

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

February 12, 2015  
8:10 a.m.

**MEMBERS PRESENT**

Representative Bob Lynn, Chair  
Representative Wes Keller, Vice Chair  
Representative David Talerico  
Representative Louise Stutes  
Representative Max Gruenberg  
Representative Jonathan Kreiss-Tomkins

**MEMBERS ABSENT**

Representative Liz Vazquez

**COMMITTEE CALENDAR**

HOUSE BILL NO. 65

"An Act relating to the disclosure of financial information by persons who are subject to the Legislative Ethics Act and by certain public officers, public employees, and candidates for public office."

- MOVED CSHB 65(STA) OUT OF COMMITTEE

HOUSE BILL NO. 68

"An Act relating to the preparation, electronic distribution, and posting of reports by state agencies."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 65

SHORT TITLE: LEG./PUB. OFFICIAL FINANCIAL DISCLOSURE

SPONSOR(S): REPRESENTATIVE(S) HAWKER

01/21/15	(H)	READ THE FIRST TIME - REFERRALS
01/21/15	(H)	STA, JUD
01/27/15	(H)	STA AT 8:00 AM CAPITOL 106
01/27/15	(H)	Heard & Held
01/27/15	(H)	MINUTE(STA)
02/03/15	(H)	STA AT 8:00 AM CAPITOL 106
02/03/15	(H)	<Bill Hearing Canceled>

02/10/15 (H) STA AT 8:00 AM CAPITOL 106  
02/10/15 (H) <Bill Hearing Postponed to 2/12/15>  
02/12/15 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 68

SHORT TITLE: ELECTRONIC DISTRIB. OF REPORTS  
SPONSOR(S): REPRESENTATIVE(S) KREISS-TOMKINS

01/21/15 (H) READ THE FIRST TIME - REFERRALS  
01/21/15 (H) STA, FIN  
02/12/15 (H) STA AT 8:00 AM CAPITOL 106

**WITNESS REGISTER**

REPRESENTATIVE MIKE HAWKER  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HB 65 and explained the changes in Version E.

JULI LUCKY, Staff  
Representative Mike Hawker  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Hawker, prime sponsor, offered information on Amendment 1 to HB 65, Version E.

PAUL DAUPHINAIS, Executive Director  
Alaska Public Offices Commission (APOC)  
Anchorage, Alaska

**POSITION STATEMENT:** During the hearing on HB 65, addressed Amendment 1 to Version E.

**ACTION NARRATIVE**

[8:10:46 AM](#)

**CHAIR BOB LYNN** called the House State Affairs Standing Committee meeting to order at 8:10 a.m. Representatives Keller, Kreiss-Tomkins, Stutes, and Lynn were present at the call to order. Representatives Gruenberg and Talerico arrived as the meeting was in progress.

**HB 65-LEG./PUB. OFFICIAL FINANCIAL DISCLOSURE**

[8:11:21 AM](#)

CHAIR LYNN announced that the first order of business was HOUSE BILL NO. 65, "An Act relating to the disclosure of financial information by persons who are subject to the Legislative Ethics Act and by certain public officers, public employees, and candidates for public office."

[8:12:07 AM](#)

REPRESENTATIVE KELLER moved to adopt the proposed committee substitute (CS) for HB 65, Version 29-LS0070\E, Wayne, 2/5/15, as a work draft. There being no objection, Version E was before the committee.

[8:12:22 AM](#)

REPRESENTATIVE MIKE HAWKER, Alaska State Legislature, as prime sponsor, introduced HB 65 and explained the changes made in Version E. He said Version E incorporated an amendment adopted [during the House State Affairs Standing Committee's meeting on 1/27/15], which revised the filing date to May 15 from April 30. Further, Version E incorporated work the sponsor did with [Representative Keller] in order to add clarity in legislative intent and better direction to the Alaska Public Offices Commission (APOC) in its ability to grant a waiver to filers with large client lists, such as doctors, lawyers, attorneys, accountants, and engineers, so that those filers would not have to disclose the details of the client list when there would be "no enhancement of the public good by that disclosure." He said both his staff and Representative Keller's staff worked with APOC and Legislative Legal and Research Services to come up with language that would be acceptable to everyone.

