

ALASKA STATE LEGISLATURE
SENATE JUDICIARY STANDING COMMITTEE

March 20, 2019

1:32 p.m.

MEMBERS PRESENT

Senator Shelley Hughes, Chair
Senator Lora Reinbold, Vice Chair
Senator Mike Shower
Senator Peter Micciche
Senator Jesse Kiehl

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 89

"An Act relating to the Legislative Ethics Act; and providing for an effective date."

- MOVED CSSB 89(JUD) OUT OF COMMITTEE

SENATE BILL NO. 34

"An Act relating to probation; relating to a program allowing probationers to earn credits for complying with the conditions of probation; relating to early termination of probation; relating to parole; relating to a program allowing parolees to earn credits for complying with the conditions of parole; relating to early termination of parole; relating to eligibility for discretionary parole; relating to good time; and providing for an effective date."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SB 89

SHORT TITLE: LEGISLATURE: ETHICS, CONFLICTS

SPONSOR(S): RULES

03/13/19	(S)	READ THE FIRST TIME - REFERRALS
03/13/19	(S)	JUD

03/18/19 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)
03/18/19 (S) Heard & Held
03/18/19 (S) MINUTE(JUD)
03/20/19 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR JOHN COGHILL
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of SB 89.

CHAD HUTCHISON, Staff
Senator John Coghill
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the discussion of SB 89, on behalf of the sponsor, Senator John Coghill.

DAN WAYNE, Legislative Legal Counsel
Legislative Legal Services
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Answered questions during the discussion of SB 89.

ACTION NARRATIVE

[1:32:02 PM](#)

CHAIR SHELLEY HUGHES called the Senate Judiciary Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Reinbold, Kiehl, Shower, Micciche and Chair Hughes.

SB 89-LEGISLATURE: ETHICS, CONFLICTS

[1:32:37 PM](#)

CHAIR HUGHES announced that the only order of business would be SENATE BILL NO. 89, "An Act relating to the Legislative Ethics Act; and providing for an effective date."

[1:33:10 PM](#)

SENATOR KIEHL moved to adopt Amendment 1, work order, 31-LS0209\U.2, Wayne, 3/19/19.

AMENDMENT 1

OFFERED IN THE SENATE
TO: SB 89

BY SENATOR KIEHL

Page 2, lines 16 - 19:

Delete "may not vote [SHALL DECLARE A CONFLICT OF INTEREST BEFORE VOTING] on a question [BEFORE A COMMITTEE OF THE LEGISLATURE, AND SHALL REQUEST TO BE EXCUSED FROM VOTING ON A QUESTION BEFORE A HOUSE OF THE LEGISLATURE,]"

Insert "shall declare a conflict of interest before voting on a question before a committee of the legislature, and shall request to be excused from voting on a question before a house of the legislature,"

CHAIR HUGHES objected for discussion purposes.

SENATOR KIEHL explained that Amendment 1 would maintain disclosures of conflicts of interest in committee. It would not change the effect of the bill with respect to how a conflict of interest is handled on the floor. This would add back the need to disclose any conflict of interest before voting on a question in committee.

[1:33:53 PM](#)

SENATOR SHOWER asked whether the sponsor could speak to Amendment 1.

[1:34:38 PM](#)

SENATOR JOHN COGHILL, Alaska State Legislature, Juneau, speaking as sponsor of SB 89, said that this issue arose at an earlier meeting, when the bill was introduced. At the time, he was [neutral] to the concept. The language in Amendment 1 is a reasonable approach, he said. However, if Amendment 1 were to be amended by the two additional pending amendments, the bill would be rendered unreasonable. He said that Amendment 1 would not harm SB 89 since it would add one additional layer to the conflict declarations. The declarations [of conflicts of interest] in SB 89 are fairly narrow and clear. He suggested that adding additional language that would broaden it would become a problem.

[1:35:28 PM](#)

SENATOR SHOWER related his understanding that Amendment 1 would not change the intent of SB 89 or create unintended consequences.

