

SENATE BILL NO. 115

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Introduced: 4/19/15

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Public Integrity Commission of Alaska; repealing the Alaska
2 Public Offices Commission; making conforming amendments; eliminating a reporting
3 requirement for persons making campaign contributions to certain groups; relating to
4 the interpretation of a written instrument used to make a campaign contribution;
5 allowing the expenditure of campaign funds by charitable donation before an election;
6 requiring the Public Integrity Commission of Alaska and persons who file complaints
7 with the commission to maintain the confidentiality of certain proceedings, documents,
8 and information; relating to certain reports filed with the Public Integrity Commission
9 of Alaska; relating to requirements for recipients of contributions intended for
10 candidates in state election campaigns; reducing the information that must be disclosed
11 in certain campaign communications; amending the definition of 'contribution' for the
12 purposes of state election campaigns; reducing the penalties for violations of state

1 **election campaign laws; providing that certain advisory opinions may be appealed to the**
2 **superior court; and providing for an effective date."**

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

4 *** Section 1.** AS 15.13.020 is repealed and reenacted to read:

5 **Sec. 15.13.020. Public Integrity Commission of Alaska.** (a) The Public
6 Integrity Commission of Alaska is created in the Department of Administration. The
7 commission consists of nine members. Subject to (b) of this section, the governor shall
8 appoint the members of the commission in the manner prescribed in (c) and (d) of this
9 section, subject to confirmation by a majority of the members of the legislature
10 meeting in joint session.

11 (b) To be eligible for appointment to the commission under (c) of this section,
12 a person shall

13 (1) have served as a candidate or public official subject to this chapter;

14 (2) have served as a campaign treasurer for a candidate or group
15 subject to this chapter; or

16 (3) be an attorney licensed to practice in the state, or a person retired
17 from the practice of law in the state, who has substantial experience representing
18 persons in administrative or court proceedings relating to the application of this
19 chapter, AS 24.45, or AS 24.60.

20 (c) The governor shall appoint three members of each of the two political
21 parties with the largest number of registered voters in the state on the date of the most
22 recent preceding general election at which a governor was elected. The governor shall
23 select the three appointees from each of those two parties from a list of six names
24 submitted by the central committee of each party.

25 (d) The six members selected under (c) of this section shall, by a majority
26 vote, nominate to the governor three individuals qualified under AS 39.05.100 to serve
27 as the other members of the commission. The governor shall either appoint each
28 nominee to the commission or shall reject a nominee or nominees and request that the
29 members appointed under (c) of this section nominate another individual or
30 individuals to serve as the other members of the commission.

1 (e) Members of the commission serve staggered terms of three years or until a
2 successor is appointed and qualified. The terms shall be staggered so that the terms of
3 one member of each political party appointed under (c) of this section and the term of
4 one member appointed under (d) of this section expire in the same year. A member
5 may not serve more than two terms. However, a person appointed to fill the unexpired
6 term of a predecessor may be appointed to two successive full three-year terms.

7 (f) A member of the commission, during tenure, may not

8 (1) hold or campaign for elective office; or

9 (2) lobby or employ a lobbyist.

10 (g) A member of the commission may serve as an officer of a political party,
11 political committee, or group and may represent, as counsel, a person appearing before
12 the commission. However, a member may not participate, as a member of the
13 commission, in a proceeding before a hearing panel of the commission that involves a
14 party for which the member serves, or has served, as an officer or serves, or has
15 served, as counsel. A member who may not participate, as a member of the
16 commission, in a proceeding under this subsection shall declare that the member has a
17 conflict, and, if the proceeding is one that has been assigned to a hearing panel under
18 AS 15.13.025, the executive director of the commission shall replace that member
19 with another member who is qualified to serve on the panel under AS 15.13.025.

20 (h) Members of the commission receive compensation of \$50 a day while
21 attending commission meetings and are entitled to travel expenses and per diem
22 authorized by law for members of other boards and commissions.

23 (i) The members of the commission shall elect a chair by majority vote. The
24 commission shall vote on administrative, personnel, and other actions of the
25 commission. Matters assigned to a hearing panel shall be decided by the hearing panel
26 as provided in AS 15.13.025. Except as provided in (k) of this section and in
27 AS 15.13.025, five members are needed for a quorum, and the affirmative votes of
28 five members are necessary to take action. A vacancy does not impair the powers of
29 the remaining members to exercise all of the powers of the commission.

30 (j) A vacancy on the commission shall be filled through the appropriate
31 appointing method for the position within 30 days after the vacancy occurs. Except as

1 provided in AS 39.05.080(4) or unless reappointed under (e) of this section, the
2 appointee shall serve for the remaining term of the appointee's predecessor.

3 (k) The commission shall employ an executive director and other employees it
4 considers necessary. Notwithstanding (i) of this section, the hiring or removal of an
5 executive director or other employee by the commission must be approved by the
6 votes of at least six members. Except as provided in (g) of this section, neither the
7 executive director nor an employee of the commission may have a vote.

8 (l) The commission may establish regional offices. However, candidates,
9 groups, and individuals shall file all reports required under this chapter, AS 24.45, and
10 AS 39.50 directly with the commission's central district office.

11 (m) The commission shall ensure that copies of all reports are readily
12 available on the commission's Internet website. The commission shall also mail or
13 transmit reports electronically upon request.

14 * **Sec. 2.** AS 15.13 is amended by adding a new section to read:

15 **Sec. 15.13.025. Hearing panels of the commission.** (a) The executive director
16 of the commission shall assign each of the following matters to a hearing panel
17 impaneled under this section

18 (1) a request for an advisory opinion as to the application of this
19 chapter, AS 24.45, AS 24.60.200 - 24.60.260, or AS 39.50;

20 (2) a complaint filed under this chapter, AS 24.45, or AS 39.50; or

21 (3) a violation, or alleged violation, of this chapter, AS 24.45, or
22 AS 39.50.

23 (b) Except as provided in (f) of this section, each hearing panel shall be
24 composed of three members of the commission. The members of the panel shall be
25 randomly assigned to the panel by the executive director of the commission, subject to
26 the requirement that each panel have

27 (1) two members appointed under AS 15.13.020(c), each nominated by
28 a different political party; and

29 (2) one member appointed under AS 15.13.020(d).

30 (c) If a member of the commission who is assigned to serve on a hearing panel
31 under (b) of this section has a conflict of interest relating to a person or matter before

1 the panel, that member shall immediately declare the conflict to the executive director
2 of the commission, and the director shall select another member who is qualified to
3 serve on the panel under (b) of this section. If the commission is addressing a
4 complaint, and a member has filed the complaint, that member may not participate on
5 the hearing panel assigned the complaint. As soon as a hearing panel without declared
6 conflicts is impaneled and assigned, the commission shall provide the parties to appear
7 before the hearing panel with a list of the members on the panel.

8 (d) One member assigned to serve on a hearing panel under (a) of this section
9 may be peremptorily disqualified from serving on the hearing panel. To peremptorily
10 disqualify a member from serving on a hearing panel, a person requesting an advisory
11 opinion under AS 15.13.374, a respondent under AS 15.13.390, or a complainant or
12 respondent under AS 15.13.380 shall file a written peremptory challenge with the
13 commission within five days after receipt of the list of panel members. If a hearing
14 panel is assigned a complaint under AS 15.13.380, and the complaint involves the
15 activities of more than one person, the executive director may permit each person
16 responding to the complaint to peremptorily disqualify one member from serving on
17 the panel.

18 (e) One additional member of the commission assigned to a hearing panel may
19 be challenged for cause by a person appearing before the panel. If the challenge for
20 cause is upheld under this subsection by one of the members assigned to the panel
21 under (b) of this section, the challenged member shall be disqualified. A member may
22 be disqualified for the following causes:

23 (1) bias in favor of or against a person or the person's counsel;

24 (2) having filed a complaint under this section that involved a person
25 before the panel;

26 (3) being a witness in the proceeding;

27 (4) having a financial interest in the outcome of the proceeding; or

28 (5) another good cause.

