

Original sponsors: Tillion and Holm

Offered: 4/3/69
Referred: Rules

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 the committee fails to agree on a majority report, or if the
29 legislator does not agree with the advice of the committee, the matter

1 shall be 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 judicial district, sworn,
14 written lists of campaign contributions received by him or on his
15 behalf, within 15 days after each primary and general election in which
16 he was a candidate. In addition, no later than January 15 of each year
17 he shall file a supplemental list of additional contributions received
18 during the preceding calendar year. Each list shall list the contrib-
19 utors in alphabetical order, and shall state the address of the contrib-
20 utor and the amount of the contribution. No contributor whose total
21 contributions do not exceed \$25 need be listed. These lists shall be
22 open to public 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,

1 associations and corporations holding oil and gas leases, or offers to
2 lease, in which a legislator has an interest other than corporations
3 listed on major United States stock exchanges, corporations whose
4 securities are traded in the over-the-counter market, and contracts or
5 sub contracts of any kind with the state, political subdivision or
6 federal government, held by him or a close relative;

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

10 (4) each liability or debt, secured or unsecured, exceeding
11 \$2,000 in amount owed by him or a close relative;

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

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

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

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

21 (c) A legislator shall not be paid the salary to which that
22 office would entitle him until he complies with the filing requirements
23 of Sec. 24.55.060, and (a) of this section.

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

1 (b) An offended house may hear and determine questions of viola-
2 tion and impose punishment until adjournment of the next regular legis-
3 lative session following the date of an offense. Execution of punish-
4 ment does not terminate with adjournment sine die of the offended
5 house.

6 Sec. 24.55.090. DEFINITIONS. In this chapter, unless the context
7 requires otherwise,

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

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

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

27 * Sec. 2. AS 24.05.120 is amended to read:

28 Sec. 24.05.120. RULES. At the beginning of the first regular
29 session of each legislature, both houses shall adopt uniform rules of

1 procedure for enacting bills into law, [AND] adopting resolutions and
2 handling disciplinary matters under ch. 55 of this title. The rules
3 in effect at the last regular session of the immediately preceding
4 legislature serve as the temporary rules of the legislature until the
5 adoption of permanent rules.

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

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

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

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

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

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

20 (4) each liability or debt, secured or unsecured, exceeding
21 \$2,000 in amount owed by him or a close relative;

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

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

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

29 (b) Reports are public records and are open to public inspection

1 as provided in AS 9.25.110 and 9.25.120.

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

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

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

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

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

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

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