SENATOR COGHILL answered yes, that Amendment 1 would still require members to declare any conflict of interest, but it would be subject to the Uniform Rules. This means a committee member could object, but the objection could be overruled. It would put the committee in the position of determining whether a real conflict exists, which is appropriate.

[1:36:31 PM](#)

CHAD HUTCHISON, Staff, Senator Jack Coghill, Alaska State Legislature, Juneau, stated said that one of the questions the sponsor has posed is whether it would have any effect as it would broaden the scope of the overall legislative ethics statutes.

[1:36:52 PM](#)

CHAIR HUGHES asked whether [Amendment 1] would bleed over and result in unintended consequences and restrictive interpretation.

[1:37:12 PM](#)

DAN WAYNE, Legislative Legal Counsel, Legislative Legal Services, Legislative Affairs Agency, Juneau, asked for further clarification that she is referring to Amendment 1, work order [31-LS0209\U.2], referred to as U.2.

CHAIR HUGHES agreed that is correct.

MR. WAYNE said that Amendment 1 does not have any effect outside of the specific section being amended. It would add the requirement that members declare a conflict of interest before voting on a question before a committee.

CHAIR HUGHES said she was glad the record will reflect his opinion. It is very helpful and reassuring to know. She acknowledged that many members have gotten into the habit of [declaring a conflict of interest.]

[1:38:20 PM](#)

SENATOR MICCICHE said this raises an issue with legislative ethics. He said that he has been involved in several key industries in the state. He has always declared a perceived conflict of interest [on the floor] because he wants his constituents to know he is a fisherman and that he has been

involved in the oil and gas industry. He acknowledged the perception he could have a conflict exists. However, he has obtained a ruling from the joint Select Committee on Legislative Ethics on whether it is one. He has never had a conflict of interest.

He pointed out that Amendment 1 relates to declaring a conflict of interest if a legislator has an "actual" conflict, which is in accordance with SB 89. A legislator must declare a conflict of interest if legislation will affect a legislator differently than a substantial class of persons to which the legislator belongs. He said that legislators also need to think for themselves, as many have already done, by listing a perceived conflict, which this does not require. However, this would be on a limited case, just as it is on the floor. He said that legislators often get challenged because they or their relatives have jobs. However, nothing in Amendment 1 will clarify the issue, nor did House Bill 44. It is the responsibility of each legislator to identify any perceived conflicts when talking to his/her constituents. He said he would be doing this anyway.

MR. WAYNE advised members that outside noises are obscuring the audio and he cannot hear the committee discussion.

CHAIR HUGHES thanked him.

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SENATOR MICCICHE continued. He said he does not oppose Amendment 1 since this is what he would do anyway, so he thought the amendment was fine. He said further discussion needs to address [identifying real conflict of interests].

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SENATOR COGHILL voiced agreement with Amendment 1. He acknowledged that Senator Micciche has identified the practical problem of how to describe a "real" conflict of interest and a political problem on the political conflicts. Those sometimes cross over, he said. He said that when someone obtains a benefit that is unusual to anyone else, legislators should allow the legislator to declare a conflict of interest [and abstain from voting]. He pointed out that senators have 32,000 constituents who rely on their senators to represent them, so a tension exists. The conflict must be a "real" conflict of interest, which has not occurred to date, but political issues have often arisen [related to conflicts of interest issue].

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SENATOR KIEHL said he appreciated the comments.

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CHAIR HUGHES removed her objection. There being no further objection, Amendment 1 was adopted.

[1:42:15 PM](#)

SENATOR KIEHL moved [Conceptual] Amendment 2.

CONCEPTUAL AMENDMENT 2

Sec. 2.

Page 2, Line 19: Insert after "if the legislator" ", the legislator's spouse or domestic partner, the legislator's dependent children, or the legislator's nondependent children who are living with the legislator"

Page 2, Line 24: Insert after "the legislator": ", the legislator's spouse or domestic partner, the legislator's dependent children, or the legislator's nondependent children who are living with the legislator"

CHAIR HUGHES objected for discussion purposes.

