOSE OF INFLUENCING LEGISLATIVE OR ADMINISTRATIVE ACTION; OR
(B) A PERSON WHO REPRESENTS ONESELF AS ENGAGING] in the [INFLUENCING OF LEGISLATIVE OR ADMINISTRATIVE ACTION AS A] business, occupation, or profession **of influencing legislative or administrative action; or**
(B) receives wages or other economic consideration, including reimbursement of travel and living expenses, to communicate directly with any public official
(i) for the express purpose of influencing legislative or administrative action; and
(ii) during more than four hours in any 30-day period in one calendar year;"

Number 2312

REPRESENTATIVE HOLM objected [for discussion purposes].

REPRESENTATIVE GRUENBERG explained that Amendment 14 would impose a four-hour rule, in relation to anybody who lobbies for more than four hours in a 30-day period. He also noted that the proposed amendment would delete language on page 19 [of the proposed CS], which would "put the current regulation into statutes."

Number 2372

CHAIR WEYHRAUCH proposed a friendly amendment to Amendment 14, which would delete all of Section 27.

Number 2381

[The committee took a brief at-ease, during which time the sound was turned off, but the tape kept rolling for about 20 seconds without recording. No testimony was lost.]

Number 2385

REPRESENTATIVE GRUENBERG noted that the effect of adopting the friendly amendment to Amendment 14 would be to maintain the status quo. The commission, through current regulation, has made the four hours in a 30-day period [stipulation].

CHAIR WEYHRAUCH noted that, in adopting the friendly amendment to Amendment 14, several other amendments would be made moot.

Number 2450

REPRESENTATIVE GRUENBERG stated that he accepts the friendly amendment to Amendment 14.

CHAIR WEYHRAUCH, in response to questions by Representative Lynn, clarified what the effect of adopting the friendly amendment would be. He also confirmed Representative Lynn's assertion that there will be "another bill in the hopper where we can vote on that."

CHAIR WEYHRAUCH asked if there was any objection to the friendly amendment to Amendment 14. There being none, [the friendly amendment to Amendment 14 was adopted].

Number 2485

CHAIR WEYHRAUCH asked if there was any objection to adopting Amendment 14, as amended. There being no objection, it was so ordered.

Number 2504

REPRESENTATIVE SEATON clarified for the record that [Section 27] had been [deleted], because it would be "dealt with in other legislation."

Number 2533

CHAIR WEYHRAUCH, in response to an observation by Representative Gruenberg, clarified that the following amendments in the committee packet would not be offered: 14-A, 15, 15-A, and 16. [Amendment 15-A was ultimately offered.]

Number 2620

REPRESENTATIVE BERKOWITZ, at the request of Chair Weyhrauch, moved to adopt Amendment 17, which read as follows [original punctuation provided]:

> **Financial disclosure**
> **by legislators, public members of the committee, and legislative directors.**
>
> Delete changes in Section 28 to the income levels that trigger financial disclosure.
>
> **Section 28**
> Page 20, Line 1 - delete changes.
> Page 20, Line 19 - delete changes
>
> **Justification:**
> Allowing legislators to receive unreported income up to $10,000 may lead to backdoor campaign donations through this unreported income. While $10,000 may not necessarily buy a legislator, the public has the right to know from whom our officials are receiving any income.
>
> Additionally, disclosure of this type of information is important for public information regarding the motivation of legislators and proposed legislation.

REPRESENTATIVE BERKOWITZ explained that this amendment would make changes to page 20, lines 1 and 19, by removing the $10,000 amounts and restoring the $1,000 amounts. He noted that Representative Seaton addresses this issue in [Amendment 17-A].

REPRESENTATIVE GRUENBERG said he too has addressed the issue in "the following amendment."

Number 2703

REPRESENTATIVE GRUENBERG stated an objection to Amendment 17, in order to move on to Amendment 17-A.

Number 2720

REPRESENTATIVE BERKOWITZ withdrew his motion to adopt Amendment 17, stating that if outside interests want to participate, they ought to be present.

Number 2729

REPRESENTATIVE SEATON moved to adopt Amendment 17-A, which read as follows [original punctuation provided, including some handwritten changes]:

Financial Disclosure Sections

Sec 28
Page 20, line 1,
Delete **$10,000** Insert **$4,000**

Sec 30
Page 20, line 19,
Delete **$10,000** Insert **$4,000**

Sec 30
Page 20, line 22,
Delete **$500** Insert **$250**

Sec 30
Page 21, line 7,
Delete **$10,000** Insert **$4,000**

Sec 30
Page 21, line 10,
Delete **$10,000** Insert **$4,000**

Sec 30
Page 21, line 14,
Delete **$10,000** Insert **$4,000**

Sec 30
Page 21, line 17,
Delete **$10,000** Insert **$4,000**

Number 2735

Representative HOLM objected.

REPRESENTATIVE SEATON indicated he understands that the reason for the change from $1,000 [as proposed in the CS] is in regard to [inflation]; however, he opined that the $10,000 proposed in Amendment 17-A is too high. He stated that he thinks $4,000 is a reasonable amount of money, which is why he proposed that amount for [page 20], lines 1 and 19.

REPRESENTATIVE SEATON said that if [a candidate] is receiving over $250 from somebody in the form of a gift, then it ought to be reported, which is why he is proposing that the amount on line 22 be $250. He explained that the other $4,000 amounts that he proposed equal four times the current limit, which he said is reasonable [compared to the proposed increase to $10,000].

Number 2800

REPRESENTATIVE GRUENBERG requested that each amount in Amendment 17-A be dealt with separately.

CHAIR WEYHRAUCH agreed to that. [Subsequently, 17-A was separated into Amendments 17-A-1 through 17-A-7.]

REPRESENTATIVE GRUENBERG, turned to [Amendment 17-A-1], which read:

Sec 28
Page 20, line 1,
Delete **$10,000** Insert **$4,000**

REPRESENTATIVE GRUENBERG noted that the amount suggested by Representative Seaton [in the amendment] is $4,000, whereas Representative Gruenberg's own Amendment 17-B proposes that amount be $2,000. [Amendment 17-B - never offered - simply deleted "**$10,000**" and inserted "**$2,000**" on page 20, line 1.] Representative Gruenberg said he is not "hung up on either one."

REPRESENTATIVE BERKOWITZ suggested changing the $4,000 to $2,500.

REPRESENTATIVE GRUENBERG offered Representative Berkowitz's suggestion as a friendly amendment to [Amendment 17-A-1].

Number 2877

REPRESENTATIVE HOLM questioned how various amounts are arrived at.

CHAIR WEYHRAUCH indicated that [the selection of numbers] is an intuitive process. He asked Ms. Miles when the $1,000 amount was first put into statute.