29 (f) Notwithstanding (b) of this section, if all three members nominated by a
30 single political party under AS 15.13.020(c), or all three members appointed under
31 AS 15.13.020(d), are unable to serve on a hearing panel due to a conflict or

1 disqualification under (c) - (e) of this section, the hearing panel for that proceeding
2 shall be composed of the two other members assigned to the hearing panel under (b) of
3 this section.

4 (g) Action in a proceeding under (a) of this section may be taken by the
5 affirmative vote of two members of a hearing panel.

6 (h) A decision of a hearing panel in a proceeding under (a) of this section is a
7 final decision of the commission.

8 * **Sec. 3.** AS 15.13.030 is amended to read:

9 **Sec. 15.13.030. Duties of the commission.** The commission shall

10 (1) develop and provide all forms for the reports and statements
11 required to be made under this chapter, AS 24.45, and AS 39.50;

12 (2) prepare and publish a manual setting out uniform methods of
13 bookkeeping and reporting for use by persons required to make reports and statements
14 under this chapter and otherwise assist all persons in complying with the requirements
15 of this chapter;

16 (3) receive and hold open for public inspection reports and statements
17 required to be made under this chapter and, upon request, furnish copies at cost to
18 interested persons;

19 (4) compile and maintain a current list of all filed reports and
20 statements;

21 (5) prepare a summary of each report filed under AS 15.13.110 and
22 make copies of this summary available to interested persons at their actual cost;

23 (6) notify, by registered or certified mail, all persons who are
24 delinquent in filing reports and statements required to be made under this chapter;

25 (7) examine, investigate, and compare all reports, statements, and
26 actions required by this chapter, AS 24.45, and AS 39.50;

27 (8) prepare and publish a biennial report concerning the activities of
28 the commission, the effectiveness of this chapter, its enforcement by the attorney
29 general's office, and recommendations and proposals for change; the commission shall
30 notify the legislature that the report is available;

31 (9) adopt regulations necessary to implement and clarify the provisions

1 of AS 24.45, AS 39.50, and this chapter, subject to the provisions of AS 44.62
2 (Administrative Procedure Act); [AND]

3 (10) consider a written request for an advisory opinion concerning the
4 application of this chapter, AS 24.45, AS 24.60.200 - 24.60.260, or AS 39.50; **and**

5 **(11) ensure that all persons appearing before the commission**
6 **receive a hearing before an impartial and unbiased hearing panel under**
7 **AS 15.13.025.**

8 * **Sec. 4.** AS 15.13 is amended by adding a new section to read:

9 **Sec. 15.13.066. Confidentiality of complaints.** (a) Unless confidentiality has
10 been waived by the person who is the subject of the complaint, the existence of a
11 complaint, the investigation, and the proceedings of the commission relating to an
12 investigation or other proceeding conducted under AS 15.13.045 concerning an
13 alleged violation of this chapter, AS 24.45, AS 24.60.200 - 24.60.260, or AS 39.50 are
14 confidential unless and until the commission determines a violation has occurred.
15 Hearings of the commission relating to the alleged violation are closed to the public
16 unless and until the commission determines a violation has occurred. Documents
17 produced or disclosed as a result of the investigation or the proceedings are
18 confidential and are not subject to public inspection under AS 40.25.110 - 40.25.140
19 unless and until the commission determines a violation has occurred. A member or
20 employee of the commission may not make an unauthorized disclosure of information
21 that is made confidential under this section and that the member or employee acquired
22 in the course of official duties. A person who violates this subsection may be subject
23 to prosecution under AS 11.56.860 or another law. The person who is the subject of
24 the complaint may waive the confidentiality requirements of this subsection.

25 (b) Unless the confidentiality requirements of (a) of this section have been
26 waived by the person who is the subject of a complaint, a person who files a complaint
27 with the commission alleging a violation of this chapter, AS 24.45, AS 24.60.200 -
28 24.60.260, or AS 39.50 shall keep confidential the filing of the complaint and the
29 information in the complaint unless and until the commission has determined the facts
30 alleged in the complaint constitute a violation. If the commission finds that the person
31 who filed the complaint has violated the requirement of this subsection, the

1 commission shall immediately dismiss the complaint. Dismissal of a complaint under
 2 this subsection does not affect the right of the commission or a person other than the
 3 person who filed the complaint to initiate a complaint based on the same factual
 4 allegations.

5 * **Sec. 5.** AS 15.13.074(b) is amended to read:

6 (b) A person or group may not make a contribution anonymously, using a
 7 fictitious name, or using the name of another. **A contribution shall be presumed to**
 8 **be made by the person whose name appears on the written instrument**
 9 **transmitting the funds.**

10 * **Sec. 6.** AS 15.13.090(c) is amended to read:

11 (c) To satisfy the requirements of (a)(1) of this section [AND, IF
 12 APPLICABLE, (a)(2)(C) OF THIS SECTION], a communication that includes a print
 13 or video component must have the following statement [OR STATEMENTS] placed
 14 in the communication so as to be easily discernible [; THE SECOND STATEMENT
 15 IS NOT REQUIRED IF THE PERSON PAYING FOR THE COMMUNICATION
 16 HAS NO CONTRIBUTORS OR IS A POLITICAL PARTY]: This communication
 17 was paid for by (person's name and city and state of principal place of business). [THE
 18 TOP CONTRIBUTORS OF (PERSON'S NAME) ARE (THE NAME AND CITY
 19 AND STATE OF RESIDENCE OR PRINCIPAL PLACE OF BUSINESS, AS
 20 APPLICABLE, OF THE LARGEST CONTRIBUTORS TO THE PERSON UNDER
 21 AS 15.13.090(a)(2)(C)).]

22 * **Sec. 7.** AS 15.13.090(d) is amended to read:

23 (d) Notwithstanding the requirements of (a) of this section, in a
 24 communication transmitted through radio or other audio media and in a
 25 communication that includes an audio component, the following **statement**
 26 [STATEMENTS] must be read in a manner that is easily heard [; THE SECOND
 27 STATEMENT IS NOT REQUIRED IF THE PERSON PAYING FOR THE
 28 COMMUNICATION HAS NO CONTRIBUTORS OR IS A POLITICAL PARTY]:
 29 This communication was paid for by (person's name). [THE TOP CONTRIBUTORS
 30 OF (PERSON'S NAME) ARE (THE NAME OF THE LARGEST CONTRIBUTORS
 31 TO THE PERSON UNDER AS 15.13.090(a)(2)(C)).]

1 * **Sec. 8.** AS 15.13.112 is amended by adding a new subsection to read:

2 (d) Notwithstanding (a) - (c) of this section, campaign contributions held by a
3 candidate or group may be donated to an organization qualified as a charitable
4 organization under 26 U.S.C. 501(c)(3) if the organization is not controlled by the
5 candidate or a member of the candidate's immediate family.

6 * **Sec. 9.** AS 15.13.374(c) is amended to read:

7 (c) Within seven days after receiving a request satisfying the requirements of
8 (b) of this section, the executive director of the commission shall **assign a hearing**
9 **panel of the commission, impaneled under AS 15.13.025, to consider**
10 **[RECOMMEND] a draft advisory opinion. The hearing panel shall meet to**
11 **approve, disapprove, or modify a draft opinion within 90 days after the**
12 **commission receives the request** [FOR THE COMMISSION TO CONSIDER AT
13 ITS NEXT MEETING].

14 * **Sec. 10.** AS 15.13.374(d) is amended to read:

15 (d) The approval **or modification** of a draft advisory opinion requires the
16 affirmative vote of **two commissioners on a hearing panel** [FOUR MEMBERS OF
17 THE COMMISSION]. A draft advisory opinion failing to receive **two** [FOUR]
18 affirmative votes of the **commissioners on the hearing panel** [MEMBERS OF THE
19 COMMISSION] is disapproved.