REPRESENTATIVE KELLER thanked the sponsor.

[8:13:52 AM](#)

REPRESENTATIVE KELLER moved to adopt Amendment 1, labeled 29-LS0070\E.1, Wayne, 2/11/15, which read as follows [original punctuation provided]:

Page 1, following line 4:

Insert a new bill section to read:

**\* Section 1.** AS 15.13.040(m) is amended to read:

(m) Information required under this chapter shall be submitted to the commission electronically, except that the following information may be submitted in clear and legible black typeface or hand-printed in

dark ink on paper in a format approved by the commission or on forms provided by the commission:

(1) information submitted by

(A) a candidate for election to a borough or city office of mayor, membership on a borough assembly, city council, or school board, or any state office, who

(i) meets the requirements of (g)(1) - (3) of this section; or

(ii) does not have reasonable access to the technology necessary to file electronically; in this sub-subparagraph, a candidate is considered not to have reasonable access to the technology necessary to file electronically if the candidate does not own a personal computer or does not have broadband Internet access at the candidate's residence; in this sub-subparagraph, "broadband Internet access" means high-speed Internet access that is always on and that is faster than traditional dial-up access; or

(B) a candidate for municipal office for a municipality with a population of less than 5,000 according to the latest figures of the United States Bureau of the Census or other population data that the Department of Commerce, Community, and Economic Development determines is reliable [15,000]; in this subparagraph, "municipal office" means the office of an elected borough or city

(i) mayor; or

(ii) assembly, council, or school board member;

(2) any information if the commission determines that circumstances warrant an exception to the electronic submission requirement."

Page 1, line 5:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 3, following line 5:

Insert "**(1) as may be allowed by an exemption under AS 39.50.145;**"

Page 3, line 6:

Delete "**(1)**"

Insert "**(2)**"

Page 3, line 7:  
Delete "(2)"  
Insert "(3)"

Page 3, following line 28:  
Insert new bill sections to read:

"\* **Sec. 7.** AS 39.50.050(a) is amended to read:

(a) The Alaska Public Offices Commission created under AS 15.13.020(a) shall administer the provisions of this chapter. The commission shall prepare and keep available for distribution standardized forms on which the reports required by this chapter shall be filed. The commission shall print the forms provided under this section so that the front and back of each page have the same orientation when the page is rotated on the vertical axis of the page. The commission shall require that the information required under this chapter be submitted electronically but may, when circumstances warrant an exception, accept the [ANY] information on paper if the information [REQUIRED UNDER THIS CHAPTER THAT] is typed in clear and legible black typeface or hand-printed in dark ink [ON PAPER] in a format approved by the commission or on forms provided by the commission; however, regardless of the circumstances, a [AND THAT IS FILED WITH THE COMMISSION. A] municipal officer for a municipality with a population of less than 5,000 according to the latest figures of the United States Bureau of the Census or other population data that the Department of Commerce, Community, and Economic Development determines is reliable may [15,000 SHALL] submit the information [REQUIRED UNDER THIS CHAPTER] either electronically or typed or hand-printed in the manner described in this subsection.

\* **Sec. 8.** AS 39.50.145 is repealed and reenacted to read:

**Sec. 39.50.145. Participation by municipalities; exemptions.** (a) The municipal officers of a municipality with a population of less than 1,000 are exempt from the requirements of this chapter unless the municipality elects to subject its municipal officers to the requirements of this chapter. A municipality with a population of less than 1,000 that has elected to subject its municipal officers to the requirements of this chapter may change that election

and exempt its municipal officers from the requirements.

(b) A municipality with a population of 1,000 or more may elect to exempt its municipal officers from the requirements of this chapter. A municipality with a population of 1,000 or more that has elected to exempt its municipal officers from the requirements of this chapter may change that election and subject its municipal officers to the requirements.