Number 2910

MS. MILES said she doesn't know the exact year; however, she said she thinks that the $1,000 on line 1, which relates to the amount that legislators and legislative directors must disclose, was "put in '92 or '94." Regarding amounts related to the public officials' financial disclosure, she noted that while legislators were only reporting income over $1,000, all the other public officials were "still reporting income over $100, until 1996." She added, "And then we pulled this in along with campaign finance reform, and got executive branch officials at the $1,000 level, too."

Number 2990

CHAIR WEYHRAUCH stated an objection to the friendly amendment [to Amendment 17-A-1].

TAPE 03-50, SIDE B
Number 2920

CHAIR WEYHRAUCH stated for the record that although he doesn't have a problem with $2,500, he also doesn't have a problem with $4,000.

CHAIR WEYHRAUCH withdrew his objection. He said, "I think it's going to fail, so having said that, I withdraw my objection with $2,500 and let's move on to the next one."

REPRESENTATIVE HOLM objected [to the friendly amendment to Amendment 17-A-1].

Number

REPRESENTATIVE GRUENBERG revealed that this particular provision has a great impact on him personally. He mentioned the public's right to know and noted that he has a law firm with three lawyers in it. He said that his law firm used to have to report "every client over $100." He indicated that the amount has gone up to $1,000. He said, "Every client from the entire law firm

has to be reported, and if you look at my APOC reports, you'll see pages of these things." He opined, "$4,000 would eliminate quite a few; $2,500, I think, strikes a balance between the public's right to know and the client's right to privacy."

Number 2854

REPRESENTATIVE HOLM removed his objection [to the friendly amendment to Amendment 17-A-1].

Number 2843

CHAIR WEYHRAUCH stated that, there being no objection, the friendly amendment to [Amendment 17-A-1] was adopted.

Number 2820

REPRESENTATIVE BERKOWITZ proposed a "sweeping amendment" to change the remaining amounts of $4,000 in Amendment [17-A] to $2,500.

REPRESENTATIVE GRUENBERG indicated that he probably would not have an objection to that; however, he said, "When we get down to the gifts and stuff, that's somewhat different."

Number 2740

REPRESENTATIVE BERKOWITZ restated his friendly amendment to Amendments 17-A-2, A-4, A-5, A-6, and A-7, to delete "**$4,000**" and insert "**$2,500**".

Number 2707

REPRESENTATIVE SEATON said he has no objection to that friendly amendment.

REPRESENTATIVE GRUENBERG stated his preference is to take [the friendly amendments within Amendment 17-A] separately. He stated that he has no objection to A-2 [as previously described].

CHAIR WEYHRAUCH asked if there was any objection to changing $4,000 to $2,500 in Amendment 17-A-2, which read as follows:

Sec 30
Page 20, line 19,
Delete **$10,000** Insert **$4,000**

There being no objection, it was so ordered.

Number 2645

CHAIR WEYHRAUCH turned to Amendment 17-A-3, which read as follows:

Sec 30
Page 20, line 22,
Delete **$500** Insert **$250**

CHAIR WEYHRAUCH asked if there was any objection to adopting Amendment 17-3-A. There being none, it was so ordered.

Number 2674

CHAIR WEYHRAUCH asked if there was any objection to changing $4,000 to $2,500 in Amendment 17-A-4, which read as follows:

Sec 30
Page 21, line 7,
Delete **$10,000** Insert **$4,000**

There being no objection, it was so ordered.

Number 2659

CHAIR WEYHRAUCH asked if there was any objection to changing $4,000 to $2,500 in Amendment 17-A-5, which read as follows:

Sec 30
Page 21, line 10,
Delete **$10,000** Insert **$4,000**

Number 2648

REPRESENTATIVE HOLM objected. He stated that he thinks [$2,500] would be an awfully small amount for a loan or a loan guarantee. Furthermore, he indicated that $4,000 [would also not be sufficient]. He stated that he would prefer that the number be $10,000.

Number 2623

REPRESENTATIVE GRUENBERG suggested [a second friendly amendment to Amendment 17-A-5, which would change the $4,000 to $5,000],

because he said he thinks that $10,000 is pretty high, while $4,000 is a little low.

REPRESENTATIVE HOLM withdrew his objection [to the first friendly amendment that would change $4,000 to $2,500 in Amendment 17-A-5].

CHAIR WEYHRAUCH asked if there was any objection to the second friendly amendment that would change $4,000 to $5,000 in Amendment 17-A-5. There being no objection, it was so ordered.

[The separate consideration of Representative Berkowitz's previous suggestion for a sweeping amendment to change $4,000 to $2,500 was not addressed by the committee for Amendments 17-A-6 and 17-A-7.]

Number 2581

CHAIR WEYHRAUCH turned to Amendment 17-A-6, which read as follows:

Sec 30
Page 21, line 14,
Delete **$10,000** Insert **$4,000**

REPRESENTATIVE GRUENBERG moved to adopt an amendment to Amendment 17-A-6, which would change $4,000 to $5,000. There being no objection, it was so ordered.

Number 2569

CHAIR WEYHRAUCH turned to [Amendment 17-A-7], which read as follows:

Sec 30
Page 21, line 17,
Delete **$10,000** Insert **$4,000**

Number 2560

REPRESENTATIVE GRUENBERG suggested an amendment to Amendment 17-A-7, which would change $4,000 to $5,000.

REPRESENTATIVE HOLM concurred with Representative Gruenberg's suggestion.

There being no objection, the amendment to Amendment 17-A-7 was adopted.

Number 2520

CHAIR WEYHRAUCH, upon Representative Holm withdrawing his previously stated objection, asked if there was any further objection to adopting Amendment 17-A [as amended]. There being none, it was so ordered.

Number 2510

REPRESENTATIVE GRUENBERG announced that he would not be offering Amendments 17-B or 18.

Number 2483

The meeting was recessed at 10:54 a.m. to a call of the chair.

TAPE 03-51, SIDE A
Number 0001

[Due to technical difficulty, the audio tape was not recording for the first minute, but no testimony was lost.]

CHAIR WEYHRAUCH called the meeting back to order at 7:50 p.m. Present at the call back to order were Representatives Holm, Dahlstrom, Lynn, Berkowitz, and Weyhrauch. Representatives Seaton and Gruenberg arrived as the meeting was in progress.

Number 0050

REPRESENTATIVE BERKOWITZ moved to adopt Amendment 19, labeled 23-GH1090\D.1, Craver, 5/5/03, which read as follows:

> Page 1, line 9, following "**misconduct;**":
> Insert "**prohibiting persons performing quasi-judicial functions from participating in partisan politics;**"
>
> Page 20, following line 15:
> Insert a new bill section to read:
> "*** Sec. 30.** AS 39.05 is amended by adding a new section to read:
> **Sec. 39.05.190. Quasi-judicial functions.** A person performing a quasi-judicial function may not

take an active part in the management of a political party above the district level."