SENATOR KIEHL explained that Conceptual Amendment 2 relates to when a legislator must disclose any conflict of interest. This would essentially split the difference between SB 89, as introduced, and the current law. [Conceptual] Amendment 2 would require members to disclose any income that would affect a legislator differently than "a substantial class of persons to which the legislator belongs." In fact, it extends beyond what would benefit the legislator, to the legislator's spouse or domestic partner, dependent children, or nondependent children living with the legislator. This language is modeled after the language used for public official financial disclosures, he said. It is not as broad as [current law] under House Bill 44 since it would only relate to one's immediate family. This would pertain to those public officials on the March 15 financial disclosure. If they received an unusual benefit, greater than "a substantial class of persons to which the legislator belongs", it would need to be disclosed.

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SENATOR COGHILL responded that he opposes [Conceptual] Amendment 2. He said it is a worthy discussion. However, he clarified the difference between a financial disclosure for public comment and an ethics declaration. He said that [the financial aspects of a person] are disclosed by the person but under the ethics law, violations are made by accusation and legislators must defend themselves. He said that one of the reasons to revert to the original language for the ethics law is because [House Bill 44 law] created ambiguity and uncertainty [since it extended to family members]. This would tighten it, but still would create ambiguity. He said he preferred a cleaner approach and revert to [the pre-House Bill 44 law] that has worked well.

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MR. HUTCHINSON agreed that [Conceptual] Amendment 2 is not as broad as House Bill 44 law, but it is still broad by a constitutional analysis and the constitutional duties of the legislative branch to fully implement the will of the people. He said it is not truly the least restrictive alternative, because that language exists in pre-House Bill 44 law. He concluded that [Conceptual] Amendment 2 is still too broad.

[1:46:02 PM](#)

SENATOR SHOWER asked for further clarification on the "least restrictive alternative."

MR. HUTCHINSON said that the "least restrictive alternative" refers to the fundamental rights that the sponsor talked about at the last meeting during the presentation before the committee. He referred to the Constitution of the State of Alaska, Article II, which outlines representation and the legislative duties. Further, the fundamental rights established under the first amendment [Section 5] include free speech, [Section 6], the right to assemble, and to petition the government. If the government is going to restrict those rights it must be necessary to a compelling state interest and be narrowly tailored to be the "least restrictive alternative," he said.

He explained that SB 89 relates to representation in Article II and the scope of conflict is being expanded. For example, he said he has a domestic partner, as do others, who might not know the financial aspects of their domestic partners. He agreed that [Conceptual] Amendment 2 is less broad than House Bill 44 law, but it is still broad enough that it cannot be reasonably considered the "least restrictive alternative."

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CHAIR HUGHES said she has an adult [male] child not living with her. She said that if he did live with her, she would be very concerned about running afoul of this language. She acknowledged she could get information for the March 15 financial disclosure requirement. However, she would not be aware of his financial dealings throughout the year, which could result in an unknown conflict of interest for her. She said some spouses share bank accounts and some do not. Further, legislators are the ones who are elected to office, not their family members. She expressed concern about spreading the conflict of interest to the remainder of her family.

1:48:48 PM

SENATOR SHOWER offered his belief that the net being cast by [Conceptual] Amendment 2 was very large. He echoed the previous comment that legislators are the ones who run for office, not their spouses and children. He said his occupations have been in the military and commercial airlines, so he is neutral. However, he expressed concern that the ethics law is being broadened so much that it makes it difficult for legislators to do their jobs. For example, a crime bill was referred to the Senate State Affairs Standing Committee, which he chairs, because Chair Hughes had a perceived conflict of interest due to her spouse's occupation. This increased his committee workload, he said. Therefore, since the "net" is still too broad, he opposes [Conceptual] Amendment 2. He said it needs to be narrowly tailored. The record should reflect that the legislators the people elected are not able to do their jobs because of the current ethics law.

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SENATOR MICCICHE said he does not support [Conceptual] Amendment 2. He acknowledged that he and his wife have the same financial interests and investments. If his wife were to start a business, he would take that into account when he declares a conflict of interest. He offered his belief that conflicts of interest are adequately covered in the original bill. He pointed out the reason for the annual financial disclosure is to report everything related to your spouse and dependent children and non-dependent children living in the household. This provides transparency in case any potential conflict arises. However, when legislators are performing their jobs on legislation, it should directly affect the legislator greater than "a substantial class of persons to which the legislator belongs".