20 * **Sec. 11.** AS 15.13.374(e) is amended to read:

21 (e) A complaint under AS 15.13.380 may not be considered about a person
22 involved in a transaction or activity that

23 (1) was described in an advisory opinion approved under (d) of this
24 section;

25 (2) is indistinguishable from the description of an activity that was
26 approved in an advisory opinion approved under (d) of this section; or

27 (3) was undertaken after the executive director of the commission
28 **assigned** [RECOMMENDED] a draft advisory opinion under (c) of this section and
29 before **a hearing panel** [THE COMMISSION] acted on the draft advisory opinion
30 under (d) of this section, if

31 (A) the draft advisory opinion would have approved the

1 transaction or activity described; and

2 (B) the hearing panel [COMMISSION] disapproved or
3 modified the draft advisory opinion.

4 * **Sec. 12.** AS 15.13.374 is amended by adding a new subsection to read:

5 (g) An advisory opinion provided under this section may be appealed to the
6 superior court under AS 44.62.560.

7 * **Sec. 13.** AS 15.13.380(a) is amended to read:

8 (a) Promptly after the final date for filing statements and reports under this
9 chapter, the commission shall notify all persons who have become delinquent in filing
10 them [, INCLUDING CONTRIBUTORS WHO FAILED TO FILE A STATEMENT
11 IN ACCORDANCE WITH AS 15.13.040,] and shall make available a list of those
12 delinquent filers for public inspection. The commission shall also report to the
13 attorney general the names of all candidates in an election whose campaign treasurers
14 have failed to file the reports required by this chapter.

15 * **Sec. 14.** AS 15.13.380(b) is amended to read:

16 (b) A person who believes a violation of this chapter or a regulation adopted
17 under this chapter has occurred or is occurring may file an administrative complaint
18 with the commission within five years after the date of the alleged violation. Within
19 three days after receiving a complaint, the executive director of the commission
20 shall assign it to a hearing panel under AS 15.13.025. If a member of the
21 commission has filed the complaint, that member shall declare a conflict under
22 AS 15.13.025(c) and may not participate as a member of the commission
23 [COMMISSIONER] in any proceeding of the commission with respect to the
24 complaint. The hearing panel [COMMISSION] may consider a complaint on an
25 expedited basis or a regular basis.

26 * **Sec. 15.** AS 15.13.380(c) is amended to read:

27 (c) The complainant or the respondent to the complaint may request in writing
28 that the hearing panel [COMMISSION] expedite consideration of the complaint. A
29 request for expedited consideration must be accompanied by evidence to support
30 expedited consideration and be served on the opposing party. The hearing panel
31 assigned the complaint [COMMISSION] shall grant or deny the request within two

1 days after receiving it. In deciding whether to expedite consideration, the **hearing**
2 **panel** [COMMISSION] shall consider such factors as whether the alleged violation, if
3 not immediately restrained, could materially affect the outcome of an election or other
4 impending event; whether the alleged violation could cause irreparable harm that
5 penalties could not adequately remedy; and whether there is reasonable cause to
6 believe that a violation has occurred or will occur. Notwithstanding the absence of a
7 request to expedite consideration, the **hearing panel** [COMMISSION] may
8 independently expedite consideration of the complaint if the **hearing panel**
9 [COMMISSION] finds that the standards for expedited consideration set out in this
10 subsection have been met.

11 * **Sec. 16.** AS 15.13.380(d) is amended to read:

12 (d) If the **hearing panel** [COMMISSION] expedites consideration, the
13 **hearing panel** [COMMISSION] shall hold a hearing on the complaint within two
14 days after granting expedited consideration. Not later than one day after affording the
15 respondent notice and an opportunity to be heard, the **hearing panel** [COMMISSION]
16 shall

17 (1) enter an emergency order requiring the violation to be ceased or to
18 be remedied and assess civil penalties under AS 15.13.390 if the **hearing panel**
19 [COMMISSION] finds that the respondent has engaged in or is about to engage in an
20 act or practice that constitutes or will constitute a violation of this chapter or a
21 regulation adopted under this chapter;

22 (2) enter an emergency order dismissing the complaint if the **hearing**
23 **panel** [COMMISSION] finds that the respondent has not or is not about to engage in
24 an act or practice that constitutes or will constitute a violation of this chapter or a
25 regulation adopted under this chapter; or

26 (3) remand the complaint to the executive director of the commission
27 for consideration by the **hearing panel** [COMMISSION] on a regular rather than an
28 expedited basis.

29 * **Sec. 17.** AS 15.13.380(e) is amended to read:

30 (e) If the **hearing panel** [COMMISSION] accepts the complaint for
31 consideration on a regular rather than an expedited basis, the commission shall notify

1 the respondent within seven days after receiving the complaint and shall investigate
 2 the complaint. The respondent may answer the complaint by filing a written response
 3 with the commission within 15 days after the commission notifies the respondent of
 4 the complaint. The hearing panel [COMMISSION] may grant the respondent
 5 additional time to respond to the complaint only for good cause. The hearing panel
 6 [COMMISSION] shall hold a hearing on the complaint not later than 45 days after the
 7 respondent's written response is due. Not later than 10 days after the hearing, the
 8 hearing panel [COMMISSION] shall issue its order. If the hearing panel
 9 [COMMISSION] finds that the respondent has engaged in or is about to engage in an
 10 act or practice that constitutes or will constitute a violation of this chapter or a
 11 regulation adopted under this chapter, the hearing panel [COMMISSION] shall enter
 12 an order requiring the violation to be ceased or to be remedied and shall assess civil
 13 penalties under AS 15.13.390.

14 * **Sec. 18.** AS 15.13.380(f) is amended to read:

15 (f) If the complaint involves a challenge to the constitutionality of a statute or
 16 regulation, necessary witnesses that are not subject to the commission's subpoena
 17 authority, or other issues outside the commission's authority, the hearing panel
 18 [COMMISSION] may request the attorney general to file a complaint in superior court
 19 alleging a violation of this chapter. The hearing panel [COMMISSION] may request
 20 the attorney general to file a complaint in superior court to remedy the violation of a
 21 commission order.

22 * **Sec. 19.** AS 15.13.380(g) is amended to read:

23 (g) An [A COMMISSION] order under (d) or (e) of this section is a final
 24 decision of the commission and may be appealed to the superior court by either the
 25 complainant or respondent within 30 days in accordance with the Alaska Rules of
 26 Appellate Procedure.

27 * **Sec. 20.** AS 15.13.380(h) is amended to read:

28 (h) If the hearing panel [COMMISSION] does not complete action on an
 29 administrative complaint within 90 days after the complaint was filed, the complainant
 30 or respondent may file a complaint in superior court alleging a violation of this
 31 chapter [BY A RESPONDENT AS DESCRIBED IN THE ADMINISTRATIVE

1 COMPLAINT FILED WITH THE COMMISSION]. The complainant **or respondent**
 2 shall provide copies of the complaint filed in the superior court to the commission and
 3 the attorney general. This subsection does not create a private cause of action against
 4 the commission; **the hearing panel;** against the commission's members, officers, or
 5 employees; or against the state.

6 * **Sec. 21.** AS 15.13.390(a) is amended to read:

7 (a) **Subject to (g) of this section, a** [A] person who fails to register when
 8 required by AS 15.13.050(a) or who fails to file a properly completed and certified
 9 report within the time required by **AS 15.13.060(b) - (d)** [AS 15.13.040, 15.13.060(b)
 10 - (d)], 15.13.110(a)(1), (3), or (4), (e), or (f) is subject to a civil penalty of not more
 11 than \$50 a day for each day the delinquency continues as determined by the
 12 commission subject to right of appeal to the superior court. **Subject to (g) of this**
 13 **section, a** [A] person who fails to file a properly completed and certified report within
 14 the time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of
 15 not more than \$500 a day for each day the delinquency continues **before the date of**
 16 **the relevant election and \$50 dollars a day for each day the delinquency**
 17 **continues on and after the date of that election** as determined by the commission
 18 subject to right of appeal to the superior court. A person who violates a provision of
 19 this chapter, except a provision requiring registration or filing of a report within a time
 20 required as otherwise specified in this section, is subject to a civil penalty of not more
 21 than \$50 a day for each day the violation continues as determined by the commission,
 22 subject to right of appeal to the superior court. An affidavit stating facts in mitigation
 23 may be submitted to the commission by a person against whom a civil penalty is
 24 assessed. However, the imposition of the penalties prescribed in this section or in
 25 AS 15.13.380 does not excuse that person from registering or filing reports required
 26 by this chapter.

