

**ALASKA STATE LEGISLATURE**  
**HOUSE STATE AFFAIRS STANDING COMMITTEE**

February 23, 2010

8:14 a.m.

**MEMBERS PRESENT**

Representative Bob Lynn, Chair  
Representative Paul Seaton, Vice Chair  
Representative Peggy Wilson  
Representative Max Gruenberg  
Representative Pete Petersen

**MEMBERS ABSENT**

Representative Carl Gatto  
Representative Craig Johnson

**COMMITTEE CALENDAR**

HOUSE BILL NO. 291

"An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans; and providing for an effective date."

- MOVED OUT OF COMMITTEE

HOUSE BILL NO. 289

"An Act authorizing state agencies to pay private legal fees and costs incurred by persons exonerated of alleged Alaska Executive Branch Ethics Act violations; allowing certain public officers and former public officers to accept state payments to offset private legal fees and costs related to defending against an Alaska Executive Branch Ethics Act complaint; and creating certain exceptions to Alaska Executive Branch Ethics Act limitations on the use of state resources to provide or pay for transportation of spouses and children of the governor and the lieutenant governor."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 291

SHORT TITLE: GUARANTEED REVENUE BONDS FOR VETERANS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/19/10 (H) READ THE FIRST TIME - REFERRALS  
01/19/10 (H) MLV, STA, FIN  
02/02/10 (H) MLV AT 1:00 PM BARNES 124  
02/02/10 (H) Heard & Held  
02/02/10 (H) MINUTE(MLV)  
02/04/10 (H) MLV AT 1:00 PM BARNES 124  
02/04/10 (H) Moved Out of Committee  
02/04/10 (H) MINUTE(MLV)  
02/05/10 (H) MLV RPT 4DP 1NR  
02/05/10 (H) DP: LYNN, T.WILSON, BUCH, GATTO  
02/05/10 (H) NR: KAWASAKI  
02/23/10 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 289

SHORT TITLE: EXEC ETHICS: LEGAL FEES/FAMILY TRAVEL  
SPONSOR(s): GRUENBERG

01/15/10 (H) PREFILE RELEASED 1/15/10  
01/19/10 (H) READ THE FIRST TIME - REFERRALS  
01/19/10 (H) STA, JUD, FIN  
02/23/10 (H) STA AT 8:00 AM CAPITOL 106

**WITNESS REGISTER**

BRYAN BUTCHER, Director  
Government Relations & Public Affairs  
Alaska Housing Finance Corporation (AHFC)  
Anchorage, Alaska

**POSITION STATEMENT:** Presented HB 291 on behalf of the House Rules Committee, sponsor by request of the governor.

JOE DUBLER, Finance Director  
Bonds

Alaska Housing Finance Corporation (AHFC)  
**POSITION STATEMENT:** Answered questions during the hearing on HB 291.

LAURIE HOLTE, Residential Lending Officer  
Urban and Residential Loan Programs  
Alaska Housing Finance Corporation (AHFC)  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 291.

JUDY BOCKMON, Assistant Attorney General/State Ethics Attorney  
Opinions, Appeals, & Ethics

Civil Division (Anchorage)  
Department of Law  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 289.

**ACTION NARRATIVE**

[8:14:55 AM](#)

**CHAIR BOB LYNN** called the House State Affairs Standing Committee meeting to order at 8:14 a.m. Representatives Seaton, Gruenberg, Petersen, and Lynn were present at the call to order. Representative Wilson arrived as the meeting was in progress.

**HB 291-GUARANTEED REVENUE BONDS FOR VETERANS**

[8:15:40 AM](#)

CHAIR LYNN announced the first order of business was HOUSE BILL NO. 291, "An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans; and providing for an effective date."

[8:16:19 AM](#)

BRYAN BUTCHER, Director, Government Relations & Public Affairs, Alaska Housing Finance Corporation (AHFC), presented HB 291 on behalf of the House Rules Committee, sponsor by request of the governor. He stated that the proposed legislation would place on the 2010 general election ballot a vote asking voters to approve an additional \$600 million of state-guaranteed bonds to be issued by AHFC for the veterans' program.

MR. BUTCHER related his understanding that "the veterans' program" was created in the U.S. Congress, and there was a small window during which states could take advantage of that program. Alaska was one of only five states to sign up, he said. The other four states were: Oregon, California, Texas, and Wisconsin. He indicated that prior to 1977, in order to qualify, a veteran could not have been out of service for more than 30 years. He said the veterans' program is the only one for which AHFC needs a general obligation pledge of the state in order to sell bonds.

