

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 21, 2006

3:48 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Thomas Wagoner, Vice Chair
Senator Charlie Huggins
Senator Bettye Davis
Senator Kim Elton

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 489(RLS)

"An Act relating to the treatment of charity events by the Alaska Public Offices Commission and under the law governing legislative ethics; and providing for an effective date."

MOVED SCS CSHB 489 (STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 489

SHORT TITLE: APOC/LEG ETHICS EXEMPTION: CHARITY EVENTS

SPONSOR(S): FINANCE

03/08/06	(H)	READ THE FIRST TIME - REFERRALS
03/08/06	(H)	RLS
03/14/06	(H)	RLS AT 11:00 AM BELTZ 211
03/14/06	(H)	Moved CSHB 489(RLS) Out of Committee
03/14/06	(H)	MINUTE(RLS)
03/15/06	(H)	RLS RPT CS(RLS) NT 4DP 2NR
03/15/06	(H)	DP: COGHILL, HARRIS, KOHRING, ROKEBERG;
03/15/06	(H)	NR: BERKOWITZ, GUTTENBERG
03/15/06	(H)	TRANSMITTED TO (S)
03/15/06	(H)	VERSION: CSHB 489(RLS)
03/16/06	(S)	READ THE FIRST TIME - REFERRALS
03/16/06	(S)	RLS
03/17/06	(S)	STA REFERRAL REPLACED RLS REFERRAL
03/17/06	(S)	STA WAIVED PUBLIC HEARING NOTICE, RULE 23
03/21/06	(S)	STA AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

Sue Wright, Staff
Representative Mike Chenault
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced HB 489

Joyce Anderson, Administrator
Select Committee on Legislative Ethics
P.O. Box 101468
Anchorage, AK 99510-1468
POSITION STATEMENT: Commented on HB 489

Tammy Kempton, Regulator of Lobbying
Alaska Public Offices Commission (APOC)
Department of Administration
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Commented on HB 489

ACTION NARRATIVE

CHAIR GENE THERRIAULT called the Senate State Affairs Standing Committee meeting to order at [3:48:18 PM](#). Present were Senators Thomas Wagoner, Charlie Huggins, Bettye Davis, Kim Elton and Chair Gene Therriault.

CSHB 489(RLS)-APOC/LEG ETHICS EXEMPTION: CHARITY EVENTS

CHAIR GENE THERRIAULT announced HB 489 to be up for consideration.

[3:48:53 PM](#)

SUE WRIGHT, Staff to Representative Mike Chenault, presented HB 489 on behalf of the House Finance Committee. It relates to the issue of lobbyists giving donations of money or items to events in which the proceeds are donated to 501(c)(3) charities. Specifically it relates to the Fahrenkamp Golf Classic.

JOYCE ANDERSON, Administrator of the Select Committee on Legislative Ethics, told members that in 1994 the ethics committee issued Advisory Opinion 94-06, which allows legislators and legislative staff to receive charitable contributions from lobbyists as long as the contributions are on behalf of a charity. Such contributions don't fall within the

gift statute restrictions because, technically, they're not gifts to a legislator or legislative staff member. She clarified that private individuals and organizations are not prohibited from giving either.

She reported that the ethics committee supports the change based on the aforementioned advisory opinion but that it had not met formally on this topic in particular.

MS. ANDERSON offered the opinion that there ought to be a disclosure when gifts are received for pre-approved charity events. It would be similar to disclosures that are required now from legislators and staff when they or a family member receive a gift for travel hospitality. Disclosures are due within 30 days and provide accountability and transparency for both sides.

CHAIR THERRIAULT summarized that it isn't an issue with the ethics law; rather it's an inconsistency with the lobbying statute.

MS. ANDERSON agreed.

[3:52:51 PM](#)

TAMMY KEMPTON, Regulator of Lobbying for APOC, advised that she testified when the bill was heard in the House Rules Committee and she had nothing to add unless amendments were forthcoming. She informed the committee that at this point the commission has a neutral position and has submitted a zero fiscal note.

CHAIR THERRIAULT directed attention to page 4, line 10 and questioned whether legislative employees ought to be specifically included.

MS. KEMPTON said yes because the lobbying law prohibits a lobbyist from doing anything that would cause anyone under AS 24.60.080 from breaking that law. If legislative employees aren't specifically included and they solicit gifts then it's an open question as to whether the employee has broken the law or not.