Page 22, line 29:
Delete "sec. 37"
Insert "sec. 38"

Page 23, line 6:
Delete "sec. 34"
Insert "sec. 35"

Page 23, line 8:
Delete "Section 36"
Insert "Section 37"

Page 23, line 9:
Delete "sec. 38"
Insert "sec. 39"

Number 0055

REPRESENTATIVE HOLM objected for discussion purposes.

Number 0060

REPRESENTATIVE BERKOWITZ stated that he thinks people who are performing quasi-judicial functions for the state ought to abstain from active partisan activity, which is what [revised Amendment 19] would ensure.

Number 0073

CHAIR WEYHRAUCH asked, for example, if a commissioner of the Commercial Fisheries Entry Commission who performs a quasi-judicial activity "in acting like a judge" would be refrained from writing a fundraising letter for a political candidate.

REPRESENTATIVE BERKOWITZ answered no.

CHAIR WEYHRAUCH added, "But they would be otherwise ... restrained from doing such a letter, wouldn't you agree though, under, sort of, judicial canons and ethics?"

REPRESENTATIVE BERKOWITZ answered yes. He explained that this [amendment] is a compromise, because his optimal [amendment would include] "anyone who's got anything hyphenated-judicial in it would be bound by the judicial canons, but that seemed a

little bit much." He added that he'd be willing to go in that direction. He stated, "I think that when you sit in judgment on people, people should have every expectation that the decisions rendered will be above partisan suspicion."

Number 0183

CHAIR WEYHRAUCH remarked that when he read this amendment he had thought that the canons of judicial ethics would "cover this."

REPRESENTATIVE BERKOWITZ offered his understanding that people who perform quasi-judicial functions are not always bound by the judicial canon.

CHAIR WEYHRAUCH asked, "Is this germane, Representative Berkowitz?"

REPRESENTATIVE BERKOWITZ answered, "If the whole bill is about how to protect the integrity of campaign finance, it's certainly germane."

CHAIR WEYHRAUCH asked if the amendment would prohibit a judge or a commissioner of any commission that hears appeals, from contributing to a campaign.

Number 0280

REPRESENTATIVE BERKOWITZ answered that [it would prohibit them] from actively taking part in management of a political party. He added, "If you feel that it would be appropriate to descend to the level of even contributing, ... I think that's the direction I would prefer to head in."

Number 0304

REPRESENTATIVE LYNN asked if Section 34 pertains to a perceived problem of some kind that might be faced.

REPRESENTATIVE BERKOWITZ answered yes. In response to a follow-up question by Representative Lynn, he mentioned that there was a potential issue with the personnel board, which [no longer exists], because the individual in question chose not to accept the nomination. He noted, however, that the problem certainly remains with the Alaska Oil & Gas Conservation Commission.

Number 0485

REPRESENTATIVE SEATON noted that when he was campaigning, there was a judge who supported him verbally, but couldn't contribute, couldn't "say anything actively," or "come out publicly." He asked, "Is that what we're talking about here?"

Number 0520

REPRESENTATIVE BERKOWITZ answered that it's the same theory, but judges are bound by the judicial code of ethics, whereas quasi-judicial officials are not similarly bound.

CHAIR WEYHRAUCH stated that he has a problem with the "very broad nature of this," because he said he thinks that "those kind of people should be bound by canons of judicial conduct." He referred to his previously stated example of the commissioner. He noted that, "Ultimately, when reported to (indisc.), had to recuse [themselves], because they should not have been involved." He indicated that putting into statute "what we have here" may be difficult to define later. He stated that he is opposed to [revised Amendment 19].

REPRESENTATIVE BERKOWITZ asked Chair Weyhrauch if he was suggesting that he modify the amendment so that a person performing a quasi-judicial function is bound by the judicial code of ethics, "period."

CHAIR WEYHRAUCH surmised that Representative Berkowitz just restated the obvious, because "they are."

REPRESENTATIVE BERKOWITZ stated that he does not believe they are, which he said is part of the problem, because they should be.

Number 0650

CHAIR WEYHRAUCH emphasized his concern in "talking about that in this bill," where the legislation deals with APOC, lobbyists, and campaign contributions.

Number 0680

REPRESENTATIVE GRUENBERG asked Chair Weyhrauch to clarify his concern, because it had sounded like he was in support of the issue.

CHAIR WEYHRAUCH responded, "Partly, I am." He continued as follows:

> I mean that's the concern I have. But, partly, I think the persons who do perform quasi-judicial functions should be bound by the canons of judicial conduct, and so I have no problem with that. I mean, do we say that as a policy statement, or do we say that as a resolution? Do we say that -- I mean it already ... says that in the canons of judicial conduct. Do we a statute to repeat what the canons say?

REPRESENTATIVE GRUENBERG said yes.

CHAIR WEYHRAUCH asked, "Then why not adopt the entire code of judicial conduct?"

REPRESENTATIVE GRUENBERG responded that that's beyond the scope of the bill.

CHAIR WEYHRAUCH said, "That's what I'm concerned about here."

REPRESENTATIVE GRUENBERG opined that this [amendment] is at least a start in the right direction. He added, "It would certainly be part of any bill, and this is well within the scope of this bill."

REPRESENTATIVE GRUENBERG offered a friendly amendment to [the portion of Amendment 19 relating to Section 30], after "may not take an active part in the management of a political party", to insert "or a political campaign".

REPRESENTATIVE BERKOWITZ said he would accept that.

REPRESENTATIVE LYNN objected.

REPRESENTATIVE GRUENBERG clarified that he intended that the added language should actually be added after the words "above the district level".

REPRESENTATIVE BERKOWITZ suggested an amendment to the friendly amendment to Amendment 19, deleting "above the district level". Thus that portion of [Amendment 19] would read:

> A person performing a quasi-judicial function may not take an active part in the management of a political party or a political campaign.

CHAIR WEYHRAUCH reminded the committee that there was an objection to the friendly amendment to revised Amendment 19. He asked if there was further discussion.

REPRESENTATIVE SEATON asked if the committee could "get the idea of the breadth of these quasi-judicial functions."

REPRESENTATIVE BERKOWITZ said that he would have to look at the statutes, but a number of boards are designated quasi-judicial in statute.

REPRESENTATIVE SEATON asked if that would include the Board of Fisheries.

REPRESENTATIVE BERKOWITZ said he doesn't know if the Board of Fisheries would be included.

CHAIR WEYHRAUCH said he thinks that every board that hears some sort of appeal is "a quasi-judicial function."

REPRESENTATIVE BERKOWITZ said that if the Board of Fisheries is quasi-judicial, then he would hope that the members of that board are not participating in political campaigns, for example.

Number 1000

CHAIR WEYHRAUCH said, "You're talking about almost every board and commission." He listed several examples.

