

**CS FOR HOUSE BILL NO. 260(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 1/22/08

Referred: Finance

Sponsor(s): REPRESENTATIVES DOOGAN, Foster, Dahlstrom

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to a State Officers Compensation Commission and establishing how  
2 legislators, the governor, the lieutenant governor, and executive department heads shall  
3 be compensated; providing for an effective date by repealing the effective dates of  
4 certain sections of ch. 124, SLA 1986; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 \* **Section 1.** AS 24.10.100 is amended to read:

7           **Sec. 24.10.100. Salary of legislators. Legislators shall receive a** [THE]  
8           monthly salary **under AS 39.23** [FOR EACH MEMBER OF THE LEGISLATURE IS  
9           \$2,001]. The president of the senate and the speaker of the house of representatives  
10           **may receive additional compensation under AS 39.23** [ARE EACH ENTITLED  
11           TO AN ADDITIONAL \$500 A YEAR] during tenure of office.

12 \* **Sec. 2.** AS 24.10.130 is amended to read:

13           **Sec. 24.10.130. Moving expenses and per diem allowance.** (a) A member of  
14           the legislature **may be** [IS] entitled to reimbursement for the expenses of moving

1 between the member's place of residence and the capital city for the purpose of  
2 attending a regular session of the legislature.

3 (b) Legislators and officers and employees of the legislative branch of  
4 government may be [ARE] entitled to a per diem allowance.

5 (c) The Alaska Legislative Council shall adopt a policy in accordance with  
6 AS 39.23.540(d) regarding reimbursement for moving expenses applicable to all  
7 legislators and an applicable per diem allowance policy. The policy must set  
8 conditions for the reimbursement for moving expenses and payment of per diem and  
9 prescribe the amounts of reimbursement adapted to the special needs of the legislative  
10 branch as determined by the council.

11 \* **Sec. 3.** AS 39.20.010(a) is amended to read:

12 (a) The annual salary of the governor shall be in accordance with AS 39.23  
13 [IS \$125,000].

14 \* **Sec. 4.** AS 39.20.030(a) is amended to read:

15 (a) The annual salary of the lieutenant governor shall be in accordance with  
16 AS 39.23 [IS \$100,000].

17 \* **Sec. 5.** AS 39.20.080(a) is amended to read:

18 (a) The monthly salary of the head of each principal executive department of  
19 the state shall be in accordance with AS 39.23 [IS NOT LESS THAN RANGE 28  
20 NOR MORE THAN RANGE 30 OF THE SALARY SCHEDULE IN  
21 AS 39.27.011(a) FOR JUNEAU, ALASKA].

22 \* **Sec. 6.** AS 39.23 is amended by adding new sections to read:

23 **Sec. 39.23.500. Compensation commission established.** (a) The State  
24 Officers Compensation Commission is established. The commission is composed of  
25 five members who are state residents appointed by the governor. One member shall be  
26 appointed from a list of two or more candidates submitted by the president of the  
27 senate. One member shall be appointed from a list of two or more candidates  
28 submitted by the speaker of the house of representatives. Members serve for staggered  
29 terms of four years. Except as provided in AS 39.05.080(4), a vacancy shall be filled  
30 for the balance of the unexpired term. A commission member may serve not more than  
31 two complete consecutive terms.

1 (b) The commission shall annually elect a member to chair its meetings. A  
2 majority of the commission members constitutes a quorum to transact business. The  
3 affirmative vote of three members is required to approve the commission's  
4 recommendations on compensation.

5 (c) The commission shall meet at the call of the chair. Notice of a meeting  
6 shall be mailed to each member at least 20 days before the date scheduled for the  
7 meeting.

8 (d) The commission shall meet to discuss its findings and recommendations at  
9 least twice before submitting its final report to the presiding officers of each house of  
10 the legislature and the governor.

11 (e) For budgetary purposes, the commission shall be established in the  
12 Department of Administration.

13 **Sec. 39.23.510. Prohibitions against state or municipal service.** (a) A  
14 member of the commission may not be employed by the state, including the  
15 University of Alaska, serve as a member of another state board, commission, or  
16 authority, or hold elective state or municipal office during membership on the  
17 commission.

18 (b) A member of the commission may not, in the four years preceding that  
19 member's appointment, have served in an office or position for which the commission  
20 shall submit a recommendation under AS 39.23.540.

21 **Sec. 39.23.520. Compensation.** Members of the commission serve without  
22 compensation but are entitled to per diem and travel expenses authorized for members  
23 of boards and commissions under AS 39.20.180.

24 **Sec. 39.23.530. Staff.** The director of personnel in the Department of  
25 Administration shall serve as ex officio secretary to the commission and provide  
26 research, technical, and administrative services.

27 **Sec. 39.23.540. Duties of the commission.** (a) The commission shall review  
28 the salaries, benefits, and allowances of members of the legislature, the governor, the  
29 lieutenant governor, and each principal executive department head and prepare a  
30 report on its findings at least once every two years, but not more frequently than every  
31 year. The commission shall notify the legislature that the report is available.

1 (b) The commission may request reports or studies from any state agency as to  
2 the rate and form of compensation, benefits, and allowances for legislators, the  
3 governor, the lieutenant governor, and each executive department head. A state agency  
4 from which a report or a study is requested shall furnish it within a period of time  
5 prescribed by the commission.

6 (c) The commission shall prepare its preliminary findings and  
7 recommendations for the compensation of state officers by November 15. The  
8 commission shall give reasonable public notice of its preliminary findings and  
9 recommendations, solicit public comments, and give due regard to the public  
10 comments, before submitting a final report under (d) of this section.