He said he thinks [Conceptual] Amendment 2 is redundant, so he does not support it.

[1:52:35 PM](#)

SENATOR KIEHL said this conversation is awkward because he is discussing the matter with five people that he believes are honest and ethical people. However, the committee must contemplate that one of their colleagues could potentially not be ethical. In fact, ethics laws provide an avenue for complaints to protect the public from the rare individual who does not share the committee members' values. He explained that [Conceptual] Amendment 2 is about disclosure in committee and voting on the floor. He said the financial disclosure covers information provided to the public, but the ethics law covers legislators' behavior. He said that these disclosures serve different purposes. While the information on financial disclosure exists, it is only updated annually, and it does not cover legislators' behavior. [Conceptual] Amendment 2 contemplates the unfortunate possibility of someone who would act in a manner to benefit his/her household more than other Alaskans. He clarified that if he were to take an action that would benefit his wife, it would benefit his household even if their accounts were kept separate. He maintained his belief that it is important to consider the immediate household as described in [Conceptual] Amendment 2.

CHAIR HUGHES maintained her objection.

[1:55:23 PM](#)

SENATOR MICCICHE said that if the effect on him constituted a substantial [gain], above a class of persons, it would be a conflict. If a family member's interest was substantial, he would declare a conflict of interest. He maintained that [Conceptual] Amendment 2 was redundant.

[1:56:29 PM](#)

SENATOR KIEHL offered his belief that [Conceptual] Amendment 2 provides an added step and not a redundancy. He related a scenario to illustrate his point.

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CHAIR HUGHES maintained her objection.

[1:57:43 PM](#)

A roll call vote was taken. Senator Kiehl voted in favor of [Conceptual] Amendment 2 and Senators Micciche, Reinbold,

Shower, and Hughes voted against it. Therefore, [Conceptual] Amendment 2 failed by a 1:4 vote.

[1:58:08 PM](#)

SENATOR KIEHL moved to adopt [Conceptual] Amendment 3:

[CONCEPTUAL] AMENDMENT 3

Page 2, line 19, delete: "if the legislator"
Insert "if action on the question"

Replace the "equity or ownership interest" language on page 2, lines 20-25 with:

"could affect the legislator by a financial loss or gain that is \$1000 or more and greater than the resulting financial loss or gain by a substantial class of persons to which the legislator belongs as a member of a profession, occupation, industry, or region."

CHAIR HUGHES objected for discussion purposes.

SENATOR KIEHL explained that [Conceptual] Amendment 3 would cover a broader scope of income than the bill as introduced. He said that it keeps the "substantial class of persons" language rather than House Bill 44's general public language. This would provide more than the equity or ownership interest and includes financial loss or gain of \$1,000 or more. It also would include salary or participation in a program in which the legislator does not have an ownership stake, so it would address any instance that provides money to the legislator. He said he is open to changing the \$1,000 threshold, since the ethics committee traditionally uses the gift limit of \$250 when a specific limit is not listed. He said that he wanted it broader than the gift limit, which seemed low.

[2:00:15 PM](#)

SENATOR COGHILL spoke against [Conceptual] Amendment 3. He suggested that the sponsor of [Conceptual] Amendment 3 appears to attempt to identify a substantial loss or gain, and he is right that currently a \$250 limit on gifts exists. However, this bill relates to financial interests, so \$1,000 limit would be extremely limiting and would result in declarations of [perceived] conflicts of interest in every matter coming before the legislature over \$1,000.

He was unsure of how it would be interpreted. It would add additional complexity on how it might affect the eight different areas of ethics law related to conflicts of interest. He acknowledged that he met with the sponsor of [Conceptual] Amendment 3 and expressed his opposition to [Conceptual] Amendment 3. He said the language seemed more restrictive than a substantial interest in a business or investment. He offered his belief that placing a \$1,000 limit would be [detrimental].