Number 1016

REPRESENTATIVE GRUENBERG, for the benefit of those members of the committee who are not attorneys, explained that administrative agencies perform the following two functions: quasi-legislative, where the agencies adopt regulations; and quasi-judicial, where the agencies adjudicate disputes. The disputes may be public or private, he noted. He stated that the question is whether the board is acting as "a little legislature," or as a judicial tribunal.

Number 1146

REPRESENTATIVE SEATON, regarding "or a political campaign", asked if that is the "active part in the management of a political campaign." He asked if the intent is to say, "or anything in a political campaign."

REPRESENTATIVE GRUENBERG explained, "The phrase is intended to be after 'in the management of'." The meaning would be "in the management of a political party or in the management of a political campaign."

REPRESENTATIVE SEATON asked for a second amendment to the friendly amendment to Amendment 19 to "put that wording in there," in order to avoid confusion.

REPRESENTATIVE GRUENBERG clarified that the second amendment to the friendly amendment to [Amendment 19] would add, in between "or" and "a political campaign." the words "in the management of". Thus it would read:

> A person performing a quasi-judicial function may not take an active part in the management of a political party or in the management of a political campaign.

Number 1210

CHAIR WEYHRAUCH asked if there was any objection to adopting the second amendment to the friendly amendment to [Amendment 19]. There being none, it was so ordered.

CHAIR WEYHRAUCH asked if there was any objection to adopting the friendly amendment [as amended], which he clarified would change Amendment 19 to read as follows:

> A person performing a quasi-judicial function may not take an active part in the management of a political party or in the management of a political campaign.

[There was no audible objection.]

Number 1241

A roll call vote was taken. Representatives Berkowitz, Gruenberg, and Seaton voted in favor of the friendly amendment [as amended] to Amendment 19. Representatives Holm, Dahlstrom, Lynn, and Weyhrauch voted against it. Therefore, the friendly amendment [as amended] to Amendment 19 failed by a vote of 3-4.

CHAIR WEYHRAUCH turned to the original Amendment 19.

CHAIR WEYHRAUCH again read the portion relating to Section 30 as follows:

> A person performing a quasi-judicial function may not take an active part in the management of a political party above the district level.

Number 1460

REPRESENTATIVE SEATON asked if a person in a quasi-judicial function can be a registered lobbyist. He said it seems like if the committee does not want that to be the case, then "if we add that in here, that ties it into this bill, as far as lobbying."

CHAIR WEYHRAUCH responded that the problem he has with that is that he has had countless numbers of lobbyists "up here" who perform quasi-judicial functions for the State of Alaska, pushing their positions on bills effecting their agencies. He stated that Commercial Fisheries Entry Commission is a prime example. He added that he is not sure that "we should put that in statute."

Number 1500

A roll call vote was taken. Representatives Gruenberg, Seaton, and Berkowitz voted in favor of Amendment 19. Representatives Holm, Dahlstrom, Lynn, and Weyhrauch voted against it. Therefore, Amendment 19 failed by a vote of 3-4.

Number 1550

CHAIR WEYHRAUCH offered a conceptual amendment to Amendment 19. He said:

> I would like, Representative Berkowitz, if we could stick on this amendment ... and discuss the fact that persons performing quasi-judicial functions should adhere to the canons of judicial conduct as it may apply to them in their position.

REPRESENTATIVE BERKOWITZ said, "I would accept that."

CHAIR WEYHRAUCH stated the following:

> I think the people who do perform quasi-judicial functions should adhere, if those necessarily apply to their position. That implies a case-by-case application of those canons to their position as a judicial officer. And I agree with you that people should have a trust in the integrity of the process,

> and that, if there is evidence that somehow activity in a political campaign would impugn the integrity of the judicial-making process or [in] anyway sway their ability to be impartial as a decision maker, we don't want them on a case.

REPRESENTATIVE BERKOWITZ reiterated that he would accept that.

CHAIR WEYHRAUCH clarified that his conceptual amendment to Amendment 19 would read as follows:

> Persons performing quasi-judicial functions must adhere to the canons of judicial conduct as it may apply to their position as a quasi-judicial officers of the state.

CHAIR WEYHRAUCH asked if there was any objection to the conceptual amendment to Amendment 19.

Number 1603

REPRESENTATIVE GRUENBERG objected for discussion purposes. He asked, "Would that include prohibiting them from managing a political campaign?"

CHAIR WEYHRAUCH replied that he is not sure.

REPRESENTATIVE GRUENBERG offered his belief that the judicial canon [regarding this issue] is "canon number five," which specifically says that "they may not engage in any partisan political activity." He read, "shall refrain from inappropriate political activity". He stated that he would be prepared to support that if it included a prohibition against managing political candidates.

CHAIR WEYHRAUCH reiterated that it would be a case-by-case analysis, and he said he would be reluctant to apply it in "a blanket ... position like that."

REPRESENTATIVE SEATON questioned if it would be appropriate for APOC to administer canons or judicial conduct. He stated that he thinks this is outside of the realm of the bill.

CHAIR WEYHRAUCH said he is concerned about that and indicated that he is "torn."

Number 1725

REPRESENTATIVE GRUENBERG noted that he had spoken with Marla Greenstein, the executive director of [the Alaska Commission on Judicial Conduct], who related that she is not anxious to be involved in determining violations of the canons for quasar-judicial officers or hearing officers. He said, "I support that in concept - what you're saying - but we're going to have to have an enforcement mechanism and that sort of a thing." He explained that is why he likes the way Representative Berkowitz's original amendment read, because it was very specific. He stated that it would be fairly easy for APOC to say, "Well, you can't be involved in the management of a political party." Representative Gruenberg reiterated his idea to also include "management of a political campaign". He said that that doesn't require interpretation of "this body of law."

Number 1847

CHAIR WEYHRAUCH withdrew his conceptual amendment [to Amendment 19]. He stated his intention to speak with the chair [of the House Judiciary Standing Committee] when Ms. Miles is before that committee to discuss "whether it's appropriate to put in this or not."

REPRESENTATIVE GRUENBERG remarked that if Chair Weyhrauch does that, he would ask that "we revisit the amendment itself, and put the amendment in, and let [the House Judiciary Standing Committee] take it out if they disagree."

CHAIR WEYHRAUCH responded, "That's correct. I think that's fine, and I will do that." In response to a suggestion by Representative Gruenberg, he clarified that he would ask the House Judiciary Standing Committee chair to add this [conceptual amendment] in to its version, rather than rescind the action just taken by the House State Affairs Standing Committee.

[After much discussion, it was determined by the committee that Amendments 20 through 24 would not be offered.]

Number 2000

CHAIR WEYHRAUCH turned to the amendment labeled 22-LS8005\A.19, Craver, 4/30/03, which read as follows [including handwritten section notations]:

Page 1, line 4:

Delete "**and the limits in lobbyists' campaign contributions to candidates**"

Sec 13
Page 7, line 21, through page 8, line 1:
Delete all material.

