

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 9, 2008

9:15 a.m.

MEMBERS PRESENT

Senator Lesil McGuire, Chair
Senator Gary Stevens, Vice Chair
Senator Hollis French
Senator Lyda Green
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 305(RLS) am

"An Act relating to campaign fund raising during a regular or special legislative session; and providing for an effective date."

MOVED SCS CSHB 305(STA) OUT OF COMMITTEE

HOUSE BILL NO. 366 am

"An Act relating to an exemption from public disclosure of certain appropriations from the dividend fund; relating to execution upon permanent fund dividends by civilian process servers using electronic procedures; amending Rule 89, Alaska Rules of Civil Procedure; and providing for an effective date."

MOVED HB 366 am OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 368(FIN) am

"An Act amending the Legislative Ethics Act to modify the limitation on political fund raising by legislators and legislative employees during legislative sessions, to allow legislators and legislative employees to accept certain gifts from lobbyists, to clarify the Legislative Ethics Act as it relates to legislative volunteers and educational trainees, to reduce the frequency of publication of summaries by the Select Committee on Legislative Ethics, and to revise procedures and fines related to the late filing of disclosures required by the Legislative Ethics Act."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 305

SHORT TITLE: CAMPAIGN FUND RAISING DURING SESSIONS

SPONSOR(S): REPRESENTATIVE(S) MEYER

01/11/08 (H) PREFILE RELEASED 1/11/08
01/15/08 (H) READ THE FIRST TIME - REFERRALS
01/15/08 (H) STA
01/22/08 (H) STA AT 8:00 AM CAPITOL 106
01/22/08 (H) Moved CSHB 305(STA) Out of Committee
01/22/08 (H) MINUTE(STA)
01/23/08 (H) STA RPT CS(STA) NT 4DP 2NR
01/23/08 (H) DP: JOHNSON, JOHANSEN, ROSES, LYNN
01/23/08 (H) NR: COGHILL, DOLL
02/04/08 (H) RLS AT 4:30 PM CAPITOL 106
02/04/08 (H) Moved CSHB 305(RLS) Out of Committee
02/04/08 (H) MINUTE(RLS)
02/06/08 (H) RLS RPT CS(RLS) NT 5DP 2AM
02/06/08 (H) DP: FAIRCLOUGH, HARRIS, KERTTULA,
SAMUELS, COGHILL
02/06/08 (H) AM: GUTTENBERG, JOHNSON
02/06/08 (H) RETURNED TO RLS COMMITTEE
02/19/08 (H) MOVED TO RETURN TO SECOND TO RESCIND
ACTION
02/19/08 (H) LEDOUX ABSTAIN VOTING FLD Y18 N17 E5
PER UR 34(B)
02/20/08 (H) TRANSMITTED TO (S)
02/20/08 (H) VERSION: CSHB 305(RLS) AM
02/21/08 (S) READ THE FIRST TIME - REFERRALS
02/21/08 (S) STA
02/21/08 (S) JUD REFERRAL ADDED BEFORE STA
04/05/08 (S) JUD AT 9:00 AM BUTROVICH 205
04/05/08 (S) Heard & Held
04/05/08 (S) MINUTE(JUD)
04/07/08 (S) JUD AT 2:15 PM BELTZ 211
04/07/08 (S) Moved SCS CSHB 305(JUD) Out of
Committee
04/07/08 (S) MINUTE(JUD)
04/08/08 (S) JUD RPT SCS 2DP 2NR SAME TITLE
04/08/08 (S) DP: FRENCH, MCGUIRE
04/08/08 (S) NR: THERRIAULT, HUGGINS
04/08/08 (S) STA AT 9:00 AM BELTZ 211
04/08/08 (S) Heard & Held
04/08/08 (S) MINUTE(STA)
04/09/08 (S) STA AT 9:00 AM BELTZ 211