MR. BUTCHER said AHFC has worked with the U.S. Congress for 15 years to lift the restrictions and open the program up to more veterans. He indicated the reason for the lengthy effort was because only five states were involved. He stated, "We thought there might be interest in having all the states give this program for their veterans. Unfortunately, that's not the way most of Congress saw it." The requirement of 1977 was lifted from federal law, but only through an agreement that AHFC would be limited in selling only \$10 million in bonds a year. He remarked that when considering homes that cost \$300,000-\$400,000, \$10 million does not go far. After the restrictions were lifted, there were more eligible veterans in the state, but there was not much money.

MR. BUTCHER reported that two years ago, the limit on AHFC was increased to \$100 million, and now the program flourishes. He continued:

And at this point, as we ran numbers, we realized that 2002 was the last time we had it go to a vote of the people. It was \$500 million authorized. Over 70 percent of the state voted to have it done. And once we realized we now had a more brisk loan portfolio, we realized that in all likelihood, sometime in 2011 we were going to run out of funds for the program. So, if we didn't get it on the general election ballot this year, we may have to shut the program down well before we get to a 2012 general election.

[8:20:07 AM](#)

CHAIR LYNN said he retired from the military in 1976, and he asked if he would be eligible today for the program.

[8:20:22 AM](#)

MR. BUTCHER answered no, because currently a veteran cannot have been out of active duty for more than 25 years.

CHAIR LYNN asked what the rationale was behind choosing 25 years as a cut-off point. He remarked, "A veteran is a veteran is a veteran."

[8:21:04 AM](#)

MR. BUTCHER reemphasized the challenges of working with U.S. Congress as one out of only five states that adopted such a

program. He explained that U.S. Congress was concerned that tax exempt bonds would take money out of the treasury. He said the program from 1977 ended, and he said the chair of the federal Ways and Means Committee told him he believes that everything that sunsets should do so. Mr. Butcher said that sentiment is frustrating those trying to keep this successful program running. To illustrate that success, Mr. Butcher relayed that Standard & Poor's reported a few weeks ago that AHFC's last bond issuance for its veterans' program had the lowest delinquency rate of any of the programs across the country. He indicated that the veterans' program is AHFC's most successful program.

CHAIR LYNN responded, "I understand that, but ... philosophically it's discriminating against a whole bunch of veterans, and that discrimination really is age discrimination, too."

[8:22:40 AM](#)

REPRESENTATIVE GRUENBERG said he is a Vietnam War veteran. He asked if a veteran is only allowed this loan once in a lifetime.

[8:23:02 AM](#)

JOE DUBLER, Finance Director, Bonds, Alaska Housing Finance Corporation (AHFC), answered no. He said a veteran may participate multiple times, but may have only one loan out at a time.

REPRESENTATIVE GRUENBERG declared a conflict of interest related to his forthcoming line of questioning.

CHAIR LYNN declared a conflict of interest.

REPRESENTATIVE SEATON noted that "this definition" is in federal law, not state law; therefore, the committee has no authority over it, but may comment on it.

[8:24:25 AM](#)

REPRESENTATIVE GRUENBERG asked if AHFC could run a program at the state level that was identical to the federal program, but without [the 25-year] requirement.

[8:25:12 AM](#)

MR. BUTCHER answered that the federal program allows AHFC to sell tax exempt bonds, which in turn allows AHFC to obtain a lower interest rate than it can through its "general program." Anyone who did not qualify under federal law would not be eligible for tax exempt bonds, so AHFC would have to sell taxable bonds.

REPRESENTATIVE GRUENBERG asked, "So, is there federal money involved in this, or just tax exempt status?"

MR. BUTCHER responded, "Just tax exempt status."

REPRESENTATIVE GRUENBERG said that was not clear from the information provided. He said he had been under the impression that there was a "federal guarantee or federal money."

[8:26:04 AM](#)

REPRESENTATIVE SEATON asked if the bonds are retired or are cycled into AHFC for reissuance of additional mortgage.