[2:01:58 PM](#)

MR. HUTCHINSON highlighted that from a constitutional perspective, [Conceptual] Amendment 3 still has Article II problems, and that it would broaden the scope of potential conflicts. Further, the "least restrictive alternative" provision and inflation would erode the \$1,000 figure. At the time House Bill 44 was adopted, research indicated that only a few states have monetary amounts. He recalled that Michigan and Texas both have \$25,000, whereas the limit in [Conceptual] Amendment 3 is \$1,000.

SENATOR MICCICHE said he does not support [Conceptual] Amendment 3 because it actually justifies some gain and there should not be any gain. He would ask to be excused from voting if his interest was different than a substantial class of persons, whether it was a loss or a gain, and the amount does not matter. [Conceptual] Amendment 3 almost justifies a difference from the substantial class of persons standard in the bill. He emphasized that "a conflict is a conflict."

[2:04:26 PM](#)

SENATOR REINBOLD referred to the language, "\$1000 or more and greater than the resulting financial loss or gain by a substantial class of persons to which the legislator belongs." However, under House Bill 44, members must still vote on the budget. It prevented members from declaring a conflict and not voting on the budget, [yet a conflict of interest could exist]. For example, a legislator could be a teacher and gain from geographical difference pay, as well as a cost of living adjustment (COLA), merit increase, or step increase in his or her union contracts. She was even unsure how it would affect spousal travel to conferences. She pointed out that sometimes Native corporations also benefit. She said that [Conceptual] Amendment 3 would result in micromanagement. Further, she had no idea what her children invest in. She emphasized the importance of ethics laws, but she opposes [Conceptual] Amendment 3.

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SENATOR SHOWER said he is neutral. He said the rules are black or white, it is either right or wrong, and people are either ethical or not. He agreed that people should behave ethically, but sometimes people behave poorly. He asked for further clarification on the impact of removing the \$1,000.

[2:07:40 PM](#)

SENATOR COGHILL referred to the actual language [of [Conceptual Amendment 3]].

Insert "if action on the question"

Replace the "equity or ownership interest" language on page 2, lines 20-25 with:

"could affect the legislator by a financial loss or gain that is \$1000 or more and greater than the resulting financial loss or gain by a substantial class of persons to which the legislator belongs as a member of a profession, occupation, industry, or region."

He reviewed the language in [Conceptual] Amendment 3. He offered his belief that actions by a "bad actor" would need to be run throughout the new formulation. He pointed out that the language [in SB 89] requires legislators to declare a conflict of interest for any gain or loss. He offered his belief that changing one thing in the ethics law will ripple through it. Further, ambiguity already exists on the definition of "substantial benefit" and he was unsure of the impact of [Conceptual] Amendment 3. The legislature's goal is to penetrate the cloud created by ambiguous language [in House Bill 44 law]. He said that he appreciates this conversation. He said he serves on the Select Committee on Legislative Ethics and that committee examines every word. He emphasized that SB 89 will hold legislators to an appropriate standard. However, he was unsure if [Conceptual] Amendment 3 would add elements that may adversely impact the overall bill.

[2:09:54 PM](#)

SENATOR SHOWER said he is not often comfortable with intent language. He said that [Conceptual] Amendment 3 would create uncertainty and the potential for unintended consequences, which is what happened under House Bill 44 law.

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CHAIR HUGHES commented that high school jobs, including earnings from babysitting, could potentially fall under that low number. She expressed concern about the language "loss and gain." She currently has declared a conflict of interest since her husband is in the health care industry. Although she could have a conflict of interest by voting for a bill that could result in a financial loss for her husband, she would also want to support measures that reduce health care cost. She believes health care costs are too high in Alaska, she said. She highlighted that legislators are "hit from both sides" with these competing conflicts. It gives her an aversion to "loss and gain" since she has seen how "harm and benefit" has played out [in House Bill 44 law]. Therefore, she will not support [Conceptual] Amendment 3.

