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1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 175 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to standards of conduct for public  
7 officials and employees; establishing a State Ethics  
8 Commission; and providing for an effective date."

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

10 \* Section 1. FINDINGS AND PURPOSE. The purpose of AS 39.49 as enacted  
11 in sec. 2 of this Act is to

12 (1) prescribe standards of conduct for public officials and  
13 employees of the state and its municipalities;

14 (2) educate the public with respect to ethics in government;

15 (3) establish an ethics commission that will render advisory  
16 opinions and enforce the provisions of AS 34.49 so that public confidence in  
17 public officials will be preserved.

18 \* Sec. 2. AS 39 is amended by adding a new chapter to read:

19 CHAPTER 49. ETHICS.

20 ARTICLE 1. STANDARDS OF CONDUCT.

21 Sec. 39.49.010. CONSTRUCTION. This chapter shall be liberally  
22 construed to promote high standards of ethical conduct in state and  
23 municipal government.

24 Sec. 39.49.020. APPLICABILITY. This chapter applies to each  
25 elected or appointed public official, including an employee of a state  
26 agency or a municipality. This chapter also applies to a person under  
27 a personal services contract to a state agency or to a municipality.

28 Sec. 39.49.030. GIFTS. A public official may not solicit or  
29 receive, directly or indirectly, a gift, whether in the form of money,

1 service, or benefit, under circumstances where it may reasonably be  
2 inferred that the gift is intended to influence the performance of  
3 official action or as a reward for official action.

4 Sec. 39.49.040. CONFIDENTIAL INFORMATION. A public official may  
5 not use information for personal gain or disclose information that by  
6 law, regulation, or ordinance is not available to members of the public  
7 and which the public official acquires from official sources.

8 Sec. 39.49.050. PROHIBITIONS. A public official may not use the  
9 public office to

10 (1) seek employment or contract for services for any person  
11 except as provided by law;

12 (2) solicit or accept compensation for the performance of  
13 official duties or responsibilities for any person except as provided  
14 by law;

15 (3) use public time, equipment, or facilities for private or  
16 business purposes for any person;

17 (4) use public time, equipment, or facilities for political  
18 or campaign purposes;

19 (5) solicit, sell, or engage in a financial transaction with  
20 a subordinate or a person or business that the public official inspects  
21 or supervises.

22 Sec. 39.49.060. CONFLICT OF INTEREST. (a) A public official may  
23 not take official action affecting

24 (1) a business or property in which the public official has  
25 a financial interest; or

26 (2) a business or property for which the public official  
27 acts as legal counsel, advisor, consultant, agent, or representative.

28 (b) A public official who is a legislator and who has filed a  
29 report of financial and business interests under AS 39.50.020 does not

1 violate (a) of this section.

2 (c) A public official who is a member of a board, commission, or  
3 committee or municipal governing body who has complied with AS 39.50.020  
4 and whose participation is necessary in order to constitute a quorum  
5 for official action on a matter described in (a) of this section does  
6 not violate (a) of this section.

7 (d) A public official may not acquire a financial interest in a  
8 business or property that may be directly involved in official action  
9 by the public official.

10 (e) Except as provided in this section, a public official of the  
11 state may not assist a person or business before a state agency for  
12 contingent compensation in a transaction involving the state. A public  
13 official who is a member of the legislature or employed in the legis-  
14 lative branch of the state government may not assist a person or busi-  
15 ness before a state agency for compensation. A public official who is  
16 a member of the governing body of a municipality or an employee of a  
17 municipality may not assist a person or business before the municipal  
18 governing body or an agency of the municipality for compensation.

19 (f) A public official may not assist a person or business for  
20 compensation to secure passage of a bill or ordinance or to obtain a  
21 contract, claim, transaction, or proposal in which the public official  
22 has participated or will participate as a public official. A public  
23 official may not assist a person or business for compensation on the  
24 bill, ordinance, contract, claim, transaction, or proposal before the  
25 legislature, a state agency, or a municipality.

26 (g) A public official may not assist a person or business before  
27 a state agency or municipality for compensation on a bill, ordinance,  
28 contract, claim, transaction, or proposal involving official action by  
29 the state agency or municipality over which the public official has

1 authority.

2 Sec. 39.49.070. ACTION ON CONFLICT. (a) A public official who  
3 in the discharge of official duties or responsibilities is required to  
4 take official action that is prohibited by this chapter and that would  
5 result in a conflict of interest

6 (1) shall prepare a statement describing the matter requir-  
7 ing official action and the nature of the conflict of interest with  
8 respect to the official action; and

9 (2) shall deliver copies of the statement to the commission  
10 and to an immediate superior or to the governor.