[8:26:33 AM](#)

MR. BUTCHER responded that the payments AHFC gets from borrowers are used to pay off debt. He explained that under federal tax law and with certain restrictions, to the extent AHFC pays off debt, it is able to reissue debt. He continued:

When we do that, for the purposes of state law and the voters' authorization under the guaranteed program, we reduce the amount of the voter authorization by the refunded amount, as well. In other words, we're not double counting for the state purposes. We do for the feds because they allow it, but for the state we're very conservative and do not.

[8:27:24 AM](#)

REPRESENTATIVE SEATON stated his understanding that although AHFC can reissue, it has to go back to voters to get approval to guarantee the additional amount.

MR. DUBLER confirmed that AHFC cannot issue general obligation bonds without the approval of the voters.

[8:28:03 AM](#)

REPRESENTATIVE GRUENBERG asked Mr. Butcher if he foresees AHFC having a similar problem with U.S. Congress regarding a sunset of the current federal law.

[8:28:24 AM](#)

MR. BUTCHER answered that the five states involved are continually working with U.S. Congress. Currently, AHFC is working to get the 25-year limit lifted so that the program would apply to all veterans and to obtain permission to have refinancing "as something that would qualify in the program." He credited Congressman Bill Thomas from California for his work on this issue.

[8:29:28 AM](#)

REPRESENTATIVE SEATON said he would like an explanation of how the issue of active duty relates to [the Alaska National Guard].

[8:30:08 AM](#)

LAURIE HOLTE, Residential Lending Officer, Urban and Residential Loan Programs, Alaska Housing Finance Corporation (AHFC), stated that if a [National] Guard member has been called to active duty by the President for duty other than training, then he/she becomes eligible for the program upon completion of that obligation. Being called to duty by the State of Alaska is not considered federal duty, she specified.

[8:31:06 AM](#)

REPRESENTATIVE SEATON offered his understanding that active National Guard members, having completed their initial period of duty, which would entitle them to honorable discharge or release, would qualify. He asked if they would remain eligible if they went off active duty status.

MS. HOLT answered yes.

[8:32:48 AM](#)

MR. DUBLER, in response to Representative Wilson, said if a borrower does not pay back his/her mortgage, the corporation has options. In most cases, there would be a Veterans Administration or Federal Housing Administration (FHA) guarantee, and AHFC would be able to receive from those entities the difference between what AFHC is able to resell the house for

and what the borrower still owes on the mortgage. In the mid-to late-'80s, the value of the homes being foreclosed was smaller than the balance on the mortgages; however, currently there is not a big decline in home value, so AHFC does not anticipate that problem in the current environment. In response to a follow-up comment from Representative Wilson, he confirmed that bonds are paid off using the payments received from veterans.

[8:34:45 AM](#)

REPRESENTATIVE GRUENBERG shared that he participated in the Navy Reserve Officers' Training Corps (ROTC) program, from which he graduated in 1965. He noted that those in military academies are qualified, and he stated his assumption that is because people attending those academies are considered on active duty. He offered his understanding that ROTC participants are also considered on active duty during their college years, and he asked if any consideration had been made to include those in the ROTC.

[8:36:38 AM](#)

MR. BUTCHER said he would bring that issue up during the next conference call between the five aforementioned states and get back to Representative Gruenberg with a response.

CHAIR LYNN offered his understanding that ROTC participants do not qualify as being on active duty.

[8:38:02 AM](#)

MS. HOLTI, in response to Representative Petersen, said a qualified veteran could use the program loan for a duplex, triplex, or fourplex, as long as one unit is occupied by the borrower.

[8:38:20 AM](#)

REPRESENTATIVE PETERSEN offered his understand that this is a good time to have a bond sale, especially considering Alaska's "credit worthiness." He said he supports HB 291 and thinks a majority of Alaskans will vote to continue supporting this program.

[8:39:22 AM](#)

REPRESENTATIVE P. WILSON questioned if the language in bill should be changed to reflect that the veteran who borrows money may do so for a multi-unit dwelling. She said, "So, what we're really saying is we're helping them start a business."

[8:40:10 AM](#)

MR. DUBLER responded that the vast majority of loans given in this program are for single-family homes. The definition of residence for this purpose is "less than a fourplex". He stated his understanding that that language is found also in federal law. He said AHFC's first-time homebuyer program includes the same stipulation. He concluded, "So, it's a federal issue, I believe."

CHAIR LYNN proffered that sometimes the ability to get income from the other units helps a person qualify for a home loan.

MR. DUBLER confirmed that is correct.