[2:12:11 PM](#)

SENATOR KIEHL said that he is amendable to removing the \$1,000 from [Conceptual] Amendment 3 since his goal is not to create uncertainty. However, the language in SB 89 does not apply to salary unless the legislator owns the business, since it is not an equity or ownership stake. Therefore, a legislator who might stand to benefit or incur a loss is not covered by this language. He pointed out that public benefit programs have variable value and legislators would not be covered since they do not have an equity or ownership interest in those programs. He agreed that gaps exist, but the goal is to ensure that conflicts of interest are captured related to any legislation. Further, the "substantial class of persons" language is important. He acknowledged that Senator Reinbold is correct that [Conceptual] Amendment 3 would not apply to someone voting on a budget bill. Thus far, he has not been able to find a solution to address budget bills. He signaled he would be amendable to an amendment to remove the \$1,000. However, it is important to ensure that the legislature address potential conflicts, in a real sense, keeping the "bad actor" in mind.

[2:15:14 PM](#)

CHAIR HUGHES said this is a good conversation. She said the sponsor indicated that every word matters, which is her concern. She further expressed concern that this was being done "on the fly" and salaries could be something the Select Committee on Legislative Ethics may wish to consider.

CHAIR HUGHES maintained her objection.

[2:16:11 PM](#)

SENATOR MICCICHE asked to correct a misstatement for the record. He referred to [page 2, lines 19-20] of SB 89. The comma after "lease, or other enterprise if the interest is substantial" separates "an equity or ownership interest," in his view. These are two different minor sections and legislators' salaries are affected and always have been. This is why the language "benefit or loss" is important, he said. He emphasized that if unethical legislators would let their decisions be influenced by the fact that they might get a demotion from the industry in which they work, they could change the way they would vote. The legislature has always interpreted that if a vote could potentially affect a legislator's salary, that if the legislator was the only one in the pool or if it affected the individual legislator differently than other members in the pool, it would be a conflict of interest.

He referred to page 2, line [19], and read "... has an equity or ownership [A FINANCIAL] interest in a business, investment, real property, lease, or other enterprise if the interest is substantial ...". He emphasized that the legislature has interpreted this language to include employment, otherwise, legislators would not declare potential or real conflicts. He said that language specifically limits it to a contract that the legislator was being offered. He concluded that the legislature has plenty of precedent and [conflict of interest] certainly should include a legislator's job.

[2:18:33 PM](#)

CHAIR HUGHES asked if the language "other enterprise" would capture everything else.

SENATOR MICCICHE responded that was his view.

[2:19:24 PM](#)

MR. WAYNE said he was not aware of an ethics opinion that treats "other enterprise" to include salary. Although it could be interpreted that way, it might be a little bit of a stretch. He said [the language] is not very clear.

[2:20:08 PM](#)

CHAIR HUGHES said that adding that there has been precedent set over the years with legislators standing up and declaring a potential conflict of interest with regard to salaries. She asked whether precedent would affect it.

MR. WAYNE said if she is speaking of declarations of conflict of interest on the floor, that he cannot speak to what is in the

minds of people making those declarations. There has never been an instance in which someone has been allowed to abstain from voting after declaring a conflict of interest under the old rule [pre-House Bill 44 law], he said.

SENATOR MICCICHE offered his belief that whether legislators are allowed to abstain is irrelevant. Instead, what is relevant is that legislators who held jobs or invested in industries outside of the legislature stood up every time to declare a conflict of interest due to the salary aspect. He maintained that action created precedent. He interpreted the phrase, "or other enterprise" to mean that if any legislator has an enterprise which is affected outside a substantial class of persons, the legislator has a conflict of interest and it should be declared. The legislator should ask to be excused from voting, he said. He acknowledged that in his six years serving in the legislature, he has not seen someone be allowed to abstain from voting. However, he also has not seen any instance in which a person had a contract that affected them differently than others. If he was aware of any instance in which a member received a direct benefit that members of a substantial class or other Alaskans were not receiving, he would stand up and identify the conflict. Although he does not have a contract test case to cite, he imagined that the person would be allowed to abstain from voting.