BILL: HB 366

SHORT TITLE: PFD: EXECUTION /DISCLOSURE OF APPROPS

SPONSOR(S): REPRESENTATIVE(S) CRAWFORD

02/13/08 (H) READ THE FIRST TIME - REFERRALS
02/13/08 (H) STA, FIN
03/20/08 (H) STA RPT 2DP 4NR
03/20/08 (H) DP: DOLL, LYNN
03/20/08 (H) NR: JOHNSON, JOHANSEN, ROSES, COGHILL
03/20/08 (H) STA AT 8:00 AM CAPITOL 106
03/20/08 (H) Moved Out of Committee
03/20/08 (H) MINUTE(STA)
03/31/08 (H) FIN AT 1:30 PM HOUSE FINANCE 519
03/31/08 (H) Heard & Held
03/31/08 (H) MINUTE(FIN)
04/03/08 (H) FIN AT 8:30 AM HOUSE FINANCE 519
04/03/08 (H) Scheduled But Not Heard
04/03/08 (H) FIN AT 1:30 PM HOUSE FINANCE 519
04/03/08 (H) Moved Out of Committee
04/03/08 (H) MINUTE(FIN)
04/04/08 (H) FIN RPT 3DP 6NR
04/04/08 (H) DP: NELSON, CRAWFORD, GARA
04/04/08 (H) NR: HAWKER, THOMAS, STOLTZE, JOULE,
KELLY, CHENAULT
04/07/08 (H) TRANSMITTED TO (S)
04/07/08 (H) VERSION: HB 366 AM
04/08/08 (S) READ THE FIRST TIME - REFERRALS
04/08/08 (S) STA, FIN
04/09/08 (S) STA AT 9:00 AM BELTZ 211

BILL: HB 368

SHORT TITLE: ETHICS: LEGISLATIVE & GOV/LT GOV

SPONSOR(S): STATE AFFAIRS

02/19/08 (H) READ THE FIRST TIME - REFERRALS
02/19/08 (H) STA, JUD, FIN
02/26/08 (H) STA AT 8:00 AM CAPITOL 106
02/26/08 (H) Moved CSHB 368(STA) Out of Committee
02/26/08 (H) MINUTE(STA)
02/27/08 (H) STA RPT CS(STA) NT 3DP 4NR
02/27/08 (H) DP: ROSES, GRUENBERG, LYNN
02/27/08 (H) NR: JOHNSON, JOHANSEN, COGHILL, DOLL
03/19/08 (H) JUD AT 1:00 PM CAPITOL 120
03/19/08 (H) Heard & Held
03/19/08 (H) MINUTE(JUD)
03/26/08 (H) JUD AT 1:00 PM CAPITOL 120
03/26/08 (H) Moved CSHB 368(JUD) Out of Committee
03/26/08 (H) MINUTE(JUD)
03/27/08 (H) JUD RPT CS(JUD) NT 4DP 3NR

03/27/08 (H) DP: GRUENBERG, LYNN, HOLMES, RAMRAS
 03/27/08 (H) NR: COGHILL, DAHLSTROM, SAMUELS
 03/31/08 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 03/31/08 (H) Heard & Held
 03/31/08 (H) MINUTE(FIN)
 04/02/08 (H) FIN AT 8:30 AM HOUSE FINANCE 519
 04/02/08 (H) Moved CSHB 368(FIN) Out of Committee
 04/02/08 (H) MINUTE(FIN)
 04/03/08 (H) FIN RPT CS(FIN) NT 7DP 2NR 1AM
 04/03/08 (H) DP: HAWKER, CRAWFORD, JOULE, KELLY,
 NELSON, GARA, MEYER
 04/03/08 (H) NR: STOLTZE, CHENAULT
 04/03/08 (H) AM: THOMAS
 04/05/08 (H) TRANSMITTED TO (S)
 04/05/08 (H) VERSION: CSHB 368(FIN) AM
 04/06/08 (S) READ THE FIRST TIME - REFERRALS
 04/06/08 (S) STA
 04/08/08 (S) STA AT 9:00 AM BELTZ 211
 04/08/08 (S) Scheduled But Not Heard
 04/09/08 (S) STA AT 9:00 AM BELTZ 211

WITNESS REGISTER

MIKE PAWLOWSKI, Staff
 to Representative Kevin Meyer
 Alaska State Legislature
POSITION STATEMENT: Presented HB 305.