Renumber the following bill sections accordingly.

Sec 15
Page 8, lines 14 - 29:
Delete all material and insert:
"*** Sec. 14.** AS 15.13.074(g) is amended to read:

(g) An individual required to register as a lobbyist under AS 24.45 may not make a contribution to a candidate for the legislature at any time the individual is subject to the registration requirement under AS 24.45 and for one year after the date of the individual's initial registration or its renewal. However, the individual may make a contribution under this section to a candidate for the legislature in a district in which the individual is eligible to vote or will be eligible to vote on the date of the election. An individual who is subject to the restrictions of this subsection shall report to the commission, on a form provided by the commission, each contribution made while required to register as a lobbyist under AS 24.45. **Upon request of the commission, the information required under this subsection shall be submitted electronically.** This subsection does not apply to a representational lobbyist as defined in regulations of the commission."

Sec 35
Page 22, line 24:
Delete "sec. 20"
Insert "sec. 19"

Sec 36
Page 22, line 29:
Delete "sec. 37"
Insert "sec. 36"

Sec 37
Page 23, line 5:
Delete "sec. 20"
Insert "sec. 19"

Sec 37
Page 23, line 6:
Delete "sec. 34"
Insert "sec. 33"

Sec 38
Page 23, line 8:
Delete "Section 36"
Insert "Section 35"

Sec 39
Page 23, line 9:
Delete "sec. 38"
Insert "sec. 37"

Number 2068

REPRESENTATIVE GRUENBERG offered an amended version of the foregoing as Amendment 6, with only the portion left that would delete Section 13 by deleting all material on page 7, line 21, through page 8, line 1. [The other portions of Amendment 6 had already been addressed by Representative Seaton's Amendment 7, which was previously adopted by the committee.]

Number 2099

REPRESENTATIVE DAHLSTROM objected for discussion purposes.

Number 2157

MR. ROBERTS explained that deleting Section 13 would mean that a candidate who's filed with the commission can't solicit a contribution from someone who's registered as a lobbyist, if the contribution violates subsection (g) [of AS 14.13.074].

REPRESENTATIVE GRUENBERG explained that Amendment 6 is a conforming amendment to delete the section of the bill that would delete subsection (g).

Number 2343

[Representative Berkowitz moved to adopt a friendly amendment to delete Section 13, but Representative Gruenberg clarified that that's what Amendment 6 does.]

Number 2399

REPRESENTATIVE DAHLSTROM withdrew her objection.

CHAIR WEYHRAUCH announced that the committee had just adopted [Amendment 6], which deleted Section 13.

REPRESENTATIVE BERKOWITZ moved to adopt Amendment 9-A, labeled 23-GH1090\D.2, Craver, 5/5/03, which read as follows:

Page 10, following line 8:
Insert a new bill section to read:
"*** Sec. 13.** AS 15.13.110(b) is amended to read:
(b) Each contribution **or expenditure** that exceeds $250 and that is made within nine days of the election shall be reported to the commission by date, amount, and contributor **or payee** within 24 hours of receipt **or expenditure** by the candidate, group, campaign treasurer, or deputy campaign treasurer. Each contribution to **or expenditure by** a nongroup entity for the purpose of influencing the outcome of an election that exceeds $250 and that is made within nine days of the election shall be reported to the commission by date, amount, and contributor **or payee** within 24 hours of receipt **or expenditure** by the nongroup entity."

Renumber the following bill sections accordingly.

Page 22, line 24:
Delete "sec. 20"
Insert "sec. 21"

Page 22, line 29:
Delete "sec. 37"
Insert "sec. 38"

Page 23, line 5:
Delete "sec. 20"
Insert "sec. 21"

Page 23, line 6:
Delete "sec. 34"
Insert "sec. 35"

Page 23, line 8:
Delete "Section 36"
Insert "Section 37"

Page 23, line 9:
Delete "sec. 38"
Insert "sec. 39"

[Amendment 9-A related to a Version D of HB 157, which was never before the committee and is not in committee packets; therefore, the page and line numbers listed on it do not match the page and line numbers in the CS before the committee.]

Number 2546

REPRESENTATIVE HOLM objected for discussion purposes.

Number 2559

REPRESENTATIVE BERKOWITZ stated that [candidates] have to report contributions over $250 within "the last week." He noted, "What the other section of the bill does is remove the final report. Instead of from 10 days after a campaign ends to 105 days after a campaign ends." He continued:

> One of the concerns that I have is, you don't know if a campaign is flooding the airwaves, or what it's doing with its money. And I think - in the interest of disclosure - just as we want to know who's putting money into a campaign, it's important to know what kind of money is going out, as well, especially since we're lifting the 10-day report at the end. And that's all this does is make sure that expenditures as well as contributions are covered ... when the 24-hour rule kicks in the campaign.

Number 2601

REPRESENTATIVE DAHLSTROM asked Representative Berkowitz if his intent was that "both of these would be included in the same report," rather than two separate reports.

REPRESENTATIVE BERKOWITZ answered yes.

Number 2628

REPRESENTATIVE SEATON asked Representative Berkowitz why he thinks it is important to know expenditures.

Number 2630

REPRESENTATIVE BERKOWITZ replied that it is for similar reasons why a person would want to know who's making contributions: to ensure that the campaigns are transparent. He said, "We lose that transparency by eliminating the 10-day final report."

REPRESENTATIVE SEATON offered his understanding that the reason to require contributions to be reported is to find out who influences a campaign, whereas trying to find out the expenditures of a campaign is to try to find out an opponents strategy in a campaign. He stated that he does not think [the latter] is the appropriate purpose of APOC. For that reason, he said, he is going to oppose "that section of this."

REPRESENTATIVE BERKOWITZ commented that Representative Seaton's point is a legitimate one. He noted that nobody at the committee table has had an opponent in recent memory who has guessed their strategy and bested it.

Number 2718

REPRESENTATIVE HOLM noted that those who campaign buy their time "way up front"; therefore, people can find out where the money has been spent. He said, "Almost without exception, most of us don't carry anything down to the end and then dump it all in."

Number 2755

REPRESENTATIVE BERKOWITZ revealed that during his last campaign, his opponent was able to secure radio time within the last week that was not available to Representative Berkowitz prior to that point. He commented that if he hadn't had his [supporters] listening to the radio and calling to ask how that happened, he wouldn't have known. As it was, he continued, he was barely able to get "the equal time that is required."

Number 2782

REPRESENTATIVE LYNN expanded upon Representative Seaton's point by stating that there needs to be transparency regarding how somebody may be trying to influence a candidate with a contribution; however, he opined that it's nobody's business how he spends his own campaign money to influence his own campaign.