[8:41:46 AM](#)

REPRESENTATIVE SEATON asked if there is any state subsidy in this program.

MR. DUBLER replied yes. He relayed that the current interest rate is 4.625 percent.

[8:42:24 AM](#)

REPRESENTATIVE GRUENBERG asked if there would be an explanation of the proposed ballot measure in the election pamphlet.

MR. BUTCHER said he believes there was an explanation in the 2002 election information.

REPRESENTATIVE GRUENBERG said he wants a definition of "veterans" and "residences" provided to voters.

[8:45:13 AM](#)

MR. BUTCHER said AHFC could provide those definitions.

[8:45:36 AM](#)

REPRESENTATIVE P. WILSON stated that even though this is related to a federal program, the State of Alaska will be funding it and, therefore, will be responsible.

MR. BUTCHER responded that that is correct. He clarified that there are federal restrictions. Federal law allows the state to choose whether to participate in the program.

[8:46:18 AM](#)

CHAIR LYNN, after ascertaining that there was no one else who wished to testify, closed public testimony.

[8:46:39 AM](#)

REPRESENTATIVE SEATON moved to report HB 291 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 291 was reported out of the House State Affairs Standing Committee.

The committee took an at-ease from [8:47:02 AM](#) to [8:50:04 AM](#).

**HB 289-EXEC ETHICS: LEGAL FEES/FAMILY TRAVEL**

[8:50:06 AM](#)

CHAIR LYNN announced the final order of business was HOUSE BILL NO. 289, "An Act authorizing state agencies to pay private legal fees and costs incurred by persons exonerated of alleged Alaska Executive Branch Ethics Act violations; allowing certain public officers and former public officers to accept state payments to offset private legal fees and costs related to defending against an Alaska Executive Branch Ethics Act complaint; and creating certain exceptions to Alaska Executive Branch Ethics Act limitations on the use of state resources to provide or pay for transportation of spouses and children of the governor and the lieutenant governor."

[8:50:25 AM](#)

REPRESENTATIVE P. WILSON moved to adopt the proposed committee substitute (CS) for HB 289, Version 26-LS1304\C, Wayne, 2/22/10, as a work draft.

REPRESENTATIVE SEATON objected for discussion purposes.

CHAIR LYNN stated his intent to work from Version C.

8:51:25 AM

REPRESENTATIVE SEATON removed his objection. There being no further objection, Version C was before the committee.

8:51:39 AM

REPRESENTATIVE GRUENBERG, in explanation of the function of the proposed legislation, paraphrased the first sentence of the sponsor statement, which read as follows [original punctuation provided]:

HB 289 sets forth in statute the substance of the Attorney General's proposed regulations establishing standards for (1) reimbursement of legal fees and costs for any executive branch employees accused of ethical violations, and (2) payment of travel expenses for the families of only the governor and lieutenant governor.

REPRESENTATIVE GRUENBERG said the reason he became involved with HB 289 is that he believes these issues should be dealt with by the legislative branch, not the executive branch - particularly the attorney general, who is appointed by the governor and determines whether the governor's family or people in his own department can get reimbursed by the state for costs and fees resulting from being charged with an ethics violation.

8:54:23 AM

CHAIR LYNN said, "So, this is basically to prevent the appearance of conflict of interest."

REPRESENTATIVE GRUENBERG responded yes.

8:55:58 AM

REPRESENTATIVE GRUENBERG, regarding legal fees, said he was concerned that there is language that could be interpreted as allowing reimbursement even if a person was not exonerated, if he/she simply paid the money back. He said he does not think it is fair for someone who is guilty to get back his/her full attorney's fees and costs. In response to a question from Chair Lynn, Representative Gruenberg confirmed his intent is for only those who have been exonerated to be reimbursed. He said the term exonerated is defined on page 4, lines 12-18, of Version C.

REPRESENTATIVE GRUENBERG pointed out that there is a recommendation for corrective action and one for preventative action. He explained that corrective action is something that would occur when a person has been found guilty, whereas preventative action would be taken in a situation in which a person was not found guilty, yet the situation should be avoided in the future.

[8:59:28 AM](#)

REPRESENTATIVE GRUENBERG directed attention to page 4, line 4, of Version C, which includes "former public officer". He said he wanted to ensure that a former public officer cannot come back much later and get his/her costs and fees. He then directed attention to page 4, lines 26-28, of Version C, which read as follows:

APPLICABILITY. AS 39.52.470, enacted by sec. 4 of this Act, applies only to complaints under AS 39.52.310 - 39.52.390 that are initiated or filed on or after the effective date of this Act.