JOYCE ANDERSON, Administrator
 Select Committee on Legislative Ethics
 Anchorage AK
POSITION STATEMENT: Answered questions on HB 305 and HB 368.

CHRIS ELLINGSON, Acting Executive Director
 Alaska Public Offices Commission (APOC)
 Anchorage AK
POSITION STATEMENT: Answered questions on HB 305.

REPRESENTATIVE HARRY CRAWFORD
 Alaska State Legislature
 Juneau AK
POSITION STATEMENT: Presented HB 366.

ACTION NARRATIVE

CHAIR LESIL MCGUIRE called the Senate State Affairs Standing
 Committee meeting to order at 9:15:55 AM. Senators French,

Bunde, Stevens, and McGuire were present at the call to order. Senator Green arrived later.

HB 305-CAMPAIGN FUND RAISING DURING SESSIONS

9:16:18 AM

CHAIR MCGUIRE announced the consideration of HB 305. [Before the committee was CSHB 305(RLS) AM.]

SENATOR BUNDE moved Version \0, Senate CS for CSHB 305 as the working document. There being no objection, it was so ordered.

9:17:17 AM

MIKE PAWLOWSKI, Staff to Representative Kevin Meyer, Alaska State Legislature, said Section 3 is the meat of the bill. It applies a prohibition to legislators and extends the logic in current statute to say that during a regular or special session, legislators may not solicit or accept a campaign contribution for their own campaign.

9:18:02 AM

MR. PAWLOWSKI said he is speaking about Page 3, Line 3, and it applies to a legislator's own campaign for state or municipal office. "They may not solicit during a session unless it is within 90 days of that election for that office." However, during regular session or a special session a legislator may not solicit for another candidate, for a political party, or to influence a state ballot proposition. The 90-day exception is important for a member's own campaign "to strike that balance between the governor's ability to call a special session and perhaps meddle in politics." That is why the 90-day exception is maintained in (A). "But really to try and to get to the point of eliminating all fundraising for political activities during a session, be it regular or special. So ... the 90-day exception does not apply to (B), (C), or (D) within this subsection." Section 2 only applies to legislative employees and doesn't contain the same provisions in Section 3, because legislators are the decision makers, and there is a compelling state interest to regulate a legislator's behavior but not to get into the constitutional concerns over free speech. Section 1 is conforming language with the APOC statutes to try to bring them in line with the prohibitions in Sections 2 and 3. The Senate Judiciary Committee removed application of this bill to federal office, which was of great concern to many because the bill was preempted by federal law. The CS is better, he opined.

9:20:58 AM

SENATOR BUNDE said there have been some very influential staff who have been very effective gatekeepers for access to the legislature. They basically run some offices, so he asked why the 90-day provision didn't apply to them.

MR. PAWLOWSKI said it is a good point. Section 2 is the way the current law is and the bill extended it to municipal or state office. "We felt that the move from the current statute to municipal or state office was a good one." Getting into staff participation in a ballot measure or a political party touches free speech. He noted case law that requires the law to go by the least intrusive means. Some legislators have concerns about the free speech issues in Section 3, "and we are pushing the envelope." But Legislative Legal Services said the bill isn't crossing the line, "but if you did it to employees I think you would run into that problem."

[9:23:13 AM](#)

SENATOR FRENCH referred to Section 1, and he said a legislative employee can't be a candidate for state office.

MR. PAWLOWSKI said he believes that is correct. He or she must resign once filing a letter of intent. He believes a municipal office also requires a letter of intent.

SENATOR FRENCH asked if the bill is prohibiting something that is already prohibited, or if it is allowing something that is prohibited. "We are saying they can raise money for their own election, but there's another provision in law that says they can't be legislative employees and raise money for an election."

MR. PAWLOWSKI said yes, that is a good point.

SENATOR FRENCH said there are two statutes on the same track that are about to collide. He suggested taking "legislative employee" out of the provision.

[9:25:03 AM](#)

JOYCE ANDERSON, Administrator, Select Committee on Legislative Ethics, said that once a legislative employee files a letter of intent, they must resign.

SENATOR FRENCH asked if it is for any municipal or state office.