(c) The question of election to be subject to, or exempt from, the requirements of this chapter

(1) may be submitted to the voters by the city council or borough assembly by ordinance or by initiative election; and

(2) shall be decided by a majority of the voters voting on the question at a regular election, as defined in AS 29.71.800, or a special municipality-wide election.

(d) If a municipality votes to terminate an exemption, the municipality's municipal officers shall be subject to the requirements of this chapter beginning 30 days after the certification of the election.

(e) Population of a municipality under this section shall be determined based on the latest figures of the United States Bureau of the Census or other population data that the Department of Commerce, Community, and Economic Development determines is reliable."

REPRESENTATIVE STUTES, for the purpose of discussion, objected to the motion to adopt Amendment 1.

[8:14:20 AM](#)

JULI LUCKY, Staff, Representative Mike Hawker, Alaska State Legislature, on behalf of Representative Hawker, prime sponsor, offered information on Amendment 1. She said the sponsor's office had received [recommended language for] Amendment 1 from APOC and had been working on it for about a week. She explained that time was needed to conform Amendment 1 to Version E. In response to Chair Lynn, she confirmed there were "no surprises" in Amendment 1.

[8:15:30 AM](#)

PAUL DAUPHINAIS, Executive Director, Alaska Public Offices Commission (APOC), stated that Amendment 1 would do two things:

mandate that municipalities with populations of 5,000 or more file electronically; and exempt those municipalities with a population of less than 1,000. He said the change would bring the campaign disclosure statutes into alignment with the public official financial disclosure statutes, as well as take a burden off of smaller municipalities.

REPRESENTATIVE HAWKER, in response to Chair Lynn, said he was happy to accommodate APOC's request for Amendment 1.

[8:18:52 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked for clarification on the changes that would be made under Amendment 1.

MR. DAUPHINAIS said subject to other statutes related to electronic reporting, those municipalities of over 5,000 would file electronically and would no longer have to keep their paper files or send them to APOC. Communities smaller than 5,000 would have the option to file electronically or on paper. He stated, "My understanding when this was initially passed some time ago, was that smaller communities have ... more difficulty with Internet access, so there's a larger exception for those communities under 5,000."

REPRESENTATIVE KREISS-TOMKINS asked then if it would be accurate to say that [under Amendment 1], communities of less than 5,000 would be allowed to file electronically as larger than 5,000 communities do.

MR. DAUPHINAIS answered yes, but reiterated that those smaller communities could also choose paper filing.

REPRESENTATIVE KREISS-TOMKINS asked Mr. Dauphinais to clarify that those communities larger than 5,000 already had the ability to file electronically, but under Amendment 1 would be required to do so.

MR. DAUPHINAIS answered that is correct.

[8:21:40 AM](#)

MS. LUCKY offered that a simple way to view the changes under Amendment 1 was that communities under 1,000 would be totally exempt from reporting requirements, but could opt back in.

MR. DAUPHINAIS interjected, "I thought I heard 5,000 as the population, not 1,000."

MS. LUCKY continued by stating that under Amendment 1 there would basically be no change for communities with populations between 1,000 and 5,000; those over 5,000 would be required to file electronically unless they need another exemption in statute.

[8:22:44 AM](#)

REPRESENTATIVE KREISS-TOMKINS remarked that it seemed perfectly reasonable to take away the option of paper filing from communities with populations between 5,000 and 15,000, if that is what those communities want and asked whether that is the intent of the amendment,

MS. LUCKY deferred to Mr. Dauphinais for questions regarding the intent of the amendment, but said she could speak to the mechanics of it. Notwithstanding that, she opined that communities with populations between 5,000 and 15,000 brought this concern to APOC.

[8:23:57 AM](#)

MR. DAUPHINAIS confirmed Ms. Lucky was correct. He continued as follows:

There are also opportunities for those communities, if it is too difficult to file electronically, they can file with paper, but this place is more of a requirement to report electronically on those communities between 15,000 and 5,000. As Ms. Lucky stated, communities under 5,000 to 1,000, nothing's really changed for them.

