

Original sponsors: Tillion and Holm

Offered: 4/3/69  
Referred: Rules

*am*

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 331

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to governmental ethics and disclosure  
7 of economic interests."

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

9 \* Section 1. AS 24 is amended by adding a new chapter to read:

10 CHAPTER 55. LEGISLATIVE CONDUCT.

11 Sec. 24.55.010. LEGISLATIVE RIGHTS AND DUTIES: PRESUMPTION OF  
12 GOOD FAITH. (a) In the American system of representative government,  
13 it is essential that each legislator exercise his influence and cast  
14 his vote according to the best interests of the public and his con-  
15 stituents.

16 (b) The legislature acknowledges that, in serving the public  
17 interest, it is a legislator's duty to vote upon all questions before  
18 the house of which he is a member and to participate in the business  
19 of the house and its committees, and that in doing so he is presumed  
20 to act in good faith and in the public interest.

21 (c) The legislature also acknowledges that the exercise of legis-  
22 lative rights is subject to limitations when personal interest conflicts  
23 with the public interest.

24 Sec. 24.55.030. CONFLICT OF INTERESTS. (a) A legislator's  
25 personal interest conflicts with the public interest when it tends to  
26 impair his independence of judgment.

27 (b) A conflict of interest may be present in the following  
28 circumstances:

29 (1) having or acquiring an interest in an enterprise,

1 direct or indirect, which enterprise or interest would be affected by  
2 proposed legislation in a manner other than the effect on the general  
3 public;

4 (2) close relationship to or close economic association with  
5 a person who has an interest in an enterprise, direct or indirect, which  
6 enterprise or interest would be affected by proposed legislation in a  
7 manner other than the effect on the general public;

8 (3) accepting a gift, loan, favor, service or economic  
9 opportunity of significant value from a person who would be affected  
10 by or who has an interest in an enterprise which would be affected by  
11 proposed legislation in a manner other than the effect on the general  
12 public;

13 (4) accepting compensation, gratuity, or reimbursement not  
14 authorized by law for services, advice or assistance relating to the  
15 legislative process;

16 (5) accepting compensation, gratuity, or reimbursement not  
17 authorized by law for voting upon any question or attempting to influ-  
18 ence legislation;

19 (6) accepting compensation, gratuity or reimbursement not  
20 authorized by law for representing or assisting another in respect to  
21 matter before the legislature or one of its committees or subcommittees.

22 Sec. 24.55.040. EFFECT OF CONFLICT. (a) In the event of any  
23 apparent conflict, the legislator affected shall file with the Committee  
24 on Rules of his house a signed statement describing the circumstances  
25 of the apparent conflict and the legislation to which it relates. The  
26 committee shall promptly advise the legislator as to his course of  
27 conduct, which advice may not include divestiture of an interest. In  
28 the event of disagreement in the committee, or if the legislator does  
29 not agree with the advice of the committee, the matter shall be

1 submitted to the parent house for final decision.

2 (b) Failure to file a statement of apparent conflict, the filing  
3 of a statement false in any material respect, or refusal or failure to  
4 abide by a final decision shall be a matter of public record.

5 Sec. 24.55.050. EFFECT OF LEGISLATIVE ACTION. (a) Decision of  
6 the parent house on a question of conflict or undue influence is con-  
7 clusive for all purposes.

8 (b) Enactments of the legislature may not be voided in any  
9 judicial proceeding because of an alleged conflict which was not  
10 questioned in the parent house before final action.

11 Sec. 24.55.060. DISCLOSURE OF CAMPAIGN CONTRIBUTIONS. Every  
12 legislator and every candidate for legislative office shall file with  
13 the clerk of the superior court in his district, sworn, written lists  
14 of campaign contributions received by him or on his behalf, within 15  
15 days after each primary and general election in which he was a candi-  
16 date. In addition, no later than January 15 of each year, he shall file  
17 a supplemental list of additional contributions received during the pre-  
18 ceding calendar year. Each list shall list the contributors in alpha-  
19 betical order, and shall state the address of the contributor and the  
20 amount of the contribution. No contributor whose total contributions  
21 do not exceed \$25 need be listed. These lists shall be open to public  
22 inspection.

23 Sec. 24.55.070. DISCLOSURE OF INTERESTS. (a) Within five days  
24 after the convening of every session of the legislature, a legislator  
25 shall file with the clerk or secretary of his parent house, a sworn,  
26 written statement listing

27 (1) all sources of income from which he or a close relative  
28 received more than \$2,000 during the previous calendar year;

29 (2) all leases, oil and gas leases, offers to lease, and

1 contracts of any kind with the state or federal government, held by him  
2 or a close relative;

3 (3) all stocks, warrants, debentures or bonds, having a  
4 value of more than \$2,000, owned by him or a close relative in any  
5 corporation;

6 (4) each liability or debt, secured or unsecured, exceeding  
7 \$2,000 in amount owed by him or a close relative;

8 (5) any corporations of which he or a close relative is an  
9 officer or director, and the names and addresses of any partners or  
10 joint venturers;

11 (6) if an attorney, all retainers and all clients from  
12 whom he received fees of more than \$2,000 during the previous calendar  
13 year;

14 (7) all real estate in Alaska in which the interest held by  
15 him or a close relative exceeds \$2,000 in value.