SENATOR GREEN asked if it is just on behalf of their employer. Staff can't do work that the legislator is not allowed to do.

SENATOR FRENCH said that is right, but Line 8, Page 1, speaks to an election in which the employee is a candidate. "That to me is a legal impossibility."

MS. ANDERSON said a legislative employee may not seek a nomination or become a candidate for the legislature or any state or national political office.

SENATOR BUNDE asked about a municipal office.

MS. ANDERSON said the administrative code states that a letter of intent need not include the specific seat for which the individual may file, but must state whether the individual will seek state or municipal office. It is not in the ethics code but it is in the Administrative Code: 2AAC50.724.

[9:27:51 AM](#)

MR. PAWLOWSKI said AS 24.60.033 specifically says that a legislative employee may not file a letter of intent. So he or she would have to resign.

MS. ANDERSON said an individual is not allowed to raise funds unless they have filed a letter of intent.

SENATOR FRENCH suggested taking out "legislative employee".

The committee took a brief at-ease at [9:29:12 AM](#).

[9:30:43 AM](#)

MR. PAWLOWSKI said he believes that this is an important error. The language was written to make it consistent with Section 2, which is the ethics code. Section 1 of the APOC statute probably should not extend to an employee since they could not be legally raising funds for an election.

CHRIS ELLINGSON, Acting Executive Director, Alaska Public Offices Commission (APOC), said, with the exception of the legislative employee, Section 1 is a really good fix. It fixes something that has been broken for quite a few years. It is a misstatement to say that they have to file a letter of intent to run for municipal office because they don't. They can wait until the filing period opens and declare just like anyone else.

[9:32:29 AM](#)

SENATOR BUNDE said, "But to raise funds they must file a letter of intent."

MS. ELLINGSON said yes, if they are going to start fundraising prior to the filing period. But there have been cases when someone has waited until the filing period opens and just go in and declare.

MS. ANDERSON said the language needs to remain in (d), because an employee should not be able to solicit or accept a contribution to be used for the purpose of influencing an election. On both lines 8 and 9, "or legislative employee" needs to be removed.

SENATOR FRENCH said, "The only circumstance under which I can raise money during a regular or special legislative session is if I've somehow come up against an impending election that is about to happen. So you're going to grant me an exception as the most affected person - the legislator ... defending your seat - I can raise money if it is for my own campaign, it's during the 90 days before the election, and it's away from the capital. But we're going to also let legislative employees do that while the session is sitting? The finance aides, the judiciary aides, all the people that run around this building ... they can raise money as well?"

[9:34:19 AM](#)

SENATOR GREEN asked if Senator French is talking about an employee who has filed as a candidate.

SENATOR FRENCH said it has already been concluded that they can't be a candidate. But while the legislature has bills flying through it, should its employees be raising money for campaigns? He said he could be persuaded either way, but it needs to be discussed.

MR. PAWLOWSKI said Section 2 is important because of the ethics code that governs the conduct of an employee. It says you may not solicit or accept a contribution or a promise to pledge to make a contribution. So under the ethics code the legislative employee is prohibited from doing that during session.

[9:35:27 AM](#)

CHAIR MCGUIRE said it should be clear it is not in the capital city. "We don't want to muddy the water about the fact that a legislative employee cannot be a legislative candidate. That's clear, so we need to remove that reference." But Section 1 is an attempt to reconcile through APOC laws what is already in ethics law, which says that you can't accept these contributions in a way that's intended to influence. An exception has been carved

out for special session. So outside the capital city "and it's 90 days before - you can do it." A similar thing is being done for the employee, "and I think that makes sense."

SENATOR FRENCH moved conceptual Amendment 1 as follows:

Page 1, lines 8 and 9:

Delete "or legislative employee" and "legislative employees"

Hearing no objection, conceptual Amendment 1 carried.

SENATOR FRENCH asked the current rule for a legislative employee raising money for a campaign during session.

[9:37:10 AM](#)

MS. ANDERSON said current statute puts the legislator and the employee under the same restrictions.

SENATOR FRENCH said there is an exception for a legislator's own campaign in the 90 days before an election, and that applies to the employee.

MS. ANDERSON said that is correct.