11 (d) The commission shall make available to the governor and presiding  
12 officers of each house of the legislature a final report of its findings and  
13 recommendations as to the rate and form of compensation, benefits, and allowances  
14 for legislators, the governor, the lieutenant governor, and each principal executive  
15 department head during the first 10 days of a legislative session. Subject to (g) of this  
16 section and unless a bill disapproving all the recommendations for all officers listed in  
17 this section is enacted into law within 60 days after the recommendations are  
18 submitted to the governor and presiding officers of each house of the legislature, a  
19 recommendation as to the compensation, benefits, and allowances for

20 (1) a legislator has the force of law and becomes effective on the first  
21 day of the next regular legislative session; and

22 (2) the governor, the lieutenant governor, and each principal executive  
23 department head has the force of law and becomes effective on the first day of the  
24 fiscal year following the fiscal year in which the recommendation is submitted.

25 (e) The commission may prepare amendments to the report submitted under  
26 (d) of this section and notify the legislature that the amendments are available.

27 (f) A commission member who does not concur in the proposed or final  
28 recommendations may attach written objections to the commission's report of its  
29 findings and recommendations.

30 (g) A recommendation under this section increasing the compensation,  
31 benefits, and allowances of a public officer is not effective unless all recommended

1 increases included in the final report under (d) of this section are fully funded by  
2 appropriations.

3 **Sec. 39.23.545. Recommendations relating to compensation.** (a) A  
4 recommendation of the commission may not have the effect of reducing the  
5 compensation or benefits of the governor and lieutenant governor who are in office or  
6 an executive department head who is appointed on or before the effective date of the  
7 commission's recommendation.

8 (b) The commission may recommend reduction in compensation or benefits  
9 for individuals who become governor, lieutenant governor, or an executive department  
10 head after the effective date of the commission's recommendation.

11 **Sec. 39.23.550. Filing with lieutenant governor and certification.** The  
12 commission shall, on transmitting its final recommendations for the compensation of  
13 legislators to the legislature, file the recommendations in the office of the lieutenant  
14 governor. When the recommendations become effective, the commission shall certify  
15 the copy of the recommendations on file in the office of the lieutenant governor.

16 **Sec. 39.23.560. Policy of the legislature.** It is the policy of the legislature that  
17 the commission recommend an equitable rate and form of compensation, benefits, and  
18 allowances for legislators.

19 **Sec. 39.23.570. Administrative Procedure Act.** AS 44.62 (Administrative  
20 Procedure Act) does not apply to proceedings of the commission.

21 **Sec. 39.23.600. Definition.** In this chapter, "commission" means the State  
22 Officers Compensation Commission.

23 \* **Sec. 7.** AS 39.23.200, 39.23.210, 39.23.220, 39.23.230, 39.23.240, 39.23.250, 39.23.260,  
24 39.23.270, and 39.23.400 are repealed.

25 \* **Sec. 8.** Sections 5, 6, 7, and 8, ch. 124, SLA 1986, and that portion of sec. 12, ch. 124,  
26 SLA 1986, that provides for the delayed repeal of AS 24.10.100 and AS 24.10.105 are  
27 repealed.

28 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
29 read:

30 INITIAL APPOINTMENTS AND TERMS; FIRST MEETING. (a) The initial  
31 members of the State Officers Compensation Commission shall be appointed within 90 days

1 after the effective date of sec. 13 of this Act.

2 (b) Notwithstanding AS 39.23.500(a) as enacted by sec. 6 of this Act, the terms of the  
3 first members of the State Officers Compensation Commission appointed by the governor  
4 under AS 39.23.500(a), as enacted by sec. 6 of this Act, are as follows: (1) two members shall  
5 be appointed for a four-year term; (2) one member shall be appointed for a three-year term;  
6 (3) one member shall be appointed for a two-year term; and (4) one member shall be  
7 appointed for a one-year term. The governor shall specify the term of office of each member  
8 appointed subject to this section.

9 (c) Notwithstanding AS 39.23.500(c), as amended by sec. 6 of this Act, the first  
10 meeting of the commission shall be called by the governor.

11 \* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 **CONDITIONAL EFFECT.** (a) Sections 1 - 5 of this Act take effect only if

14 (1) the State Officers Compensation Commission, established under sec. 6 of  
15 this Act, submits recommendations under AS 39.23.540(d), as amended by sec. 6 of this Act;

16 (2) those recommendations are not disapproved of in the time and manner  
17 described in AS 39.23.540(d), as amended by sec. 6 of this Act; and

18 (3) all of those recommendations are fully funded by appropriations as  
19 required by AS 39.23.540(g), added by sec. 6 of this Act.

20 (b) If the first recommendations submitted by the State Officers Compensation  
21 Commission under (a) of this section are disapproved or are not fully funded, the commission  
22 may continue to submit recommendations under (a) of this section until secs. 1 - 5 of this Act  
23 take effect.

24 \* **Sec. 11.** Section 9 and 12, ch. 124, SLA 1986, are repealed.

25 \* **Sec. 12.** If secs. 1 - 5 of this Act take effect under sec. 10 of this Act, secs. 1 and 2 of this  
26 Act take effect on the effective date of the appropriation described in sec. 10(a)(3) of this Act  
27 fully funding the recommendation for legislators; and secs. 3 - 5 of this Act take effect on the  
28 effective date of the appropriation described in sec. 10(a)(3) of this act fully funding the  
29 recommendations for the governor, lieutenant governor, and each principal executive  
30 department head.

31 \* **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect immediately under

1 AS 01.10.070(c).