27 * **Sec. 22.** AS 15.13.390(b) is amended to read:

28 (b) When an administrative complaint has been filed under AS 15.13.380, the
 29 **hearing panel assigned to the complaint under AS 15.13.025** [COMMISSION]
 30 shall give the respondent due notice and an opportunity to be heard. **Subject to (g) of**
 31 **this section, if** [IF], at the conclusion of the hearing, the **hearing panel assigned to**

1 **the complaint** [COMMISSION] determines that the respondent engaged in the
 2 alleged violation, the commission shall assess

3 (1) civil penalties under (a) of this section; **and**

4 (2) the commission's costs of investigation and adjudication [; AND

5 (3) REASONABLE ATTORNEY FEES].

6 * **Sec. 23.** AS 15.13.390(c) is amended to read:

7 (c) The **hearing panel's** [COMMISSION'S] determination under (b) of this
 8 section **is a final decision of the commission and** may be appealed to the superior
 9 court under AS 44.62 (Administrative Procedure Act).

10 * **Sec. 24.** AS 15.13.390(e) is amended to read:

11 (e) If the **hearing panel assigned under AS 15.13.025** [COMMISSION] or
 12 superior court finds that the violation was not a repeat violation or was not part of a
 13 series or pattern of violations, was inadvertent, was quickly corrected, and had no
 14 adverse effect on the campaign of another, the **hearing panel** [COMMISSION] or the
 15 court may

16 (1) suspend imposition of the penalties; and

17 (2) order the penalties set aside if the person does not engage in a
 18 similar violation for a period of one year.

19 * **Sec. 25.** AS 15.13.390 is amended by adding a new subsection to read:

20 (g) Notwithstanding the penalties prescribed by (a) of this section,

21 (1) the amount of a penalty levied under this section may not exceed
 22 five times the amount of the funds, or value of the services, that are unreported,
 23 improperly reported, or not timely reported; and

24 (2) daily penalties may not be assessed for a continuing delinquency or
 25 violation on or after the earlier of the date

26 (A) a complaint alleging the delinquency or violation is filed
 27 with the commission under AS 15.13.380; or

28 (B) the commission begins an investigation of the delinquency
 29 or violation.

30 * **Sec. 26.** AS 15.13.400(2) is amended to read:

31 (2) "commission" means the **Public Integrity Commission of** Alaska,

1 or a hearing panel of the commission impaneled under AS 15.13.025 [PUBLIC
2 OFFICES COMMISSION];

3 * **Sec. 27.** AS 15.13.400(4) is amended to read:

4 (4) "contribution"

5 (A) means a purchase, payment, promise or obligation to pay,
6 loan or loan guarantee, deposit or gift of money, goods, or services for which
7 charge is ordinarily made, and includes the payment by a person other than a
8 candidate or political party, or compensation for the personal services of
9 another person, that is rendered to the candidate or political party, and that is
10 made for the purpose of

11 (i) influencing the nomination or election of a
12 candidate;

13 (ii) influencing a ballot proposition or question; or

14 (iii) supporting or opposing an initiative proposal
15 application filed with the lieutenant governor under AS 15.45.020;

16 (B) does not include

17 (i) services provided without compensation by
18 individuals volunteering a portion or all of their time on behalf of a
19 political party, candidate, or ballot proposition or question;

20 (ii) ordinary hospitality in a home;

21 (iii) two or fewer mass mailings before each election by
22 each political party describing the party's slate of candidates for
23 election, which may include photographs, biographies, and information
24 about the party's candidates;

25 (iv) the results of a poll limited to issues and not
26 mentioning any candidate, unless the poll was requested by or designed
27 primarily to benefit the candidate;

28 (v) any communication in the form of a newsletter from
29 a legislator to the legislator's constituents, except a communication
30 expressly advocating the election or defeat of a candidate or a
31 newsletter or material in a newsletter that is clearly only for the private

1 benefit of a legislator or a legislative employee;

2 (vi) a fundraising list provided without compensation
3 by one candidate or political party to a candidate or political party;
4 [OR]

5 (vii) an opportunity to participate in a candidate forum
6 provided to a candidate without compensation to the candidate by
7 another person and for which a candidate is not ordinarily charged;

8 **(viii) if a candidate forum is open to all candidates**
9 **running for a particular office and if all participating candidates'**
10 **costs are treated equally, payment of a candidate's costs relating to**
11 **the candidate's participation in the forum, including the**
12 **candidate's costs of travel and lodging for the event; or**

13 **(ix) if a candidate forum is open to all candidates**
14 **running for a particular office and if the same opportunity is**
15 **presented to all candidates that participate in the forum, the**
16 **publication, broadcast, or webcast of a candidate's participation in**
17 **the forum;**

18 * **Sec. 28.** AS 15.13.400(6) is amended to read:

19 (6) "expenditure"

20 (A) means a purchase or a transfer of money or anything of
21 value, or promise or agreement to purchase or transfer money or anything of
22 value, incurred or made for the purpose of

23 (i) influencing the nomination or election of a candidate
24 or of any individual who files for nomination at a later date and
25 becomes a candidate;

26 (ii) use by a political party;

27 (iii) the payment by a person other than a candidate or
28 political party of compensation for the personal services of another
29 person that are rendered to a candidate or political party;

30 (iv) influencing the outcome of a ballot proposition or
31 question; [OR]

1 (v) supporting or opposing an initiative proposal
 2 application filed with the lieutenant governor under AS 15.45.020; or
 3 (vi) donating to an organization qualified as a
 4 charitable organization under 26 U.S.C. 501(c)(3);

5 (B) does not include a candidate's filing fee or the cost of
 6 preparing reports and statements required by this chapter;

7 (C) includes an express communication and an electioneering
 8 communication, but does not include an issues communication;

9 * **Sec. 29.** AS 15.13.400 is amended by adding a new paragraph to read:

10 (17) "hearing panel" means a body of the commission impaneled under
 11 AS 15.13.025 to hear proceedings under AS 15.13.374 and 15.13.380.

12 * **Sec. 30.** AS 15.25.030(b) is amended to read:

13 (b) A person filing a declaration of candidacy under this section, other than a
 14 person subject to AS 24.60 who is filing a declaration for a state legislative office,
 15 shall simultaneously file with the director a statement of income sources and business
 16 interests that complies with the requirements of AS 39.50. A person who is subject to
 17 AS 24.60 and is filing a declaration of candidacy for state legislative office shall
 18 simultaneously file with the director a disclosure statement that complies with the
 19 requirements of AS 24.60.200. **If a candidate files a disclosure statement required**
 20 **by this subsection before January 1 of the year the election is scheduled to be**
 21 **held, the candidate shall file an updated disclosure statement between January 1**
 22 **and March 15 of the year the election is scheduled to be held.**

23 * **Sec. 31.** AS 15.25.030(c) is amended to read:

24 (c) An incumbent public official, other than a legislator, who has a current
 25 statement of income sources and business interests under AS 39.50 on file with the
 26 **Public Integrity Commission of** Alaska [PUBLIC OFFICES COMMISSION], or an
 27 incumbent legislator who has a current disclosure statement under AS 24.60.200 on
 28 file with the **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 29 COMMISSION], is not required to file a statement of income sources and business
 30 interests or a disclosure statement with the declaration of candidacy under (b) of this
 31 section.