REPRESENTATIVE HAWKER clarified that he was comfortable with Amendment 1 in that Mr. Dauphinais advised him the communities that would be affected had requested the change.

REPRESENTATIVE KREISS-TOMKINS said the explanations that had been provided made him comfortable with Amendment 1.

[8:25:16 AM](#)

CHAIR LYNN, after ascertaining no one further wished to testify, closed public testimony.

[8:25:24 AM](#)

REPRESENTATIVE STUTES removed her objection to the motion to adopt Amendment 1. There being no further objection, Amendment 1 was adopted.

[8:25:43 AM](#)

REPRESENTATIVE KELLER moved to report CSHB 65, Version 29-LS0070\E, Wayne, 2/5/15, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 65(STA) was reported out of the House State Affairs Standing Committee.

[8:26:13 AM](#)

The committee took an at-ease from 8:26 a.m. to 8:28 a.m.

**HB 68-ELECTRONIC DISTRIB. OF REPORTS**

[8:28:19 AM](#)

CHAIR LYNN announced that the final order of business was HOUSE BILL NO. 68, "An Act relating to the preparation, electronic distribution, and posting of reports by state agencies."

[8:28:31 AM](#)

REPRESENTATIVE KREISS-TOMKINS, as prime sponsor, introduced HB 68 and said the proposed legislation sought to save the state money and create a more efficient process of distribution and dissemination of [state-mandated reports]. He said similar legislation was introduced during the Twenty-Eighth Legislative Session that contained some controversial provisions. He said HB 68 focuses on simple electronic distribution language. He indicated that recent discussions with Representative Keller brought him to consider changes to the proposed legislation; however, he expressed his hope that today's hearing could serve as an opportunity to introduce the legislation, and a committee substitute could be introduced another day.

CHAIR LYNN requested a brief overview of HB 68.

REPRESENTATIVE KREISS-TOMKINS said when the legislature creates state agencies, task forces, commissions, and other entities, it often mandates that those entities produce reports. For

example, he explained, reports are generated to all legislative offices, the Office of the Governor, and the Alaska State Library, and often hundreds of those reports end up in the trash or the recycling bin. He noted the cost of each report is sometimes in excess of \$10 to \$20.

[8:31:12 AM](#)

CHAIR LYNN pointed out there may be small communities that cannot access electronically produced reports, and asked whether that was a concern of the sponsor.

REPRESENTATIVE KREISS-TOMKINS responded there is a provision in the proposed legislation allowing such communities to opt to receive hard copies of reports.

REPRESENTATIVE KELLER opined that HB 68 was a great idea, and he thanked the sponsor for bring it forward and for considering incorporating some new ideas into a committee substitute.

REPRESENTATIVE KREISS-TOMKINS, in response to Chair Lynn, said he would be working with Representative Keller on a committee substitute that would be available soon. In response to a follow-up question, he said one change that could be anticipated in the committee substitute would be to have a requirement for notification regarding any subsequent changes made to reports. He explained that would prevent reports from being changed on line without any record or documentation of those changes. He said he would be consulting with the Office of the Lieutenant Governor on the matter. He related the second proposed change in the upcoming committee substitute would be a provision to ensure anyone needing a hard copy of a report would not be "whacked with a fifty dollar bill" from the State Library system for printing it out. Further, he said the committee substitute would propose a fair means of ensuring that people could access whatever documents they wanted from the Alaska State Library.

[8:34:45 AM](#)

CHAIR LYNN asked whether the committee substitute would be ready soon.

REPRESENTATIVE KREISS-TOMKINS answered that he thought so. He said he first needed to converse with representatives from the Alaska State Library regarding printed copy requests, as well as work with Representative Keller on the aforementioned revisions.

CHAIR LYNN announced he would keep public testimony open.

CHAIR LYNN announced that HB 68 was held over.

[8:36:43 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 8:37 a.m.