SENATOR FRENCH said if the session is pushed up against an election, their free speech rights to participate in elections trumps their role as an assistant law maker.

CHAIR MCGUIRE said that is true, but outside the capital city. The further you get away from the policy making, the better off you are.

SENATOR FRENCH said he has qualms, but he will let it go.

[9:38:17 AM](#)

SENATOR BUNDE said he doesn't have time to fundraise, so he can send someone back to his district to raise money?

CHAIR MCGUIRE said the fix is clean elections.

SENATOR FRENCH said he shares Senator Bunde's qualms.

CHAIR MCGUIRE said this issue keeps coming back: campaign donations and their influence. It is such a thorny issue. The ethics of a lawmaker have to be relied on. "You put these structures in place and then you hope people will be honorable."

SENATOR FRENCH said the prohibition on Page 3 says a member can't expend money that was raised on a day where the session bumps up against an election. He asked about creating subaccounts and how it will work in real life.

CHAIR MCGUIRE said it does say it doesn't apply to money raised in another place. So it is reconciling that principle.

[9:40:29 AM](#)

MR. PAWLOWSKI said the prohibition on spending money is in current statute. In repealing and reenacting this section, it applies it to any municipality versus the capital city, but the language is the same as in current statute.

SENATOR FRENCH asked what money can be raised while in session.

MS. ANDERSON said that is referring to Section 2, an event held on a day when the legislature is in session. The Lincoln Day dinner is a fundraiser for the Republican Party, and that money goes into their coffers. It is later designated for a specific candidate. It was raised during the session, but not designated for a specific candidate, "so you could receive that money and you could expend that money ... but you cannot hold a fundraiser for yourself."

[9:42:15 AM](#)

SENATOR FRENCH noted that it is money raised by or on behalf of a legislator under a declaration of candidacy, so it is not the Lincoln Day dinner.

MR. PAWLOWSKI said that is correct. The Lincoln day dinner is okay, as well as some other events, because it is not for a specific candidate; however, if a party were to throw a fundraiser during a session with specific candidates listed, that might run afoul of the law. That is existing language.

SENATOR FRENCH asked if they would be prohibited from soliciting or accepting that contribution.

MR. PAWLOWSKI said there are members of both parties active in fundraising outside of the legislative body. The Democratic Party of Bethel could hold a fundraiser as long as it doesn't designate it for a specific candidate, and that money could go to candidates that are running in races.

[9:44:00 AM](#)

SENATOR FRENCH said, "So it could be raised on behalf of a legislator without naming that legislator, and I don't know how in the world you'd ever prove that that happened."

CHAIR MCGUIRE said, "We can't get to people who are not already public servants who are running for office." It has really bothered her that people who are running against incumbents come to Juneau during session and hold fundraisers. "It goes right against everything ... if you want to think about intended to influence or intended to intimidate or how it makes you feel." She supposed that, constitutionally, there is nothing that can be done. She suggested that APOC filers take some sort of oath to incorporate ethical principles regarding fundraising. It may or may not be constitutional, but it could become something that the public could use to judge them.

[9:45:40 AM](#)

MR. PAWLOWSKI noted the case of State v. Alaska Civil Liberties Union. "The problem with candidates for office is that that has been ruled unconstitutional in the State of Alaska - that you can't apply these provisions to a candidate. You can apply them to incumbents."

CHAIR MCGUIRE asked if the legislature could ask, as an option, that a person signing up for office can make an additional pledge that would be in keeping with what incumbents are already asked to do in the compelling state interest.

MR. PAWLOWSKI said, "I'm sure you could." It might be better done in regulation. Perhaps APOC could draw up a list of all of the prohibitions for an incumbent. A candidate might want to know what type of ethical guidelines he or she is walking into.

[9:47:21 AM](#)

CHAIR MCGUIRE asked Ms. Ellingson if APOC would consider that.

MS. ELLINGSON said that has never been discussed.

CHAIR MCGUIRE asked if APOC would need a legislative directive asking for a document for those filing for office that would inform candidates of the ethical guidelines of sitting lawmakers and ask if they would like to sign to agree with that.