1 * **Sec. 32.** AS 15.25.180(b) is amended to read:

2 (b) A person filing a nominating petition under this section, other than a
 3 person subject to AS 24.60 who is filing a petition for a state legislative office, shall
 4 simultaneously file with the director a statement of income sources and business
 5 interests that complies with the requirements of AS 39.50. A person who is subject to
 6 AS 24.60 and is filing a nominating petition for state legislative office shall
 7 simultaneously file with the director a disclosure statement that complies with the
 8 requirements of AS 24.60.200. **If a candidate files a disclosure statement required**
 9 **by this subsection before January 1 of the year the election is scheduled to be**
 10 **held, the candidate shall file an updated disclosure statement between January 1**
 11 **and March 15 of the year the election is scheduled to be held.**

12 * **Sec. 33.** AS 15.25.180(c) is amended to read:

13 (c) An incumbent public official, other than a legislator, who has a current
 14 statement of income sources and business interests under AS 39.50 on file with the
 15 **Public Integrity Commission of** Alaska [PUBLIC OFFICES COMMISSION], or an
 16 incumbent legislator who has a current disclosure statement under AS 24.60.200 on
 17 file with the **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 18 COMMISSION], is not required to file a statement of income sources and business
 19 interests or a disclosure statement with the nominating petition under (b) of this
 20 section.

21 * **Sec. 34.** AS 24.08.035(g) is amended to read:

22 (g) In (f) of this section, "agency" includes the Alaska Housing Finance
 23 Corporation, the Alaska Industrial Development and Export Authority, the Alaska
 24 Energy Authority, the **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 25 COMMISSION], and the Alaska Oil and Gas Conservation Commission, but does not
 26 include other boards or commissions.

27 * **Sec. 35.** AS 24.45.021(a) is amended to read:

28 (a) This chapter shall be administered by the **Public Integrity Commission of**
 29 Alaska [PUBLIC OFFICES COMMISSION] created under AS 15.13.020(a).

30 * **Sec. 36.** AS 24.45.091 is amended to read:

31 **Sec. 24.45.091. Publication of reports.** Copies of the statements and reports

1 filed under this chapter shall be made available to the public at the commission's
 2 central office, the office of the lieutenant governor, the legislative reference library of
 3 the Legislative Affairs Agency, and on the commission's Internet website [AT THE
 4 COMMISSION'S DISTRICT OFFICES PRESCRIBED IN AS 15.13.020(j)] as soon
 5 as practicable after each reporting period.

6 * **Sec. 37.** AS 24.45.121(a) is amended to read:

7 (a) A lobbyist may not

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

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

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

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

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

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

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

25 (8) serve as a campaign manager or director, serve as a campaign
 26 treasurer or deputy campaign treasurer on a finance or fund-raising committee, host a
 27 fund-raising event, directly or indirectly collect contributions for, or deliver
 28 contributions to, a candidate, or otherwise engage in the fund-raising activity of a
 29 legislative campaign or campaign for governor or lieutenant governor if the lobbyist
 30 has registered, or is required to register, as a lobbyist under this chapter, during the
 31 calendar year; this paragraph does not apply to a representational lobbyist as defined

1 in the regulations of the **Public Integrity Commission of** Alaska [PUBLIC OFFICES
2 COMMISSION], and does not prohibit a lobbyist from making personal contributions
3 to a candidate as authorized by AS 15.13 or personally advocating on behalf of a
4 candidate;

5 (9) offer, solicit, initiate, facilitate, or provide to or on behalf of a
6 person covered by AS 24.60 a gift, other than food or beverage for immediate
7 consumption or a compassionate gift under AS 24.60.075; however, this paragraph
8 does not prohibit a lobbyist from providing

9 (A) a gift to a legislator or legislative employee who is a
10 member of the lobbyist's immediate family as defined in AS 24.60.990(a), if
11 the gift is unconnected to the recipient's legislative status;

12 (B) tickets to a charity event described in
13 AS 24.60.080(a)(2)(B); or

14 (C) a contribution to a charity event under
15 AS 24.60.080(c)(10);

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

18 * **Sec. 38.** AS 24.45.171(3) is amended to read:

19 (3) "commission" means the **Public Integrity Commission of** Alaska
20 [PUBLIC OFFICES COMMISSION];

21 * **Sec. 39.** AS 24.60.080(d) is amended to read:

22 (d) A legislator or legislative employee who accepts a gift under (c)(4) of this
23 section that has a value of \$250 or more or a ticket to a charity event or gift in
24 connection with a charity event under (c)(10) of this section that has a value of \$250
25 or more shall disclose to the committee, within 60 days after receipt of the gift, the
26 name and occupation of the donor and the approximate value of the gift. A legislator
27 or legislative employee who accepts a gift under (c)(8) of this section that the recipient
28 expects will have a value of \$250 or more in the calendar year shall disclose to the
29 committee, within 30 days after receipt of the gift, the name and occupation of the
30 donor, a general description of the matter of legislative concern with respect to which
31 the gift is made, and the approximate value of the gift. The committee shall maintain a

1 public record of the disclosures it receives relating to gifts under (c)(4), (c)(8), (c)(10),
2 and (i) of this section and shall forward the disclosures to the appropriate house for
3 inclusion in the journal. The committee shall forward to the **Public Integrity**
4 **Commission of** Alaska [PUBLIC OFFICES COMMISSION] copies of the
5 disclosures concerning gifts under (c)(4), (c)(8), (c)(10), and (i) of this section that it
6 receives from legislators and legislative directors. A legislator or legislative employee
7 who accepts a gift under (c)(6) of this section that has a value of \$250 or more shall,
8 within 30 days after receiving the gift, disclose to the committee the name and
9 occupation of the donor and a description of the gift. The committee shall maintain
10 disclosures relating to gifts under (c)(6) of this section as confidential records and may
11 only use, or permit a committee employee or contractor to use, a disclosure under
12 (c)(6) of this section in the investigation of a possible violation of this section or in a
13 proceeding under AS 24.60.170. If the disclosure under (c)(6) of this section becomes
14 part of the record of a proceeding under AS 24.60.170, the confidentiality provisions
15 of that section apply to the disclosure.

16 * **Sec. 40.** AS 24.60.160(a) is amended to read:

17 (a) On the request of the committee, the **Public Integrity Commission of**
18 Alaska [PUBLIC OFFICES COMMISSION], a person to whom this chapter applies,
19 or a person who has been newly elected to the legislature, the committee shall issue an
20 advisory opinion within 60 days as to whether the facts and circumstances of a
21 particular case constitute a violation of ethical standards. If it finds that it is advisable
22 to do so, the committee may issue an opinion under this section on the request of a
23 person who reasonably expects to become subject to this chapter within the next 45
24 days. The 60-day period for issuing an opinion may be extended by the committee if
25 the person requesting the opinion consents.

26 * **Sec. 41.** AS 24.60.170(l) is amended to read:

27 (l) Proceedings of the committee relating to complaints before it are
28 confidential until the committee determines that there is probable cause to believe that
29 a violation of this chapter has occurred. Except to the extent that the confidentiality
30 provisions are waived by the subject of the complaint, the person filing a complaint
31 shall keep confidential the fact that the person has filed a complaint under this section

1 as well as the contents of the complaint filed. The complaint and all documents
 2 produced or disclosed as a result of the committee investigation are confidential and
 3 not subject to inspection by the public. If in the course of an investigation or probable
 4 cause determination the committee finds evidence of probable criminal activity, the
 5 committee shall transmit a statement and factual findings limited to that activity to the
 6 appropriate law enforcement agency. If the committee finds evidence of a probable
 7 violation of AS 15.13, the committee shall transmit a statement to that effect and
 8 factual findings limited to the probable violation to the **Public Integrity Commission**
 9 **of** Alaska [PUBLIC OFFICES COMMISSION]. All meetings of the committee before
 10 the determination of probable cause are closed to the public and to legislators who are
 11 not members of the committee. However, the committee may permit the subject of the
 12 complaint to attend a meeting other than the deliberations on probable cause. The
 13 confidentiality provisions of this subsection may be waived by the subject of the
 14 complaint. Except to the extent that the confidentiality provisions are waived by the
 15 subject of the complaint, if the committee finds that a complainant has violated any
 16 confidentiality provision, the committee shall immediately dismiss the complaint.
 17 Dismissal of a complaint under this subsection does not affect the right of the
 18 committee or any person other than the complainant to initiate a complaint based on
 19 the same factual allegations.