Number 2800

REPRESENTATIVE SEATON turned to Amendment 9-A and noted that [subsection (b)] seems to include underlined [language] that is divided into two. He noted that the last two references to expenditures are in regard to "a nongroup entity" influencing a campaign. Regarding those two references, he said, "I can understand it is good to know if it's not the campaign making expenditures - that I can agree with - because that is something that is a legitimate interest of the voters to be able to know."

REPRESENTATIVE SEATON moved to adopt an amendment [to Amendment 9-A] to strike the first two occurrences of the bold and underlined words "**or expenditure**".

REPRESENTATIVE BERKOWITZ said he would "take that as a friendly" [amendment to Amendment 9-A].

Number 2846

REPRESENTATIVE HOLM objected.

Number 2860

A roll call vote was taken. Representatives Seaton, Lynn, and Berkowitz voted in favor of the amendment to Amendment 9-A. Representatives Holm, Dahlstrom, Gruenberg, and Weyhrauch voted against it. Therefore, the amendment to Amendment 9-A failed by a vote of 3-4.

Number 2930

CHAIR WEYHRAUCH reminded the committee that there was an objection pending on Amendment 9-A.

Number 2939

[The following is not entirely on tape, but was taken from the committee secretary's roll call sheet:]

A roll call vote was taken. Representatives Dahlstrom, Berkowitz, and Gruenberg voted in favor of Amendment 9-A. Representatives Holm, Seaton, Lynn, and Weyhrauch voted against it. Therefore, Amendment 9-A failed by a vote of 3-4.

TAPE 03-51, SIDE B
Number 2938

REPRESENTATIVE GRUENBERG remarked that the lobbying provisions in [the CS] are contained generally in Section 27 [on page 19, lines 7-21]. He noted that Amendments 14, 14-A, 15, 15-A, and 16 relate to this subject.

The committee took an at-ease from 8:40 p.m. to 8:41 p.m.

Number 2894

REPRESENTATIVE GRUENBERG indicated that he wanted to adopt Amendment 14 [as it had read before being amended and adopted], because it would put current APOC regulation into statute.

Number 2866

The committee took an at-ease from 8:43 p.m. to 8:46 p.m.

Number 2750

REPRESENTATIVE GRUENBERG moved to rescind the [previous] action of the committee in adopting Amendment 14 [as amended], which will put Section 27 back in the bill.

CHAIR WEYHRAUCH, upon hearing no objection, announced that the committee had rescinded its action in adopting Amendment 14, as amended. He also announced that the amendment labeled, 23-LS8005\A.16, Craver, 4/30/03, which had been called Amendment 14, would be called Amendment 14.1.

Number 2726

REPRESENTATIVE GRUENBERG moved to adopt Amendment 14.1, labeled 23-LS8005\A.16, Craver, 4/30/03, which read as follows:

> Page 19, lines 7 - 21:
> Delete all material and insert:
> "*** Sec. 27.** AS 24.45.171(8) is amended to read:
> (8) "lobbyist" means **a person who**
> (A) **engages** [A PERSON WHO IS EMPLOYED AND RECEIVES PAYMENTS, OR WHO CONTRACTS FOR ECONOMIC CONSIDERATION, INCLUDING REIMBURSEMENT FOR REASONABLE TRAVEL AND LIVING EXPENSES, TO COMMUNICATE DIRECTLY OR THROUGH THE PERSON'S AGENTS WITH ANY PUBLIC OFFICIAL FOR THE PURPOSE OF INFLUENCING LEGISLATIVE OR ADMINISTRATIVE ACTION IF A SUBSTANTIAL OR REGULAR PORTION OF THE ACTIVITIES FOR WHICH THE PERSON

RECEIVES CONSIDERATION IS FOR THE PURPOSE OF INFLUENCING LEGISLATIVE OR ADMINISTRATIVE ACTION; OR

(B) A PERSON WHO REPRESENTS ONESELF AS ENGAGING] in the [INFLUENCING OF LEGISLATIVE OR ADMINISTRATIVE ACTION AS A] business, occupation, or profession **of influencing legislative or administrative action; or**

(B) receives wages or other economic consideration, including reimbursement of travel and living expenses, to communicate directly with any public official

(i) for the express purpose of influencing legislative or administrative action; and

(ii) during more than four hours in any 30-day period in one calendar year;"

REPRESENTATIVE SEATON objected.

REPRESENTATIVE GRUENBERG explained as follows:

> What this does is put the current regulation into statute. And, as you can see at the top of page 2, this allows not more than four hours in any 30-day period in one calendar year, and if you go above that, then you must register as a lobbyist.

REPRESENTATIVE SEATON stated that he thinks the current [four-hour limit] is too short a time to be reasonable, and said he thinks the proposed APOC language of 16 hours is a reasonable amount of time. He concluded, "And so I would support us leaving the language in the bill."

Number 2674

REPRESENTATIVE GRUENBERG opined that 16 hours is a tremendous amount of time, because [it is time spent by lobbyists in] "face-to-face, non-testimonial lobbying, with either a legislator or staff, within one 30-day period." He said he would certainly be open to negotiations regarding [the time limit].

Number 2626

TAMMY KEMPTON, Regulation of Lobbying, Alaska Public Offices Commission (APOC), Department of Administration, addressed the issue of testimony [by lobbyists] in front of committees, as follows:

That's been an on-again/off-again thing since 1976. If you read the statute, it says, "a person who is not paid and confines their ... lobbying activities to testimony before public committees is exempt from the lobbying law." Therefore, someone who is paid to sit here and talk to a committee - that's part of the lobbying and it counts towards the 4 hours or the 16 hours, or the how-ever-many hours it is.

Now, years ago, an [attorney general] informally said, "Gee, that 'and' should be read as an 'or'." In the last year, we did a lot of research on it, and they have now agreed with us - but not in a formal opinion, although one has been requested - that, yes, in fact because it is [a] conjunction "and", not [a] disjunction "or", and because the [House Judiciary Standing Committee] that heard it in 1976 plainly said that they wanted it to be an "or" -- well, it went to the Senate. The Senate changed it to "and". The free conference committee accepted the "and". So the [attorney generals] say, "Yeah, it's conjunctive."

Number 2510

MS. KEMPTON, in response to a question by Representative Lynn, explained that the four hours only applies to an employees who are being paid by their employers to "come down here." Currently, she noted, those employees can talk to [legislators] for four hours in a 30-day period, without becoming subject to the lobbying law. If they go over the four hours, she added, they can certainly continue to talk or testify; however, they would need to register with [APOC].

Number 2470

REPRESENTATIVE LYNN stated that, basically, no one sits before a committee to testify unless he/she is invited to do so by the chair of that committee. Therefore, he questioned why someone would have to register if he/she has been invited by the chair to sit in [the witness] chair. Furthermore, he indicated that it would be absurd if he and his staff would have to buy stopwatches to use the minute [a lobbyist] comes through their door, for example.