[9:00:40 AM](#)

REPRESENTATIVE GRUENBERG said a third change that was incorporated into Version C is in language on page 4, beginning on line [19], which read as follows:

(2) "fees and costs of private legal representation" means reasonable fees and related costs of legal representation that are necessarily incurred in defense against the allegations in the complaint and may include fees for services customarily performed by an attorney but delegated to and performed by a person working under the supervision of an attorney licensed to practice in the state.

REPRESENTATIVE GRUENBERG explained that that would preclude someone from attempting to get money for "a fishing expedition or all kinds of things that aren't related to it." Furthermore, the person would have to be reasonable from an attorney's point of view.

[9:02:28 AM](#)

REPRESENTATIVE GRUENBERG said the fourth change incorporated into Version C would make the process of making claims less cumbersome. He said theoretically, a person could be paid money and then found guilty, or something equivalent, and then the agency would have to come back to recoup the money, and the person could be judgment proof. He indicated that the change in Version C would leave the application for costs and fees to the end, so that it is done once with no recouping "or anything like that." He explained that this change is the reason that Version C is much shorter in length than the original bill version.

[9:04:08 AM](#)

REPRESENTATIVE P. WILSON asked for clarification regarding recommendations for preventative action.

[9:04:55 AM](#)

JUDY BOCKMON, Assistant Attorney General/State Ethics Attorney, Opinions, Appeals, & Ethics, Civil Division (Anchorage), Department of Law, echoed Representative Gruenberg's previous statement that corrective action recognizes that there has been some sort of violation, while exoneration would include those situations where there has been no violation, even if it was decided that preventative action was necessary. She said an example of preventative action may be to distance the employee from "the situation," which would be done through the ethics supervisor of the agency involved.

[9:07:00 AM](#)

REPRESENTATIVE SEATON asked if those actions that may have the appearance of impropriety would be a violation or would "flow under preventative action."

[9:09:52 AM](#)

MS. BOCKMON explained that when the department reviews Ethics Act matters, it looks at the actual situation. She said there is a regulation that states that the appearance of impropriety is not a violation, so the department would not base a violation on appearances alone. A decision is made as to whether there is an actual violation or not.

[9:11:39 AM](#)

REPRESENTATIVE SEATON offered his understanding that there is a statutory requirement not to have appearance of impropriety. He stated, "I'm just wanting to get clarified that what we're saying here is that if you are guilty of generating the appearance of impropriety, the appearance of a conflict by the executive officer's action, that that's going to be treated as an exoneration or it will be treated as a recommendation for preventative action."

[9:12:35 AM](#)

MS. BOCKMON reiterated that judgments are not made by appearances. She said, "We encourage employees to step up and report situations in which they might potentially violate the Ethics Act." For example, someone might be assigned to review grant proposals and see that the name on one of the submittals is that of a family member. At that point, the reviewer should stop, report the problem, and be removed from the situation. If the reviewer continues his/her participation in the review of the application submitted by the family member, that would be a violation and there would be no exoneration. She concluded, "It's hard to envision a situation where the result of the investigation turns on just the appearance of the situation."

[9:14:07 AM](#)

REPRESENTATIVE PETERSEN offered a hypothetical example of an executive who submits paperwork for reimbursement of travel expenses for a family member who was not required to be on the trip, but withdraws the submission when it is pointed out to him/her that this was not something for which there should be reimbursement. He asked if that is an example of preventative action.

MS. BOCKMON indicated that the answer would depend upon whether or not there had been an ethics complaint. If there had been an ethics complaint, then the situation would involve corrective action. Prior to there being a complaint, if the officer submitted the request for reimbursement and then realized it was inappropriate and took action to withdraw the request, that would be viewed as a person "stepping up" to meet his/her obligations, having recognized there was a problem. She said that behavior should be encouraged.

[9:17:38 AM](#)

REPRESENTATIVE PETERSEN asked Ms. Bockmon to confirm that if the aforementioned executive from the hypothetical example voluntarily withdrew the request for reimbursement, then there would be no violation.

MS. BOCKMON replied that she is uncertain that that would be the ultimate conclusion. She explained, "We could say it's a violation, but the person took appropriate action to correct the situation and that addresses it absent there being a complaint to follow through on."