20 * **Sec. 42.** AS 24.60.200 is amended to read:

21 **Sec. 24.60.200. Financial disclosure by legislators, public members of the**
 22 **committee, and legislative directors.** A legislator, a public member of the committee,
 23 and a legislative director shall file a disclosure statement, under oath and on penalty of
 24 perjury, with the **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 25 COMMISSION] giving the following information about the income received or
 26 deferred income, earned or otherwise, to be received by the discloser, the discloser's
 27 spouse or domestic partner, the discloser's dependent children, and the discloser's
 28 nondependent children who are living with the discloser:

29 (1) the information that a public official is required to report under
 30 AS 39.50.030, other than information about

31 (A) income received as compensation for personal services;

- 1 (B) a loan or loan guarantee;
- 2 (C) gifts;
- 3 (2) as to income or deferred income in excess of \$1,000 earned or
4 received as compensation for personal services, and as to dividend income or deferred
5 compensation in excess of \$1,000 received from a limited liability company as
6 compensation or deferred compensation for personal services, a statement describing
- 7 (A) the names and addresses of the source and the recipient;
- 8 (B) the amount;
- 9 (C) whether it was or will be earned by commission, by the job,
10 by the hour, or by some other method;
- 11 (D) the dates and approximate number of hours worked or to be
12 worked to earn it; and
- 13 (E) unless required by law to be kept confidential, a description
14 sufficient to make clear to a person of ordinary understanding the nature of
15 each service performed or to be performed and the date the service was
16 performed or will be performed;
- 17 (3) as to each loan or loan guarantee over \$1,000 from a source with a
18 substantial interest in legislative, administrative, or political action, the name and
19 address of the person making the loan or guarantee, the amount of the loan, the terms
20 and conditions under which the loan or guarantee was given, the amount outstanding
21 at the time of filing, and whether or not a written loan agreement exists.

22 * **Sec. 43.** AS 24.60.210 is amended to read:

23 **Sec. 24.60.210. Deadlines for filing of disclosure statements.** (a) A person
24 required to file a disclosure statement under AS 24.60.200 shall file an annual report
25 with the Public Integrity Commission of Alaska [PUBLIC OFFICES
26 COMMISSION], covering the previous calendar year, containing the disclosures
27 required by AS 24.60.200, on or before March 15 of each year, except that a person
28 appointed as a legislator under AS 15.40, a public member of the committee, or a
29 legislative director must file within 30 days after the person's appointment. In addition,
30 a person subject to this subsection shall, within 90 days after leaving service as a
31 legislator, legislative director, or public member of the committee, file a final report

1 containing the disclosures required of the person by AS 24.60.200 for the period that
2 begins on the last day of the last period for which the person filed a report required by
3 that section and ends on the date of the person's last day of service.

4 (b) Notwithstanding (a) of this section, a public member and a public member
5 nominee of the committee shall file an annual report with the **Public Integrity**
6 **Commission of** Alaska [PUBLIC OFFICES COMMISSION], covering the previous
7 calendar year, containing the disclosures required by AS 24.60.200, on or before the
8 second Monday in January of each year.

9 (c) The **Public Integrity Commission of** Alaska [PUBLIC OFFICES
10 COMMISSION] shall require that the reports required under this section be submitted
11 electronically but may, when circumstances warrant an exception, accept any
12 information required under this section that is typed in clear and legible black typeface
13 or hand-printed in dark ink on paper in a format approved by the commission or on
14 forms provided by the commission and that is filed with the commission.

15 * **Sec. 44.** AS 24.60.230 is amended to read:

16 **Sec. 24.60.230. Statements as public records.** A statement filed with the
17 **Public Integrity Commission of** Alaska [PUBLIC OFFICES COMMISSION] under
18 AS 24.60.200 is a public record. A person is not required to comply with
19 AS 24.60.200 to the extent that a court of competent jurisdiction of the state
20 determines that legally privileged professional relationships or constitutional privacy
21 considerations would be violated by compliance.

22 * **Sec. 45.** AS 24.60.240 is amended to read:

23 **Sec. 24.60.240. Civil penalty for late filing.** A person required to file a
24 disclosure statement under AS 24.60.200 who fails to file a properly completed report
25 under AS 24.60.200 is subject to a civil penalty of not more than \$10 a day for each
26 day the delinquency continues as the **Public Integrity Commission of** Alaska
27 [PUBLIC OFFICES COMMISSION] determines, subject to appeal to the superior
28 court. An affidavit stating facts in mitigation may be submitted to the **Public Integrity**
29 **Commission of** Alaska [PUBLIC OFFICES COMMISSION] by the person against
30 whom the civil penalty is assessed. However, the imposition of the penalties
31 prescribed in this section does not excuse the person from filing reports required by

1 AS 24.60.200.

2 * **Sec. 46.** AS 24.60.250 is amended to read:

3 **Sec. 24.60.250. Effect of failure to file.** (a) In addition to the sanctions
4 described in AS 24.60.260, if the **Public Integrity Commission of** Alaska [PUBLIC
5 OFFICES COMMISSION] finds that a candidate for the legislature who is an
6 incumbent legislator has failed to file a report under AS 24.60.200 by March 15, the
7 commission shall notify the candidate that the report is late. If the candidate fails to
8 file the report within 30 days after it is due,

9 (1) the commission shall notify the lieutenant governor;

10 (2) the candidate shall forfeit nomination to office and may not be
11 seated in office;

12 (3) the lieutenant governor may not certify the person's nomination for
13 office or election to office; and

14 (4) nomination to the office shall be certified as provided in
15 AS 39.50.060(b).

16 (b) In addition to the sanctions described in AS 24.60.260, if the **Public**
17 **Integrity Commission of** Alaska [PUBLIC OFFICES COMMISSION] finds that a
18 member of the committee has failed or refused to file a report under AS 24.60.200 by
19 a deadline established in AS 24.60.210, it shall notify the presiding officer of the
20 appropriate legislative body. In the case of a public member of the committee, the
21 commission shall notify both presiding officers.

22 (c) In addition to the sanctions described in AS 24.60.260, if the **Public**
23 **Integrity Commission of** Alaska [PUBLIC OFFICES COMMISSION] finds that a
24 legislative director has failed or refused to file a report under AS 24.60.200 by a
25 deadline established in AS 24.60.210, it shall notify the Alaska Legislative Council or
26 the Legislative Budget and Audit Committee, as appropriate. For the ombudsman and
27 the office of victims' rights, the Alaska Legislative Council shall be notified.

28 * **Sec. 47.** AS 24.60.255(c) is amended to read:

29 (c) If a member of the **Public Integrity Commission of** Alaska [PUBLIC
30 OFFICES COMMISSION] files a complaint, that member of the commission may not
31 participate in any proceeding of the commission relating to the complaint. **The**

1 executive director of the commission shall replace a member of the commission
 2 who may not participate in a proceeding under this section with another member
 3 who is qualified to serve on the hearing panel assigned the proceeding under
 4 AS 15.13.025.

5 * **Sec. 48.** AS 24.60.260(a) is amended to read:

6 (a) A person required to make a disclosure under this chapter may not
 7 knowingly make a false or deliberately misleading or incomplete disclosure to the
 8 committee or to the **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 9 COMMISSION]. A person who files a disclosure after a deadline set by this chapter or
 10 by a regulation adopted by the **Public Integrity Commission of** Alaska [PUBLIC
 11 OFFICES COMMISSION] has violated this chapter and may be subject to imposition
 12 of a fine as provided in (c) of this section or AS 24.60.240.

