

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 10, 2008

10:16 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. 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."

MOVED SCS CSHB 368(STA) OUT OF COMMITTEE

CS FOR HOUSE JOINT RESOLUTION NO. 41(RLS)

Urging the United States Congress to repeal sec. 511 of P.L. 109-222 (Tax Increase Prevention and Reconciliation Act of 2005).

MOVED CSHJR 41 (RLS) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

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
 04/09/08 (S) -- Rescheduled from 04/08/08 --
 04/10/08 (S) STA AT 10:00 AM BELTZ 211

BILL: HJR 41

SHORT TITLE: REPEAL OF SEC. 511 OF P.L. 109-222

SPONSOR(S): RULES

04/07/08 (H) READ THE FIRST TIME - REFERRALS
 04/07/08 (H) RLS
 04/08/08 (H) RLS AT 4:00 PM CAPITOL 120
 04/08/08 (H) Moved CSHJR 41(RLS) Out of Committee
 04/08/08 (H) MINUTE(RLS)
 04/09/08 (H) RLS RPT CS(RLS) 5DP
 04/09/08 (H) DP: KERTTULA, JOHNSON, FAIRCLOUGH,
 SAMUELS, COGHILL

04/09/08 (H) TRANSMITTED TO (S)
04/09/08 (H) VERSION: CSHJR 41(RLS)
04/09/08 (S) READ THE FIRST TIME - REFERRALS
04/09/08 (S) STA
04/10/08 (S) STA AT 10:00 AM BELTZ 211

WITNESS REGISTER

JOYCE ANDERSON, Administrator
Select Committee on Legislative Ethics
Juneau AK

POSITION STATEMENT: Answered questions regarding HB 368.

DENEEN TUCK, Staff
to Representative Max Gruenberg
Alaska State Legislature
Juneau AK

POSITION STATEMENT: Presented HJR 41.

KIM GARNERO, Director
Division of Finance
Department of Administration
Juneau AK

POSITION STATEMENT: Presented HJR 41.

ACTION NARRATIVE

CHAIR LESIL MCGUIRE called the Senate State Affairs Standing Committee meeting to order at [10:16:55 AM](#). Senators Bunde, Stevens, French, and McGuire were present at the call to order. Senator Green arrived later. The meeting is a continuation from yesterday.

HB 368-ETHICS: LEGISLATIVE & GOV/LT GOV

[10:17:35 AM](#)

CHAIR MCGUIRE announced the consideration of HB 368. [CSHB 368(FIN) AM was before the committee.] She asked Ms. Anderson to tell the committee what this bill needs to accomplish.

JOYCE ANDERSON, Administrator, Select Committee on Legislative Ethics, said Sections 1 and 2 of Version N.a were deleted by an amendment at the previous hearing. Section 3 is the gift statute, and her committee recommends relaxing it for immediate family members "because of the strict prohibition last year regarding gifts from lobbyists -- even immediate family members

of legislative staffers were not allowed to receive a gift from their spouse or their sibling or parent. And so the ethics committee made a recommendation that that is an unintended consequence, and so we're recommending [it] be changed."

10:18:51 AM

SENATOR FRENCH asked, "Does that pertain to just those spouses and immediate family members who are lobbyists, or all family members?"

MS. ANDERSON said it pertains to just those spouses who are lobbyists. "Lobbyist spouses or immediate family members, which would be a parent/child and siblings. Also, since legislators are not allowed, by statute last year, to have a spouse who is a [registered lobbyist], they were not included in this."

CHAIR MCGUIRE said, "We haven't done anything to change the old rule that you can give gifts to each other within a family unit with no lobbyist, so long as they are not intended to influence you." "This is simply for the case of a member that has an immediate family member who's a lobbyist?"

MS. ANDERSON said that is correct. Section 4 refers to interns and volunteers, "and all we did in that section was split the two; there's absolutely no language change at all." Section 5 is the split of Section 4 and 5. Section 6 changes the summaries of public decisions, which have to do with complaints and advisory opinions from a semiannual publication to an annual one. The committee has not published semiannual reports since 2001, "so it is a change to just make it to current practice." Section 7 was recommended by the committee to add a third fine structure. There is one fine of \$2.00 per day up to a maximum of \$100.00 for a late disclosure, and a \$25.00 fine for an inadvertent late disclosure. "The ethics committee is suggesting that there be a very hefty fine when there is a willful late disclosure." That will go to \$100.00 per day and up to a maximum of \$2,500.00. It is based on an experience from last year.

10:21:48 AM

CHAIR MCGUIRE said Amendment 1 deleted portions of the bill that are in HB 305. She withdrew Amendment 2 from the prior meeting.

SENATOR STEVENS asked about the definition of willful.

MS. ANDERSON said there is a definition in statute. A former legislator refused to file the end-of-service disclosures. He refused a certified letter. He signed for the second one, and

said he would not file the disclosures. The committee issued a fine, and he will not pay it. He hung up on her. Because the maximum fine was only \$100.00 for each fine, the Attorney General's office will not follow up because it is not over \$500.00. The ethics committee feels there needs to be some teeth in the ethics law for those leaving.

[10:24:36 AM](#)

SENATOR FRENCH moved to report CSHB 368(FIN), as amended, from committee with individual recommendations and attached fiscal note(s). There being no objection, SCS CSHB 368(STA) moved out of committee.

The committee took an at-ease at [10:25:28 AM](#).

HJR 41-REPEAL OF SEC. 511 OF P.L. 109-222

[10:27:51 AM](#)

CHAIR MCGUIRE announced the consideration of HJR 41.[Before the committee was CSHJR 41(RLS).]

DENEEN TUCK, Staff to Representative Max Gruenberg, Alaska State Legislature, said the Fairbanks mayor alerted them that there were strong implications to Section 511 of the Tax Increase Prevention and Reconciliation Act. This provision was added by Congress in 2005. If it remains in law in 2011, the state will start withholding an extra 3 percent from vendors to pay to the federal government for Alaska communities that make more than \$100 million on goods and services. It would cost the city of Anchorage \$250,000 to start replacing the system, and then it would cost them from \$100,000 to \$200,000 per year to operate it. Anchorage would have to hire another person. It will take away procurement cards. She provided a handout estimating a cost of \$6.2 billion.

[10:30:05 AM](#)

KIM GARNERO, Director, Division of Finance, Department of Administration, said that figure is nationwide for all state, federal, and local governments.

MS. TUCK said it could cost the state quite a bit of money.

SENATOR FRENCH asked who might be opposed to this.

MS. TUCK said only federal people. The cities, universities, and school districts are in support of it.

SENATOR FRENCH asked if there are any resolutions.

MS. TUCK said she has emails. The only resolution was a draft and it came from the Fairbanks mayor.

10:31:51 AM

MS. GARNERO said she is a member of the National Association of State Auditors, Controllers, and Treasurers. It represents all 50 states and passed a resolution in 2006 to repeal this federal law.

SENATOR GREEN moved to report HJR 41 from committee with individual recommendations and attached fiscal note(s). There being no objection, CSHJR 41(RLS) passed out of committee.

There being no further business to come before the committee, Chair McGuire adjourned the meeting at 10:32:39 AM.