REPRESENTATIVE SEATON requested a review of the sectional analysis [included in the committee packet].

[9:19:50 AM](#)

REPRESENTATIVE GRUENBERG paraphrased the first part of the sectional analysis, which read as follows [original punctuation provided]:

**Sec. 1.** Deletes definition of "for partisan political purposes." This definition section is moved to section 3 on page 3, lines 22-27.

REPRESENTATIVE GRUENBERG continued as follows:

It's permitted if ... the person who is transported with the governor or lieutenant governor reimburses the state for the actual cost or if the cost is not reasonably calculable for the fair market value of the person's transportation. Alternatively, if they are not reimbursing the state, the standard is whether the person's attendance is a benefit to the state. And that is a ... general concept impossible to determine with just a facile definition. So, what we give here - and this is pretty much given from the regulations this time - ... it's presumed. In other words, the presumption is that it's okay, and the burden of proof would shift to the prosecution, to the people who were bringing the complaint, to show that it wasn't a benefit to the state.

REPRESENTATIVE GRUENBERG said there are four situations in which a person's attendance is considered a benefit to the state, and they are listed in language on page 3, lines 12-21, of Version C, [Section 3(g)(2)(A)-(D)], which read as follows:

(A) the person's attendance at the event is required for official action of the state;

(B) the event is state-sponsored and the person's attendance is customary;

(C) the person is attending as an official representative of the state; or

(D) the person is invited by the event's sponsor before the transportation occurs, the invitation and the person's attendance are customary, the event is related to issues important to the state, and the governor or lieutenant governor attend.

9:23:19 AM

REPRESENTATIVE SEATON asked Representative Gruenberg for an example of when a child or spouse would be required for official action of the state.

REPRESENTATIVE GRUENBERG deferred to Ms. Bockmon.

CHAIR LYNN asked if there is an age range for "child".

REPRESENTATIVE GRUENBERG answered that it could be any child, including an adult child. He deferred to Ms. Bockmon for further comment.

9:24:17 AM

MS. BOCKMON, regarding Representative Seaton's question, said there are a lot of situations in ethics that are not foreseen. She said she cannot offer a concrete example; however, she stated, "It seemed to us when we were drafting the regulations that we should allow for this."

REPRESENTATIVE SEATON said he is not expressing opposition, but he just does not understand when the state would require a spouse or child of the governor for an official action of the state.

9:25:45 AM

REPRESENTATIVE GRUENBERG said the language was included because it was in regulation and "seemed like a reasonable proposal." He recollected that when Lady Bird Johnson was in the White House, she was in charge of certain highway beautification projects.

CHAIR LYNN said he thinks many First Ladies have taken on causes without being in an official capacity.

[9:26:41 AM](#)

REPRESENTATIVE PETERSEN said in some instances the governor and lieutenant governor are invited to numerous ceremonial events, and if they are invited to more than one event happening simultaneously, they may need to assign a family member to go in their stead.

[9:27:21 AM](#)

REPRESENTATIVE P. WILSON said it should be acceptable for the governor's spouse to join him/her on a trip to a community in Alaska, because that really pleases the public.

REPRESENTATIVE SEATON reiterated that he is not opposing the language, but rather is trying to understand through example what subparagraph (A) means. He asked if the language in Section 3(g)(2)(A)-(C) [text provided previously] is addressing travel independent of the lieutenant governor or governor.

REPRESENTATIVE GRUENBERG answered yes. He said subparagraph (D) requires the attendance of the governor or lieutenant governor, while subparagraphs (A)-(C) could include independent travel.

[9:32:36 AM](#)

REPRESENTATIVE GRUENBERG, in response to Chair Lynn, said the bill language does not include parents, siblings, or in-laws of the executive.

[9:33:24 AM](#)

REPRESENTATIVE SEATON asked Ms. Bockmon to address his previously stated question regarding the meaning of "as an official representative of the state," and he asked what it would take to designate someone as such.

[9:34:02 AM](#)

MS. BOCKMON prefaced her answer by noting that trying to draft standards to address this issue was difficult. She said the desire was to draft language "that was narrow and related to circumstances where there was an identifiable benefit to the state to have the person there." She said the use of the word

"official" [in Section 3(g)(2)(C)] refers to a situation in which the governor or lieutenant governor cannot attend a function and designates his/her spouse, for example, to attend. Furthermore, the term also applies to the context in which first ladies and first gentlemen take on causes, such as education, which are important to the state.