Number 2455

MS. KEMPTON clarified that what is being discussed is a regulation that has been in place since 1976, and appeared to be working fine until this year, "when this was brought up as a problem." She noted, "In fact, our commissioners thought it was a problem before it came before the legislature, and they were already discussing changing it to 16 hours." She stated that, currently, employees are allowed a certain amount of time before they need to register; however, it is up to the legislature to decide [the limits]. She pointed out that [those limits] are set by time, or perhaps by expenditures. She noted that the law, from 1949 until 1976, said that people who were employees being paid to talk to the legislature had to register before being allowed to do so.

Number 2381

REPRESENTATIVE LYNN asked how the [request] for a change came about.

MS. KEMPTON responded that Larry Wood was newly appointed as a commissioner. She noted that he used to be the deputy chief counsel for [Alyeska Pipeline Service Company] and, in that position, he was an employee lobbyist who had to register. She explained that Mr. Wood was therefore already aware of the four-hour [limit] and thought it was too short. This fall, she said, there was a lawsuit filed regarding the four hours being too short.

REPRESENTATIVE LYNN questioned how he is supposed to keep track of how long a lobbyist is present in his office.

Number 2304

MS. KEMPTON, in response to questions by Representative Berkowitz and Chair Weyhrauch, clarified that a lobbyist who is sitting in the committee room or standing out in the hall would not count that time as lobbying, unless he/she was engaged in direct communication with legislators, legislative staff, or public officials. She added that the statutes define who [public officials] are.

Number 2252

REPRESENTATIVE BERKOWITZ asked if there had been any indication that four hours was inadequate, before the time when individuals had to register [as lobbyists].

MS. KEMPTON noted that last year there was an official complaint filed against somebody for lobbying without being registered. She stated that that's something that almost never happens. She clarified that [APOC] gets inquiries, but not actual official complaints. The person being investigated, she said, never brought up the issue - as a defense - that four hours wasn't enough. In response to a follow-up question by Representative Berkowitz, she said that it is public record, and revealed the name of the [lobbyist] as Frank Prewitt, who was lobbying for Cornell Companies for the Whittier private prison.

Number 2195

CHAIR WEYHRAUCH asked if there were any further comments regarding Amendment 14.1.

Number 2185

REPRESENTATIVE SEATON offered clarification that [Amendment] 14.1 would [return the limit to] four hours, "instead of the 16 ... which we reinstated."

Number 2160

A roll call vote was taken. Representatives Berkowitz and Gruenberg voted in favor of Amendment 14.1. Representatives Dahlstrom, Lynn, Holm, Seaton, and Weyhrauch voted against it. Therefore, Amendment 14.1 failed by a vote of 2-5.

Number 2121

REPRESENTATIVE GRUENBERG moved to adopt Amendment 15-A, labeled 23-LS8005\A.22, Craver, 4/30/03, which read as follows [including a handwritten section notation]:

Sec 27
Page 19, line 17:
Delete "**16**"
Insert "**eight**"

Number 2107

REPRESENTATIVE HOLM objected.

Number 2088

CHAIR WEYHRAUCH clarified that Amendment 15-A deals with Section 27.

Number 2053

REPRESENTATIVE BERKOWITZ said that he's "heard this debate go round and round," and he understands the difficulties in assessing hours. He posited that if there is a clearer time period, it might resolve some of the problems, and he asked if that is a fair assumption. For example, for any period during a single calendar day.

Number 2038

REPRESENTATIVE SEATON answered no. He explained that lobbyists come [to the state capital] to talk about legislation. He said, "If we substitute a single calendar day, it would mean you'd come to Juneau and you could only be here one day, otherwise you'd have to be registered as a lobbyist." He stated that that's not his intention at all. He noted that often [lobbyists] are involved in complicated issues that [are heard by] more than one committee, and he indicated that [a lobbyist] may be [in Juneau] for a week, but the actual time he/she spends contacting legislators or staff is probably not going to be 16 [hours]. He added, "It's very difficult to do, but so is 10, or so is any amount of time."

Number 1990

REPRESENTATIVE LYNN reiterated his concern about the [necessitating the use of] a stopwatch. He mentioned making a friendly amendment at some point.

Number 1973

CHAIR WEYHRAUCH stated that he doesn't know what is ultimately the right time [limit]. He indicated having "done this before as a lobbyist," and he admitted that it is tough to track hours. He indicated that a lot of [lobbyists] want more [time], and he opined that the public needs to know "who is down here doing this." He stated that "16" struck him as "probably okay."

Number 1915

REPRESENTATIVE BERKOWITZ remarked that 16 hours equals 64 15-minute meetings with everybody. He stated that that's a lot of "face time."

CHAIR WEYHRAUCH said, "You know, I'm pretty dense. Sometimes it takes more than one meeting with me a lot of times. If a person comes down here on their own dime to deal with something that has interest to them or their company, I think we want to give them at least that leeway, and in a period of time." He asked Ms. Kempton to comment.

Number 1870

MS. KEMPTON told the committee that people who are here on their own dime don't have to register. The same applies to someone who is a full proprietor, but not of a corporation. The terms "**part-time**" and "**full-time**" employee, used in the language of the bill refer to people who are employees of and being paid by an incorporation, association, or union. In response to a question by Representative Holm, she said that [APOC] does not make distinctions between "S" corporations and full corporations, because the law doesn't make those distinctions.

Number 1825

REPRESENTATIVE HOLM responded that the law does make the distinction in many areas, but not others.

Number 1806

REPRESENTATIVE BERKOWITZ asked how many small businesses have signed up as lobbyists.

Number 1798

MS. KEMPTON answered that there are 112 employee lobbyists, and she referred to a list of lobbyists [included in the committee packet], which shows "maybe two or three small businesses on it."

REPRESENTATIVE BERKOWITZ opined that this is not a huge problem, and he suggested that perhaps someone who's "promoting the change" could explain it to him.

CHAIR WEYHRAUCH stated that he does "hear" this issue as a big problem, because the people who are asking for this change are asking for a lot more than 16 hours. He noted that people with small chambers of commerce in little communities and with small businesses are coming [to the legislature] and saying this issue is a problem.

Number 1700

REPRESENTATIVE BERKOWITZ said that in the seven years that he's been in the legislature, nobody has ever complained to him about access.

CHAIR WEYHRAUCH said they are complaining to him.

REPRESENTATIVE BERKOWITZ said the one [complaint] he has heard is driven by the state chamber, primarily by one company that has given him support in the past. He continued as follows:

> It just seems to me, if you want to crack open the lobbying rules, let's be honest about it and put all the cards on the table. That's what's driving this debate. The fact that the state chamber is down here, and that the board of the state chamber is dominated by this single company, and the state chamber has heavy influence on the smaller chambers - let's just confront this issue as it exists and lay it on the table. But to say that the four hours, ... the eight hours, the forty hours, [or] the eighty hours is the issue -- we can't get to solving the problem until people honestly and accurately describe what the problem is. And I haven't had that.