13 * **Sec. 49.** AS 24.60.260(b) is amended to read:

14 (b) A person who violates this section is subject to a proceeding under
 15 AS 24.60.170, in addition to penalties that may be imposed by the **Public Integrity**
 16 **Commission of** Alaska [PUBLIC OFFICES COMMISSION] under AS 24.60.240 and
 17 to the penalty set out in AS 24.60.250.

18 * **Sec. 50.** AS 24.60.990(a)(12) is amended to read:

19 (12) "lobbyist" means a person who is required to register under
 20 AS 24.45.041 and is described under AS 24.45.171, but does not include a volunteer
 21 lobbyist described in AS 24.45.161(a)(1) or a representational lobbyist as defined
 22 under regulations of the **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 23 COMMISSION];

24 * **Sec. 51.** AS 39.25.120(c)(13) is amended to read:

25 (13) the executive director and staff of the **Public Integrity**
 26 **Commission of** Alaska [PUBLIC OFFICES COMMISSION];

27 * **Sec. 52.** AS 39.50.020 is amended to read:

28 **Sec. 39.50.020. Report of financial and business interests.** (a) A public
 29 official other than the governor or the lieutenant governor shall file a statement giving
 30 income sources and business interests, under oath and on penalty of perjury, within 30
 31 days after taking office as a public official. Candidates for state elective office other

1 than a candidate who is subject to AS 24.60 shall file the statement with the director of
 2 elections at the time of filing a declaration of candidacy or a nominating petition or
 3 becoming a candidate by any other means. Candidates for elective municipal office
 4 shall file the statement at the time of filing a nominating petition, declaration of
 5 candidacy, or other required filing for the elective municipal office. Refusal or failure
 6 to file within the time prescribed shall require that the candidate's filing fees, if any,
 7 and filing for office be refused or that a previously accepted filing fee be returned and
 8 the candidate's name removed from the filing records. A statement shall also be filed
 9 by public officials **not** [NO] later than March 15 in each following year. On or before
 10 the 90th day after leaving office, a former public official shall file a final statement
 11 covering any period during the official's service in that office for which the public
 12 official has not already filed a statement. Persons who are members of boards or
 13 commissions not named in AS 39.50.200(b) are not required to file financial
 14 statements.

15 (b) A public official or former public official [OTHER THAN AN ELECTED
 16 OR APPOINTED MUNICIPAL OFFICER] shall file the statement **required under**
 17 **(a) of this section** with the **Public Integrity Commission of** Alaska [PUBLIC
 18 OFFICES COMMISSION]. **A candidate** [CANDIDATES] for the office of governor,
 19 [AND] lieutenant governor, **or** [AND], if the candidate is not subject to AS 24.60, the
 20 legislature shall file the statement under AS 15.25.030 or 15.25.180. **A statement**
 21 [MUNICIPAL OFFICERS, FORMER MUNICIPAL OFFICERS, AND
 22 CANDIDATES FOR ELECTIVE MUNICIPAL OFFICE, SHALL FILE WITH THE
 23 MUNICIPAL CLERK OR OTHER MUNICIPAL OFFICIAL DESIGNATED TO
 24 RECEIVE THEIR FILING FOR OFFICE. ALL STATEMENTS] required to be filed
 25 under this chapter **is a** [ARE] public **record** [RECORDS].

26 * **Sec. 53.** AS 39.50.040(b) is amended to read:

27 (b) For a blind trust to qualify under this section, the following conditions
 28 must be met:

29 (1) the trust may not contain investments or assets in which the
 30 ownership right or interest is required to be recorded in a public office other than with
 31 the **Public Integrity Commission of** Alaska [PUBLIC OFFICES COMMISSION], or

1 contain assets with permanency that makes transfer by the trustee improbable or
2 impractical, including real estate, security interests in personal property, mortgages,
3 and interests in closely held businesses;

4 (2) the trustee shall be a bank, trust company, or other institutional
5 fiduciary;

6 (3) the trustee shall have full authority to manage the trust, including
7 the purchase, sale, and exchange of its assets in accordance with fiduciary principles
8 and, without exception under any circumstances, notwithstanding this section, the
9 prudent investment rule set out in AS 13.36.230 - 13.36.290;

10 (4) the trust instrument shall contain a clear statement that its purpose
11 is to remove from the settlor control and knowledge of investment of trust assets so
12 that conflicts between the settlor's responsibilities and duties as a public official and
13 the settlor's personal or financial interests will be eliminated;

14 (5) during the term of the trust, a settlor or other beneficiary of the
15 trust may not communicate with the trustee except in writing and only regarding (A) a
16 request for a distribution in cash or another unspecified asset of the trust, (B) the
17 general financial requirements regarding distributions from the trust as a whole, (C)
18 direction to the trustee that, because a law, executive order, or regulation prohibits the
19 settlor from holding an asset, the asset may not be held by the trust, (D) direction to
20 the trustee to sell all of an asset initially placed in the trust because the settlor has
21 determined the sale is necessary to avoid a conflict of interest, the appearance of
22 impropriety, or an ethical violation; quarterly the trustee may provide to the settlor a
23 written report of the aggregate market value of the trust's assets and property but may
24 not disclose to the settlor or other beneficiary of the trust, or any other interested party,
25 any information about the identity and nature of any of the assets in the trust, and the
26 trustee shall be required to report any known breach of this confidentiality;

27 (6) the trust shall terminate only upon order of the commission, the
28 death or incompetence of the settlor, the termination of the settlor's status as a public
29 official, or revocation approved in advance by the commission; the trustee shall be
30 required to promptly report any termination of the trust to the commission;

31 (7) the trustee shall prepare the income tax return of the trust and may

1 participate in the audit of the trust's returns with authority to compromise a tax liability
2 of the trust, but may not disclose the return or information related to the return, except,
3 promptly after the close of each taxable year of the trust, the trustee shall provide the
4 settlor with an annual report summarizing information concerning the trust, including
5 net income or loss, expenses, capital gains, and capital losses of the trust, as necessary
6 to enable the settlor to prepare and file tax returns required by law; however, the
7 summary may not directly or indirectly identify a security or other property that is an
8 asset or former asset of the trust;

9 (8) the trustee shall be directed to avoid knowingly making any
10 investment in a corporation, business, or venture over which the settlor is likely to take
11 action by virtue of the settlor's official position;

12 (9) for the duration of the trust, a settlor or other beneficiary may not
13 pledge, mortgage, or otherwise encumber a person's interests in an asset that is part of
14 the trust, the settlor may not retain control over the trustee, and the settlor is not
15 permitted to make any recommendations or suggestions as to the trust property;

16 (10) the trust instrument agreement must provide that the trustee will
17 give the attorney general or personnel board access to any records or information
18 related to the trust that is necessary when investigating or hearing an accusation
19 alleging a violation of AS 39.52;

20 (11) the trustee shall report to the commission the beginning and
21 ending value of the trust, and, if the commission requests, the trustee shall prepare
22 under seal a detailed description of transactions and holdings of the trust; the
23 document prepared by the trustee under seal is not public information unless an
24 accusation under AS 39.52 relevant to the blind trust is filed by the attorney general or
25 the personnel board; and

26 (12) the trust may not become effective until the trust instrument is
27 submitted and approved by the commission.

28 * **Sec. 54.** AS 39.50.050(a) is amended to read:

29 (a) The **Public Integrity Commission of** Alaska [PUBLIC OFFICES
30 COMMISSION] created under AS 15.13.020(a) shall administer the provisions of this
31 chapter. The commission shall prepare and keep available for distribution standardized

1 forms on which the reports required by this chapter shall be filed. The commission
 2 shall print the forms provided under this section so that the front and back of each
 3 page have the same orientation when the page is rotated on the vertical axis of the
 4 page. The commission shall require that the information required under this chapter be
 5 submitted electronically but may, when circumstances warrant an exception, accept
 6 any information required under this chapter that is typed in clear and legible black
 7 typeface or hand-printed in dark ink on paper in a format approved by the commission
 8 or on forms provided by the commission and that is filed with the commission. A
 9 municipal officer for a municipality with a population of less than 15,000 shall submit
 10 information required under this chapter either electronically or typed or hand-printed
 11 in the manner described in this subsection.