[9:35:41 AM](#)

REPRESENTATIVE GRUENBERG noted that there were two U.S. Presidents - one a bachelor and the other a widower - who depended on young relatives to represent them.

CHAIR LYNN asked if the proposed legislation would allow for a similar situation in which a governor of Alaska did not have a spouse and needed a relative to serve as a host.

[9:37:29 AM](#)

REPRESENTATIVE GRUENBERG answered no. He asked Ms. Bockmon if she would have a problem with an amendment to include such a possibility.

[9:37:50 AM](#)

MS. BOCKMON responded that that would be a policy choice for the legislature. She said she would have no objection, assuming there were no legal issues presented in the language of an amendment. She said, "There are situations in which we as a state and the citizens would expect there to be a host/hostess situation perhaps, and it wouldn't be necessarily inappropriate for the state to decide as a matter of policy that it would cover such a person."

CHAIR LYNN suggested that that amendment could be considered in the next committee of referral.

[9:39:17 AM](#)

REPRESENTATIVE SEATON asked if there would be some kind of public declaration that someone is acting in the official capacity [of the governor or lieutenant governor].

MS. BOCKMON said she does not believe that is what was contemplated under the regulation. She stated, "These situations are all so specific to the circumstances and ... every time you think that you know what the range is, there's

something new." She said if someone is serving as an honorary chair of a committee, she expects there would have been some sort of declaration made, whereas in a situation where someone is going to fill in for a governor unable to attend a function, she assumes that would be the result of a decision made in the governor's office.

[9:41:26 AM](#)

REPRESENTATIVE SEATON said he thinks the presumptions being made should be clarified.

[9:42:41 AM](#)

REPRESENTATIVE GRUENBERG stated his intent as sponsor that "if somebody's an official representative, there must be something in the official records to do that." He asked Ms. Bockmon if his stated intent would be sufficient or if there needs to be an amendment.

MS. BOCKMON answered that there is always a record kept of someone traveling; however, she recommended that the legislature would need to clarify if it wanted a record of any declaration that someone would be acting as an official representative.

REPRESENTATIVE GRUENBERG emphasized that that is his intent. He opined that the best practice would be to put it in writing.

[9:45:35 AM](#)

REPRESENTATIVE P. WILSON warned that the terms "spouse" and "child" have already been specified in subsection (g), so "we're going to have to adjust it there also."

REPRESENTATIVE GRUENBERG responded that his intent is for an amendment to be made to address that issue in the next committee of referral. He asked Representative Seaton if he would be more comfortable with the addition of a definition of "official designation".

REPRESENTATIVE SEATON answered yes.

[9:46:34 AM](#)

REPRESENTATIVE P. WILSON reemphasized the need for clarity.

REPRESENTATIVE GRUENBERG offered to work on amendments to bring back to the committee.

CHAIR LYNN said he thinks "that might be better." He explained that he would like to amend the bill to be "as complete as possible" before moving it out of committee. He opined that HB 289 is an important bill.

REPRESENTATIVE GRUENBERG said he would get input from the bill drafter and Ms. Bockmon when working on the amendments.

CHAIR LYNN suggested that a memorandum could be required for certain "special cases."

REPRESENTATIVE GRUENBERG said he thinks [appointments of official representatives of the state] should at least be in writing.

[9:48:10 AM](#)

REPRESENTATIVE SEATON directed attention to subparagraph (B) in Section 3, which read:

(B) the event is state-sponsored and the person's attendance is customary;

REPRESENTATIVE SEATON asked if that means a certain event or would include a "similar" event.

CHAIR LYNN offered his understanding that customary means something that has been done one or more times before.

[9:49:36 AM](#)

REPRESENTATIVE GRUENBERG indicated he thinks the language would include similar events. He offered an example.

[9:50:16 AM](#)

REPRESENTATIVE SEATON concurred, and he recommended adding "at similar events" to subparagraph (B).

[9:50:33 AM](#)

REPRESENTATIVE GRUENBERG invited more input from the committee, and he said he could have the amendments ready by the next committee meeting.

9:50:55 AM

CHAIR LYNN, after ascertaining there was no one else who wished to testify, closed public testimony.

9:51:06 AM

CHAIR LYNN announced that HB 289 was held over.

9:53:51 AM

**ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 9:54 a.m.