Number 1664

REPRESENTATIVE LYNN noted that there have been lobbyists representing a church. He asked, "Are we telling the church representatives how much they can express their, essentially, religious viewpoints to a committee? Is that a potential problem?"

REPRESENTATIVE SEATON responded that they would have to be paid, and if they're a lobbyist, they're probably one of the registered lobbyists, because that's their job and their getting paid to do that and are not an employee of the church. He said that if the pastor, for example, comes to the legislature, the question is, "At what point is four hours used up, and all of a sudden they are in there?" He mentioned "the clergy bill" [HB 92]. He said, "People could have been involved for more than four hours in the 30-day period." He added that he doesn't think [those people] would have been involved in more than 16 hours, because that's a lot of individual "face time." He opined, "I don't think that we want to be on that cusp edge; I

don't think there's any need to be." He stated that he doesn't think that the 16 hours will [cause] a problem. He said, "It takes that person to ... keep track of their own time."

REPRESENTATIVE LYNN stated that he agrees. He said, "Sixteen is halfway reasonable."

Number 1560

REPRESENTATIVE GRUENBERG withdrew Amendment 15-A, because he said that he could see it would not pass.

REPRESENTATIVE BERKOWITZ said, "Seeing that the 16 is somewhat critical, let me try the two calendar days - doing parts of two calendar days." He commented, "I'm getting a negative shake here." He reiterated that he would like someone to tell him what the problem is. The folks that are complaining to majority members are not complaining to minority members, he said. He surmised that maybe that's because the minority members are not getting lobbied enough. He stated that he sees strong protections that exist in the four hours. He said he would be willing to listen to suggestions to fix the four-hour rule if someone could cite an instance where "someone got tripped up by the four-hour rule." He noted that some of the proposals have asked up to 80 hours. He said, "I don't know what I'm trying to fix with those kind of numbers."

Number 1462

REPRESENTATIVE GRUENBERG remarked that he had perhaps spoken too soon in withdrawing [Amendment 15-A] and said he had one more question before withdrawing it. He asked [Ms. Kempton] if 16 hours would be cause an enforcement problem.

Number 1443

MS. KEMPTON replied that she has a feeling that 16 hours will be no easier or harder than the current four hours.

Number 1399

REPRESENTATIVE BERKOWITZ referred to [the list of 112 lobbyists] and asked how large the list would be if the hour limit was bumped up to 16.

MS. KEMPTON answered, "At least half of them would still be there and probably more."

REPRESENTATIVE BERKOWITZ asked how many times people have gotten into trouble for breaking the four-hour rule.

MS. KEMPTON prefaced her answer by telling Representative Berkowitz that this is just her second session [in her position]. In the last two sessions, she said, two people [have gotten in trouble].

REPRESENTATIVE BERKOWITZ recalled that Ms. Kempton had previously stated that Mr. Prewitt was one, and he asked who the other [lobbyist who had gone over the limit] was.

MS. KEMPTON answered that it was Bill Allen of VECO Corporation.

Number 1319

REPRESENTATIVE SEATON stated that there's a perceived problem. He added, "And so, if it's not going to make a lot of change, then we can solve the perceived problem with 16 hours, without going to 40 hours." He opined that 16 hours is adequate leeway for business people to come to [the legislature] for a few days and not worry about the easily exceeded four-hour limit. He added, "And if you were down here for three weeks at a time, you're going to have to register as a lobbyist, because you're going to exceed 16 hours."

Number 1240

REPRESENTATIVE BERKOWITZ stated:

> Those folks may have a perceived problem, but there's a perception problem about the legislature. And the perception problem is that lobbyists buy and sell legislators; that lobbyists do what they feel necessary to get their legislation through. And that perception problem with the general public is more compelling to me than a problem with, I think, a number of people who are highly educated about the political process - educated enough and affluent enough to come here and take part in it.
>
> The only two individuals who've run afoul of this rule are both big boys ... and they ought to be able to take it on the chin and move on. Little guys are not impacted by this. It's serving and it's working effectively.

I've been around here. I know that the instance where Mr. Prewitt has been here on a regular basis. I like him, he's a good guy, but he crossed the line. Bill Allen has supported me in the past. I agree with him on some issues, I disagree with him on some issues. He was down here day in and day out banging for a single piece of legislation, and he would have run afoul of a 16-hour rule. So, that wouldn't have helped him either. He just didn't do his paperwork, and these things happen.

But we've got a perception problem, and retreating from the four-hour limitation compounds the perception problem. And I'm happy to go to any chamber of commerce and talk to anybody. Because, if I initiate a conversation with someone, that doesn't count as lobbying time. It doesn't. It's only when the individual initiates the contact that it counts as lobbying time; it doesn't count when the legislators start it.

Number 1080

REPRESENTATIVE GRUENBERG said, "I will persist with [Amendment 15-A]. Let's take a vote."

Number 1050

A roll call vote was taken. Representatives Berkowitz and Gruenberg voted in favor of Amendment 15-A. Representatives Lynn, Holm, Seaton, Dahlstrom, and Weyhrauch voted against it. Therefore, Amendment 15-A failed by a vote of 2-5.

Number 1010

REPRESENTATIVE GRUENBERG moved to adopt a technical amendment [which would ultimately be called Conceptual Amendment 1] in the proposed CS as follows:

Page 19, line 17, after **with**
Delete "**a**"

Page 19, line 18
Delete "**official**"
Insert "**officials**"

Page 19, line 18
Delete "**employeee**" [sic]
Insert "**employees**"

Number 0888

REPRESENTATIVE LYNN objected. If the language is made plural, he asked, "Now, how are you going to split that up among the people." He said that 16 hours per individual official or employee is easy, whereas 16 hours with the plural language "defies definition to me."

Number 0823

REPRESENTATIVE SEATON explained that people who are not registered lobbyists who come to talk to legislators, likely have to make schedules. He said he presumed that none of those people would get 16 hours with a single legislator. He said, "So, this isn't in aggregate, so I think the plurals are important to have there."

Number 0766

REPRESENTATIVE GRUENBERG explained that [without the amendment] everyone would get 16 hours with each representative, which is not the intent of the language.

Number 0729

CHAIR WEYHRAUCH announced that the technical amendment would be called Conceptual Amendment 1. In response to a request made by Representative Dahlstrom, he clarified the changes that would be made by Conceptual Amendment 1.

Number 0645

A roll call vote was taken. Representatives Berkowitz, Gruenberg, Seaton, Dahlstrom, Lynn, and Weyhrauch voted in favor of Conceptual Amendment 1. [Representative Holm was not present at the time of the roll call vote.] Therefore, Conceptual Amendment 1 was adopted by a vote of 6-0.

[HB 157 was heard and held.]

ADJOURNMENT

Number 0590

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 9:23 p.m.