12 * **Sec. 55.** AS 39.50.055(c) is amended to read:

13 (c) If a member of the **Public Integrity Commission of** Alaska [PUBLIC
 14 OFFICES COMMISSION] files a complaint, that member of the commission may not
 15 participate in any proceeding of the commission relating to the complaint. **The**
 16 **executive director of the commission shall replace a member of the commission**
 17 **who may not participate in a proceeding under this section with another member**
 18 **who is qualified to serve on the hearing panel assigned the proceeding under**
 19 **AS 15.13.025.**

20 * **Sec. 56.** AS 39.50.200(a)(3) is amended to read:

21 (3) "commission" means the **Public Integrity Commission of** Alaska
 22 [PUBLIC OFFICES COMMISSION] created under AS 15.13.020(a);

23 * **Sec. 57.** AS 39.50.200(b)(8) is amended to read:

24 (8) **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 25 COMMISSION] (AS 15.13.020);

26 * **Sec. 58.** AS 39.52.180(d) is amended to read:

27 (d) An individual who formerly held a position listed in this subsection may
 28 not engage in activity as a lobbyist under AS 24.45 for a period of one year after
 29 leaving that position. This subsection does not prohibit service as a volunteer lobbyist
 30 described in AS 24.45.161(a)(1) or a representational lobbyist as defined under
 31 regulations of the **Public Integrity Commission of** Alaska [PUBLIC OFFICES

1 COMMISSION]. This subsection applies to the position of

2 (1) governor;

3 (2) lieutenant governor;

4 (3) head or deputy head of a principal department in the executive
5 branch;

6 (4) director of a division or legislative liaison within a principal
7 department in the executive branch;

8 (5) legislative liaison, administrative assistant, or other employee of
9 the Office of the Governor or Office of the Lieutenant Governor in a policy-making
10 position;

11 (6) member of a state board or commission that has the authority to
12 adopt regulations, other than a board or commission named in AS 08.01.010;

13 (7) member of the governing board and executive officer of a state
14 public corporation.

15 * **Sec. 59.** AS 39.52.340(a) is amended to read:

16 (a) Except as provided in AS 39.52.335, before the initiation of formal
17 proceedings under AS 39.52.350, the complaint and all other documents and
18 information regarding an investigation conducted under this chapter or obtained by the
19 attorney general during the investigation are confidential and not subject to inspection
20 by the public. In the case of a complaint concerning the governor, lieutenant governor,
21 or attorney general, all meetings of the personnel board concerning the complaint and
22 investigation before the determination of probable cause are closed to the public. If, in
23 the course of an investigation or probable cause determination, the attorney general
24 finds evidence of probable criminal activity, the attorney general shall transmit a
25 statement and factual findings limited to that activity to the appropriate law
26 enforcement agency. If the attorney general finds evidence of a probable violation of
27 AS 15.13, the attorney general shall transmit a statement to that effect and factual
28 findings limited to the probable violation to the **Public Integrity Commission of**
29 **Alaska [PUBLIC OFFICES COMMISSION]**. The attorney general and all persons
30 contacted during the course of an investigation shall maintain confidentiality regarding
31 the existence of the investigation.

1 * **Sec. 60.** AS 43.05.085 is amended to read:

2 **Sec. 43.05.085. List of contributions.** The commissioner shall prepare and
 3 furnish to the **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 4 COMMISSION] by July 1 of each year a list containing the total amount of
 5 contributions received by each candidate and group for which a credit was received by
 6 an individual under AS 43.20.013(a). The commissioner shall also mail a copy of the
 7 list to each of the candidates and groups **that** [WHICH] were recipients of those
 8 credited contributions. The list becomes public information under AS 40.25.110 -
 9 40.25.120 on its delivery to the **Public Integrity Commission of** Alaska [PUBLIC
 10 OFFICES COMMISSION].

11 * **Sec. 61.** AS 44.62.330(a)(20) is amended to read:

12 (20) **Public Integrity Commission of** Alaska [PUBLIC OFFICES
 13 COMMISSION];

14 * **Sec. 62.** AS 45.68.120(a) is amended to read:

15 (a) Registration is not required under AS 45.68.010 for

16 (1) a church or religious organization that is exempt from filing a
 17 federal annual information return under 26 U.S.C. 6033(a)(3)(A)

18 (2) a candidate for national, state, or local office, and a political party
 19 or other committee or group if the candidate, party, committee, or group is required to
 20 file financial information with the **Public Integrity Commission of** Alaska [PUBLIC
 21 OFFICES COMMISSION] under AS 15.13 or with the Federal Election Commission
 22 under 2 U.S.C. 431 - 456 (Federal Election Campaign Act);

23 (3) a charitable organization that does not intend to raise or receive
 24 contributions, excluding government grants, in excess of \$5,000 during a fiscal year of
 25 the charitable organization, or that does not intend to receive contributions from more
 26 than 10 persons during a fiscal year of the charitable organization if, in either
 27 situation,

28 (A) all of the organization's functions, including solicitation,
 29 are performed by persons who are not paid for their services; and

30 (B) an officer or member of the organization is not paid or does
 31 not otherwise receive all or a part of the assets or income of the charitable

1 organization;

2 (4) a person or municipality who has a permit under AS 05.15.100.

3 * **Sec. 63.** AS 15.13.040(k), 15.13.076, 15.13.090(a)(2)(C), and 15.13.090(e) are repealed.

4 * **Sec. 64.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 INITIAL APPOINTMENT OF MEMBERS OF THE PUBLIC INTEGRITY
7 COMMISSION OF ALASKA. (a) Notwithstanding AS 15.13.020, repealed and reenacted by
8 sec. 1 of this Act, and AS 39.05.055, the governor shall appoint the initial members of the
9 Public Integrity Commission of Alaska to serve staggered terms as follows and shall designate
10 the terms to be served by each person appointed:

11 (1) one member from each political party selected under AS 15.13.020(c) and
12 one member selected under AS 15.13.020(d) shall serve for one year;

13 (2) one member from each political party selected under AS 15.13.020(c) and
14 one member selected under AS 15.13.020(d) shall serve for two years; and

15 (3) one member from each political party selected under AS 15.13.020(c) and
16 one member selected under AS 15.13.020(d) shall serve for three years.

17 * **Sec. 65.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 TRANSITION; AFFAIRS OF THE ALASKA PUBLIC OFFICES COMMISSION.
20 Litigation, hearings, investigations, and other proceedings pending under a law amended or
21 repealed by this Act, or in connection with functions transferred by this Act, continue in effect
22 and may be continued and completed notwithstanding a transfer or amendment or repeal
23 provided for in this Act. Orders and regulations issued or adopted under authority of a law
24 amended or repealed by this Act remain in effect for the term issued, or until revoked,
25 vacated, or otherwise modified under the provisions of this Act. Contracts, rights, liabilities,
26 and obligations created by or under a law amended or repealed by this Act, and in effect on
27 the effective date of this Act, remain in effect notwithstanding this Act's taking effect.
28 Records, equipment, appropriations, and other property of the Alaska Public Offices
29 Commission whose functions are transferred under this Act shall be transferred to implement
30 the provisions of this Act.

31 * **Sec. 66.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSITION; MEMBERS OF THE ALASKA PUBLIC OFFICES COMMISSION.

3 The terms of members of the Alaska Public Office Commission serving on the effective date
4 of this Act expire on January 1, 2016. Notwithstanding AS 15.13.020, as repealed and
5 reenacted by sec. 1 of this Act, an individual serving as a member of the Alaska Public
6 Offices Commission on the effective date of sec. 1 of this Act is ineligible to serve as an
7 initial member of the Public Integrity Commission of Alaska, established under
8 AS 15.13.020, as repealed and reenacted by sec. 1 of this Act.

9 * **Sec. 67.** This Act takes effect immediately under AS 01.10.070(c).