MS. ELLINGSON said it could be done without a legislative directive. But what would the enforcement mechanism be?

CHAIR MCGUIRE said the public would be the enforcement. The candidate can decide to follow the ethical guidelines or not.

MS. ELLINGSON said it would probably be better if there were some intent language to fall back on.

[9:49:12 AM](#)

CHAIR MCGUIRE said she feels uncomfortable removing candidates from the bill. We are starting to go down a path where incumbents are treated disparately. She says she gets it but feels uncomfortable taking out any reference to that.

SENATOR BUNDE said they are still the public until they are elected. "We are held to a different standard." He once ran against an incumbent. Often people running for office stress that incumbents have an incredible advantage with their access to the press and the trappings of office. People who are running should have something to balance that perceived or real access to the public.

CHAIR MCGUIRE said a person can envision a circumstance where the reverse occurs. If an incumbent were in a hotly contested special session on a subject, like a head tax on cruise ships, that the incumbent supported, "you can see a circumstance where a candidate that was running against you could actually leverage that position that you were taking and raise money in opposition to you."

SENATOR BUNDE said they already do that. The line is somewhat artificial: whether they do it in Anchorage or Juneau. A non-incumbent can raise money during session and legislators cannot - and that is the balance. The public accepts that.

[9:52:05 AM](#)

SENATOR FRENCH said it goes to the appearance of impropriety and corruption. "No candidate has a vote and we do."

SENATOR BUNDE moved to report Senate CS for CSHB 305, as amended, from committee with individual recommendations and attached fiscal note(s). There being no objection, SCS CSHB 305(STA) passed out of committee.

HB 366-PFD: EXECUTION /DISCLOSURE OF APPROPS

[9:52:44 AM](#)

CHAIR MCGUIRE announced the consideration of HB 366. [Before the committee was HB 366 AM.]

[9:53:03 AM](#)

REPRESENTATIVE HARRY CRAWFORD, Alaska State Legislature, said HB 366 is important to the people it affects. The law was changed a while ago so that some people who were incarcerated couldn't get their permanent fund dividend (PFD), and it was given to about five different causes, like the Council on Domestic Violence. But lawmakers didn't realize that the law took the money away from the children of the offenders. He doesn't know how many kids this will affect, but it may be up to 5,000 children. Some of the children have already been taken into the child welfare system or have been adopted. There are a number of kids who are not getting their incarcerated parents' PFD. This "puts it back on the list." There is a zero fiscal note because it just changes the notice requirement. But in the future, money will need to be appropriated to these children. The permanent fund division gets 35,000 garnishments a year, and it would like them in electronic form. It is now not allowed, so the division handles about 70,000 pieces of paper each year, which won't occur if HB 366 passes.

CHAIR MCGUIRE said she appreciates Representative Crawford accommodating that in HB 366 from another bill of hers. It didn't fit into the new omnibus crime package. She said Section 3 was taken out of another bill because it made a single subject violation. It is a civil provision that allows the writs of execution from a court order to go to the commissioner electronically and the permanent fund to pay that out.

[9:57:29 AM](#)

SENATOR BUNDE said the bill could include game violations, arson, and bootlegging, but couldn't include this?

CHAIR MCGUIRE said it has to include underlying crimes, so if all the writs were criminal, then it would work. But since some were civil in nature, it didn't work.

SENATOR STEVENS asked if there is any way that a repeat miscreant would receive any portion of a PFD from this bill.

REPRESENTATIVE CRAWFORD said no, they will still owe their child support. The bill will not pay their debt in any way.

[9:58:58 AM](#)

SENATOR BUNDE asked if the offenders have any access to the children's money.

REPRESENTATIVE CRAWFORD said it will go to the child or to the guardian.

SENATOR BUNDE asked if the PFD division is supportive.

REPRESENTATIVE CRAWFORD said they would very much like to see this pass.

SENATOR BUNDE moved to report HB 366 from committee with individual recommendations and attached fiscal note(s). There being no objection, the HB 366 AM passed out of committee.

The committee took an at-ease from 10:00 AM until 10:37 AM.

