

1 IN THE HOUSE

BY MR. CASHEL

2 HOUSE BILL NO. 423

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to prohibit certain officer of the  
7 state or political subdivisions thereof  
8 from having an interest in public contracts;  
9 providing penalties for violations; and pro-  
10 viding for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 Section 1. INTEREST IN CONTRACTS, SALES, AND PURCHASES. No  
13 legislative, executive or judicial officer of the state or a  
14 borough may have an interest in any contract made by him in his  
15 official capacity or by any board or body of which he is a member  
16 except as he may compete for a contract and acquire an interest  
17 in a contract through competitive bidding. No legislative,  
18 executive, or judicial officer of the state or a borough may be a  
19 purchaser at any sale made by him in his official capacity ex-  
20 cept when the item to be sold has been thoroughly advertised and  
21 is surplus or obsolete to the state or borough, nor may he be a  
22 vendor at any purchase made by him in his official capacity.

23 Sec. 2. REIMBURSEMENT FOR EXPENSES. An officer shall not  
24 be deemed to be interested in a contract if his interest is that  
25 of an officer in being reimbursed for his actual and necessary  
26 expenses incurred in the performance of official duty.

27 Sec. 3. AVOIDANCE OF CONTRACTS. Any contract made in viola-  
28 tion of any of the provisions of Section 1 of this Act may be  
29 voided at the instance of any party except the officer interested

1 therein. No such contract may be voided because of the interest  
2 of an officer therein unless such contract is made in the official  
3 capacity of such officer, or by a board or body of which he is a  
4 member.

5 Sec. 4. WARRANTS AND OTHER EVIDENCES OF INDEBTEDNESS:  
6 PRIVATE USE OR BENEFIT. The state treasurer and borough officers,  
7 and their deputies and clerks shall not purchase or sell, or in  
8 any manner receive for their own or any other person's use or  
9 benefit any state or borough warrants, script, orders, demands,  
10 claims, or other evidences of indebtedness against the state or  
11 borough thereof. This section does not apply to any evidences  
12 of indebtedness issued to or held by such an officer, deputy or  
13 clerk for services rendered by them, nor to evidences of the  
14 funded indebtedness of the state or borough.

15 Sec. 5. ACCOUNTS: CERTIFICATE AS PREREQUISITE TO ALLOWANCE  
16 Every officer whose duty it is to audit and allow the accounts of  
17 other state or borough officers shall, before allowing such  
18 accounts, require each of such officers to make and file with him  
19 an affidavit or certificate under penalty of perjury that he has  
20 not violated any of the provisions of this Act, and any individual  
21 who willfully makes and subscribes such certificates to an account  
22 which he knows to be false as to any material matter shall be  
23 guilty of a felony and upon conviction thereof shall be subject  
24 to the penalties prescribed for perjury by the penal code of the  
25 state.

26 Sec. 6. WARRANTS AND OTHER EVIDENCES OF INDEBTEDNESS:  
27 RESTRICTIONS ON PAYMENT. Officers charged with the disbursements  
28 of public monies shall not pay any warrant or other evidence of  
29 indebtedness against the state or borough when it has been pur-

1 chased, sold, received, or transferred contrary to any of the  
2 provisions of this Act.

3       Sec. 7. ACCOUNTS: SUSPENSION OF SETTLEMENT OR PAYMENT: PRO-  
4 SECUTIONS. Upon the officer charged with the disbursement of  
5 public monies being informed by affidavit that any officer, whose  
6 account is about to be settled, audited, or paid by him, has vio-  
7 lated any of the provisions of this Act, the disbursing officer  
8 shall suspend such settlement or payment, and cause the prosecu-  
9 ting attorney to prosecute the officer for such violation. If  
10 judgment is rendered for the defendant upon such prosecution, the  
11 disbursing officer may proceed to settle, audit, or pay the ac-  
12 count as if no affidavit had been filed.

13       Sec. 8. PENALTY FOR VIOLATIONS. Every officer or person  
14 prohibited by the laws of this state for making or being interested  
15 in contracts, or from becoming a vendor or purchaser of sales, or  
16 from purchasing script, or other evidences of indebtedness, who  
17 violates any of the provisions of such laws, is punishable by a  
18 fine of not more than \$1,000.00, or by imprisonment of not more  
19 than one year.

20       Sec. 9. EFFECTIVE DATE. This Act takes effect on the day  
21 after its passage and approval or on the day it becomes law without  
22 such approval.

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