16 (b) Statements shall be open to public inspection.

17 Sec. 24.55.080. PENALTIES. (a) A legislator who files a false  
18 list under sec. 60 of this chapter or a false statement under sec. 70  
19 of this chapter, under circumstances where he knew or should have  
20 known of the falsity, shall be disciplined as his parent house provides  
21 Discipline may include censure, forfeiture of pay or removal from  
22 office.

23 (b) An offended house may hear and determine questions of viola-  
24 tion and impose punishment until adjournment of the next regular legis-  
25 lative session following the date of an offense. Execution of punish-  
26 ment does not terminate with adjournment sine die of the offended  
27 house.

28 Sec. 24.55.090. DEFINITIONS. In this chapter, unless the context  
29 requires otherwise,

1 (1) "close economic associate" and "close economic associ-  
2 ation" mean the individual's employer, employees, partners and associate  
3 in business and professional activities, corporations of which he is a  
4 director, officer or agent, corporations in which he owns more than 10  
5 per cent of the outstanding capital stock, enterprises which are his  
6 significant unsecured creditors, enterprises which are his significant  
7 suppliers or customers, enterprises of which he is a significant  
8 creditor, and trusts of which he is a beneficiary or is a trustee with  
9 a power of appointment or disposal; it does not include a bank or  
10 savings and loan association in which the interest is in the form of an  
11 account, or an officership, directorship, or employment in a political,  
12 religious, charitable or educational entity from which he receives  
13 compensation of less than \$1,000 per year;

14 (2) "close relationship" and "close relative" mean the  
15 legislator's spouse and children living with him;

16 (3) "Interest in proposed legislation" means a substantial  
17 economic interest, distinct from that of the general public, in a bill,  
18 resolution, nomination or other issue or proposal pending before the  
19 legislature or one of its committees, subcommittees or commissions.

20 \* Sec. 2. AS 24.05.120 is amended to read:

21 Sec. 24.05.120. RULES. At the beginning of the first regular  
22 session of each legislature, both houses shall adopt uniform rules of  
23 procedure for enacting bills into law, [AND] adopting resolutions and  
24 handling disciplinary matters under ch. 55 of this title. The rules  
25 in effect at the last regular session of the immediately preceding  
26 legislature serve as the temporary rules of the legislature until the  
27 adoption of permanent rules.

28 \* Sec. 3. AS 39.05 is amended by adding a new section to read:

29 Sec. 39.05.105. DISCLOSURE OF INTERESTS BY DEPARTMENT HEADS.

1 (a) Each person appointed as the head of a principal executive depart-  
2 ment of the state government shall, within 30 days of his appointment,  
3 and annually thereafter, file with the secretary of state a sworn,  
4 written report listing

5 (1) all sources of income from which he or a close relative  
6 received more than \$2,000 during the previous calendar year;

7 (2) all leases, oil and gas leases, offers to lease, and  
8 contracts of any kind with the state or federal government held by him  
9 or a close relative;

10 (3) all stocks, warrants, debentures or bonds, having a  
11 value of more than \$2,000, owned by him or a close relative in any  
12 corporation;

13 (4) each liability or debt, secured or unsecured, exceeding  
14 \$2,000 in amount owed by him or a close relative;

15 (5) any corporations of which he or a close relative is an  
16 officer or director, and the names and addresses of any partners or  
17 joint venturers;

18 (6) if an attorney, all retainers and all clients from whom  
19 he received fees of more than \$2,000 during the previous calendar year;

20 (7) all real estate in Alaska in which the interest held by  
21 him or a close relative exceeds \$2,000 in value.

22 (b) Reports are public records and are open to public inspection  
23 as provided in AS 9.25.110 and 9.25.120.

24 (c) No appointment of a department head may be confirmed by the  
25 legislature if the report required by (a) of this section has not been  
26 filed with the secretary of state.

27 (d) In this section "close relative" means the department head's  
28 spouse and children living with him.

29 \*Sec. 4. AS 44.19 is amended by adding a new section to read:

1           Sec. 44.19.015. DISCLOSURE OF ECONOMIC INTERESTS. (a) The  
2 governor and the secretary of state shall file with the clerk of the  
3 superior court in the state a sworn, written statement containing the  
4 information required by AS 24.55.070, no later than five days after  
5 the convening of the legislative session each year.

6           (b) Each candidate for the office of governor or secretary of  
7 state shall file with the clerk of the superior court in the state  
8 sworn, written lists of campaign contributions received by him or on  
9 his behalf, within 15 days after each primary and general election in  
10 which he was a candidate. In addition, no later than January 15 of each  
11 year, each successful candidate shall file a supplemental list of  
12 additional contributions received during the preceding calendar year.

13           (c) Neither the governor nor the secretary of state may be paid  
14 the salary to which that office would entitle him until he complies  
15 with the filing requirements of (a) and (b) of this section.

16       \* Sec. 5. The incumbent department heads, the governor and the secretary  
17 of state shall file the reports required by secs. 3 or 4 of this Act no later  
18 than January 15, 1970. No individual who fails to do so may be paid the  
19 salary to which that office would entitle him until he complies with the  
20 requirements.