HB 368-ETHICS: LEGISLATIVE & GOV/LT GOV

10:37:32 AM

CHAIR MCGUIRE announced the consideration of HB 368. [Before the committee was CSHB 368(FIN)am.]

She moved to adopt Amendment 1, labeled 25-LS1326\N.A, as follows:

Page 1-2:

Delete: Section 1 and Section 2

CHAIR MCGUIRE explained that Amendment 1 simply deletes the same language that is in HB 305 that just passed out of committee. There being no objection, Amendment 1 carried.

CHAIR MCGUIRE moved to adopt Amendment 2, labeled 25-LS1326\NA.1, Wayne, as follows:

Page 1, line 7, following "Act":

Insert "; amending prohibitions in the Regulation of Lobbying Act and the Legislative Ethics Act on gifts to, or receipt of gifts by, a person who is subject to the Legislative Ethics Act"

Page 1, following line 8:

Insert a new bill section to read:

"* **Section 1.** AS 24.45.121(a) is amended to read:

(a) A lobbyist may not

(1) engage in any activity as a lobbyist before registering under AS 24.45.041;

(2) do anything with the intent of placing a public official under personal obligation to the lobbyist or to the lobbyist's employer;

(3) intentionally deceive or attempt to deceive any public official with regard to any material fact pertinent to pending or proposed legislative or administrative action;

(4) cause or influence the introduction of a legislative measure solely for the purpose of thereafter being employed to secure its passage or its defeat;

(5) cause a communication to be sent to a public official in the name of any fictitious person or in the name of any real person, except with the consent of that person;

(6) accept or agree to accept any payment in any way contingent upon the defeat, enactment, or outcome of any proposed legislative or administrative action;

(7) serve as a member of a state board or commission, if the lobbyist's employer may receive direct economic benefit from a decision of that board or commission;

(8) serve as a campaign manager or director, serve as a campaign treasurer or deputy campaign treasurer on a finance or fund-raising committee, host a fund-raising event, directly or indirectly collect contributions for, or deliver contributions to, a candidate, or otherwise engage in the fund-raising activity of a legislative campaign or campaign for governor or lieutenant governor if the lobbyist has registered, or is required to register, as a lobbyist under this chapter, during the calendar year; this paragraph does not apply to a representational lobbyist as defined in the regulations of the Alaska Public Offices Commission, and does not prohibit a lobbyist from making personal contributions to a candidate as authorized by AS 15.13 or personally advocating on behalf of a candidate;

(9) offer, solicit, initiate, facilitate, or provide to or on behalf of a person covered by AS 24.60 a gift connected with the person's legislative status, other than food or beverage for immediate consumption or a compassionate gift under AS 24.60.075; however, this paragraph does not prohibit a lobbyist from providing tickets to a charity event described in AS 24.60.080(a)(2)(B), or a contribution to a charity event under AS 24.60.080(c)(10);

(10) make or offer a gift or a campaign contribution whose acceptance by the person to whom it is offered would violate AS 24.60 or AS 39.52."

Page 1, line 9:
Delete "Section 1"
Insert "Sec. 2"

Renumber the following bill sections accordingly.

Page 3, lines 16 - 17:
Delete "and is from a member of the legislator's or legislative employee's immediate family"

Page 3, following line 20:
Insert a new bill section to read:
"* Sec. 5. AS 24.60.080(d) is amended to read:

(d) A legislator or legislative employee who accepts a gift from a lobbyist under (a)(2)(C) of this section shall disclose to the committee, within 30 days after the receipt of the gift, the name of the donor, the name of each person who employs the donor, a description of the gift and the gift's purpose, and a statement from the recipient affirming that the gift is unconnected with the recipient's legislative status. A legislator or legislative employee who accepts a gift under (c)(4) of this section that has a value of \$250 or more shall disclose to the committee, within 30 days after receipt of the gift, the name and occupation of the donor and the approximate value of the gift. A legislator or legislative employee who accepts a gift under (c)(8) of this section that the recipient expects will have a value of \$250 or more in the calendar year shall disclose to the committee, within 30 days after receipt of the gift, the name and occupation of the donor, a general description of the matter of legislative concern with respect to which the gift is made, and the approximate value of the gift. The committee shall maintain a public record of the disclosures it receives relating to gifts under (a)(2)(C), (c)(4), (c)(8), and (i) of this section and shall forward the disclosures to the appropriate house for inclusion in the journal. The committee shall forward to the Alaska Public Offices Commission copies of the disclosures concerning gifts under (a)(2)(C), (c)(4), (c)(8), and (i) of this section that it receives from legislators and legislative directors. A legislator or legislative employee who accepts a gift under (c)(6) of this section that has a value of \$250 or more shall, within 30 days after receiving the gift, disclose to the committee the name and occupation of the donor and a description of the gift. The committee shall maintain disclosures relating