CHAIR THERRIAULT noted that letters were recently sent from legislative offices soliciting donations and more than likely staff members were involved. If we want to allow the activity then it ought to be clear that it's allowed, he said.

SENATOR KIM ELTON agreed and made the point that if the change isn't made, it could be argued that the intention is that staff are not included.

3:55:58 PM

CHAIR THERRIAULT moved to insert "or legislative employee" after "legislator" on page 4, line 10. There was no objection and Amendment 1 was adopted.

MS. WRIGHT asked about non-political charitable events such as "Thanksgiving in March" and the "Legislative Skits" that aren't held in a state facility.

CHAIR THERRIAULT asked Ms. Kempton to comment on the issue.

MS. KEMPTON said she wasn't comfortable responding on issues unrelated to lobbying law, but she interpreted "in a state facility" to mean that if the legislator or legislative employee was in the state facility they could ask for the contribution. She didn't interpret it to mean that the charity event would take place in the state facility.

CHAIR THERRIAULT asked Ms. Anderson to speak to the interpretation of that language.

MS. ANDERSON said that particular language was included in 2001 legislation. A legislator or staff member may solicit and receive charitable donations anytime anyplace. The language "in the state facility" means where the solicitation occurs and not where the event takes place.

3:59:01 PM

CHAIR THERRIAULT directed attention to page 6, line 29, which deals with calendar year limits and posed a hypothetical situation. He went to "Thanksgiving in March" and spent money to bid in several silent auctions. He also entered his name in a drawing and paid nothing to do so. He won the drawing and the prize was a cruise. He asked whether the prize would fall under the charitable limit or, whether it would even be considered a gift since the drawing was a game of chance.

MS. ANDERSON replied a past advisory opinion says that receiving a gift from a game of chance or from a random drawing would not fall under the \$250 gift limit. She recommended deleting the words "or gifts received at" and leaving the word "ticket." When this was passed she recalled that the discussion was to place

the \$250 limit on lobbyists when giving gifts to legislators for charity events.

4:01:03 PM

SENATOR ELTON observed that this year a lobbyist won the cruise and subsequently gave it to a second place person who wasn't a legislator or a legislative employee. If that language is removed he questioned whether it would allow the lobbyist to give the cruise to a legislator.

MS. ANDERSON replied no it wouldn't. The gift statute prohibits a legislator or legislative staff member from receiving a gift from a lobbyist during the session that is valued at more than \$250.

CHAIR THERRIAULT stated that because this is the last committee of referral, he didn't want to delete the language and in doing so trigger an unintended consequence. He questioned whether leaving the language might be a problem in terms of interpreting that a game of chance is not a gift.

MS. ANDERSON replied that's possible and it's possible that the intent for this was a gift other than those that would be available to everyone else - gifts that would be specific to legislators and staff.

4:03:07 PM

CHAIR THERRIAULT raised the question of a putting tournament goody bag containing golf tees, golf balls and a cap. Because it's not clear how that kind of gift might be impacted, perhaps the language should be left in.

MS. ANDERSON clarified that \$250 is the gift limit from one person so if the contents of the goody bag came from four corporations, she couldn't see how it would add up to the \$250 limit.

CHAIR THERRIAULT remarked that it would work either way so he'd play it safe and keep the language in.

Directing attention to page 4, line 18 he asked if the new text ought to include "legislator or legislative employee."

MS. ANDERSON said it's clear to her but it could go either way.

SENATOR ELTON said he wasn't sure it would be necessary.

CHAIR THERRIAULT said if it's clear then no change is necessary. He then asked Ms. Wright whether the effective date ought to be retroactive.

MS. WRIGHT replied she already sent 263 letters and that could be construed as 263 violations. However, the entire event is done with goodness of heart and she couldn't see anyone filing a complaint. If they do then shame on them, she said.

[4:07:53 PM](#)

CHAIR THERRIAULT asked Ms. Anderson for her opinion.

MS. ANDERSON replied if no lobbyist contributions have been accepted then the immediate effective date is fine, but if lobbyist contributions have already been received then the effective date ought to be retroactive.

CHAIR THERRIAULT noted that no contributions have been accepted and hopefully this will be signed into law before there's an issue.

He noted there were no further questions and mentioned the two zero fiscal notes.

SENATOR THOMAS WAGONER motioned to report SCS CSHB 489(STA) and attached fiscal notes from committee with individual recommendations. There being no objection, it was so ordered.

There being no further business to come before the committee, Chair Therriault adjourned the meeting at [4:09:19 PM](#).