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SENATOR REINBOLD said she will vote no on [Conceptual] Amendment 3. She related a scenario, such that if the [state built] a trail around her house that increased the value of her home, it would impact her. She illustrated a number of scenarios, including parks and recreational or grant funding for nonprofits. She questioned whether she would need to declare a conflict or vote against this funding since it might affect her or her spouse.

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CHAIR HUGHES turned to grammar to better understand the effect. She referred to line 21 of SB 89, which read, "interest in a business, investment, real property lease, or other enterprise if the interest is substantial ..." She said it repeats the word, "interest" so it is separate. It is not an equity ownership in another enterprise, she said. She maintained that the bill covers some of the things the sponsor of [Conceptual] Amendment 3 intended.

SENATOR KIEHL acknowledged that grammar is important. He referred to the language, that the second "interest" is part of a subjunctive clause "if the interest" which is descriptive. It is not a separate "interest." If one reviews what SB 89 would do without [Conceptual] Amendment 3, the sentence would have to read without the preliminary clause "of equity and ownership interest." It would need to read, "a legislator may not vote on a question if the legislature has other enterprise, if the interest is substantial." He said that does not make sense and would be an ungrammatical interpretation. He acknowledged that the bill has [other committee referrals] and the committee has held the substantive discussion. He believes pretty strongly, supported by an answer from legislative legal counsel that as written it does not cover salary. He offered his belief that [Conceptual] Amendment 3 will address this, even if it has the same threshold as disclosures. It would still be based on a substantial class. He maintained his support for [Conceptual] Amendment 3.

[2:27:02 PM](#)

CHAIR HUGHES clarified that grammatically the language would read, "if the legislature has an enterprise if the interest is substantial." She maintained her objection.

[2:27:25 PM](#)

A roll call vote was taken. Senator Kiehl voted in favor of [Conceptual] Amendment 3 and Senators Micciche, Reinbold, Shower, and Hughes voted against it. Therefore, [Conceptual] Amendment 3 failed by a 1:4 vote.

[2:27:51 PM](#)

SENATOR MICCICHE offered his belief that he did not hear any resolve from legislative legal counsel on whether salary is included. He said he heard that "it would be a stretch." He reminded people that ethics laws affect the ethical, generally ethical, and nearly ethical, but do not affect the unethical. Any legislator that had ethical issues looked ethical on paper. It was outside of the reporting and ethics laws where illegal and unethical activities occurred. This committee is trying to change the ethics law, so that it is functional. This bill would allow legislators to remain ethical yet allow them to work as legislators and represent their constituents. He said he has worked in the oil and gas and fishing industries, but he represents a district of people in the oil and gas industry and the fishing industry. That is how it works in state government, he said. He said that the United States is a representative form of government, so miners from western states represent mining

districts. Alaska is comprised of legislators who work in a multitude of industries, as fishermen, as teachers, in the oil and gas industry, along with many others. He hoped legislators understand the various industries in Alaska [because they have expertise in them], but that they do not benefit from their actions. He characterized it as a good balance. He said that locks on doors are for those who are honest and not for criminals, since criminals can find a way in anyway. He said he thought that was a way to consider this.

[2:30:10 PM](#)

SENATOR KIEHL stated the committee spent all its time on Section 2 of SB 89. He said that Section 1 would fix the official action of House Bill 44 law. He agrees with the sponsor that that law went too far and made it difficult for legislators to do their jobs. He offered his belief that Section 2 dials back too far some of the reforms in House Bill 44 law. He also agreed it is difficult to catch the unethical. He said he will not object to moving the bill, but he was unsure he could ultimately support it.

SENATOR REINBOLD moved to report SB 89, work order 31-LS0209\U, as amended, from committee with individual recommendations and attached zero fiscal note.

There being no objection, the CSSB 89(JUD) was reported from the Senate Judiciary Standing Committee.

[2:32:53 PM](#)

CHAIR HUGHES stated that the committee gives Legislative Legal Services, Legislative Affairs Agency, the ability to make any conforming changes. She reviewed upcoming committee announcements.

[2:33:09 PM](#)

There being no further business to come before the committee, Chair Hughes adjourned the Senate Judiciary Standing Committee meeting at 2:33 p.m.