to gifts under (c)(6) of this section as confidential records and may only use, or permit a committee employee or contractor to use, a disclosure under (c)(6) of this section in the investigation of a possible violation of this section or in a proceeding under AS 24.60.170. If the disclosure under (c)(6) of this section becomes part of the record of a proceeding under AS 24.60.170, the confidentiality provisions of that section apply to the disclosure."

Renumber the following bill sections accordingly.

SENATOR FRENCH objected.

JOYCE ANDERSON, Administrator, Select Committee on Legislative Ethics, said she helped put this amendment together to allow gifts from lobbyists for personal reasons and for relationships outside of the legislative arena. She gave an example of a long-time friend giving a gift during a wedding, or a friend that came outside of the legislative context. That is when "you just don't see that particular lobbyist within your context as a legislator. So you're not dealing with them either on legislation or whatever. You probably have some sort of a social ... go to dinner or whatever it happens to be." The term "not connected to legislative status" has been in the statute. The bill is using the same language. Amendment 2 changes the lobbying statute, which needs to be done, and it corresponds to the ethics statute. Page 2 of the amendment, lines 14 and 15, talks about what is prohibited, "and it would be prohibited if it's connected with a person's legislative status. So the lobbying statute is going the other way." Legal wanted to add compassionate gift language so that lobbyists are allowed to give compassionate gifts. "So we've added that in as well."

[10:40:42 AM](#)

CHAIR MCGUIRE said the language regarding being unconnected to a person's legislative status has been around for many years.

MS. ANDERSON said yes. There was a strict prohibition during legislative session.

SENATOR BUNDE asked about a person that became a friend later but who met in the legislative arena.

[10:41:25 AM](#)

MS. ANDERSON said that has come up in the past. If a legislator deals with a lobbyist and then becomes friends outside of the

legislative arena and legislation isn't discussed - "have developed a relationship with that individual ... and you're doing that outside of the legislative arena, then that would be okay."

SENATOR BUNDE said it will be under the judgment of APOC and the ethics committee. People here would say that the legislative arena has infused their entire lives. One cannot have a life or a conversation without legislative topics coming up.

CHAIR MCGUIRE said she agrees, "But you know it when you see it." There are people in the building that are lobbyist that she has no relationship with. But there are other people who started out as staff who were friends, and then they became lobbyists. There isn't a lot of gift giving anyway. But this is for events like weddings. It was a big stress during a wedding of two staff people a few months back of who was coming and who was a lobbyist and how to record it. She doesn't want to allow lobbyists giving legislators gifts irrespective of the occasion, but "we don't want an absurd result."

[10:44:01 AM](#)

SENATOR GREEN said it is the ethics committee that will know it when they see it, and that bothers her. "I have a great deal of problem with that." If a person gives a gift and reports it, "I just don't know how much further you can go." She added, "If I can take the heat or the criticism for having received it."

CHAIR MCGUIRE asked if Senator Green would just like full disclosure with no limits on gifts.

SENATOR GREEN said she feels that way about contributions. The standard should be whether a member can take the heat of the criticism that follows. "If you're going to take it from the big crime boss ... and you want to put your report..."

SENATOR FRENCH asked if Page 3, Line 10, of the amendment will apply to any gift no matter how small. "There's no dollar limit. If you take a gift from a lobbyist, you must report it, period."

MS. ANDERSON said yes.

The committee took an at-ease at [10:45:48 AM](#). The committee did not reconvene that day and HB 368(FIN) am was held in committee.