11 (b) On receipt of a statement prepared under (a) of this section,  
12 a public official's superior or the governor shall assign the matter to  
13 a public official who does not have a conflict of interest.

14 (c) The commission shall review the statement filed under (a) of  
15 this section and may provide the public official with an advisory  
16 opinion prepared under AS 39.49.190(a)(1).

17 Sec. 39.49.080. GOVERNMENT CONTRACTS. (a) A public official or  
18 a member of the household of a public official may not be a party to or  
19 have an interest in the profits or benefits of a state or municipal  
20 contract or the investment of state or municipal money unless

21 (1) the contract is let by competitive bidding; or

22 (2) the contract is for necessary supplies or services for  
23 the state or municipal agency that are unobtainable elsewhere at the  
24 same or lower cost or that are furnished to the state or municipal  
25 agency as part of a continuing course of dealing, established before  
26 the public official became associated with the state or municipal  
27 agency, and the transaction is conducted at arm's length, with the full  
28 knowledge of the interest of the public official or a member of the  
29 household, and the public official takes no part in the determinations

1 of specifications, deliberations, or decision of the agency with respect  
2 to the contract.

3 (b) In the absence of bribery or a purpose to defraud, a public  
4 official or a member of the household of the public official is not  
5 considered to have an interest in a contract or the investment of  
6 public money when the person has a limited interest as shareholder or  
7 creditor of the business that is the contractor on the contract in-  
8 volved or that is the issuer of the security in which public money is  
9 invested. A person claiming a limited interest shall file with the  
10 commission and the state or municipal agency an affidavit describing  
11 the limited interest before the contract is entered into.

12 Sec. 39.49.090. CONTRACTS VOIDABLE. (a) In addition to any  
13 other penalty provided by law, a contract entered into by the state or a  
14 municipality of the state in violation of this chapter is voidable by  
15 the state or a municipality of the state.

16 (b) In an action to void a contract entered into by the state or  
17 a municipality of the state in violation of this chapter, the interests  
18 of innocent parties who may be damaged by the action shall be considered  
19 and the action to void the transaction must be brought within 60 days  
20 of a determination of a violation of this chapter.

21 Sec. 39.49.100. RESTRICTIONS ON FORMER PUBLIC OFFICIALS. (a) A  
22 former public official may not use information for personal gain or  
23 disclose information that by law, regulation, or ordinance is not  
24 available to members of the public and that was acquired in the course  
25 of official duties.

26 (b) A former public official may not within 12 months after  
27 termination of employment assist a person or business for compensation  
28 on a matter in which the former public official took official action as  
29 a public official.

1 (c) A former public official may not within 12 months after  
2 termination of employment assist a person or business for compensation  
3 on a matter involving official action by the state agency or a munici-  
4 pality of the state with which the former public official was employed.

5 (d) This section does not prohibit a state agency or a munici-  
6 pality of the state from contracting with a former public official to  
7 act on a matter on behalf of the state or the municipality within the  
8 periods stated in this section and does not prevent the public official  
9 from appearing before a state or municipal agency under the contract.

10 Sec. 39.49.110. VIOLATION. (a) The attorney general or the  
11 municipal attorney may recover the compensation, gift, or profit re-  
12 ceived by a person as a result of a violation of this chapter by a  
13 public official or former public official.

14 (b) An action under (a) of this section shall be brought within  
15 two years of the violation.

16 Sec. 39.49.120. REPORTING CONFLICTS OF INTEREST BY MEMBERS OF  
17 MUNICIPAL GOVERNING BODIES. (a) A public official who is a member of  
18 a municipal governing body and is required to take an action in the  
19 discharge of official duties that may cause financial benefit or detri-  
20 ment to the public official, to a member of the household of the public  
21 official, or to a business with which the public official is associ-  
22 ated, which is distinguishable from the effects of a similar action on  
23 the public generally or a broad segment of the public, shall

24 (1) prepare a written statement describing the matter re-  
25 quiring action and the nature of the potential conflict; and

26 (2) deliver a copy of the statement to the presiding officer  
27 of the municipal governing body.

28 (b) A member of a municipal governing body may request permission  
29 to abstain from voting on the issue. This section does not prohibit a

1 member of a municipal governing body from voting on a matter that comes  
2 before the municipal governing body.

3 (c) The member of a municipal governing body shall report a  
4 potential conflict of interest under this section as soon as the member  
5 is aware of the conflict.

6 Sec. 39.49.130. PROTECTIONS FOR REPORTING A VIOLATION. (a) A  
7 person who has knowledge that a public official has violated a standard  
8 of conduct established in AS 39.49.010 - 39.49.120 may report the  
9 existence of the violation to the commission.

10 (b) A public official who reports or is about to report a viola-  
11 tion of the standards of conduct established in AS 39.49.010 - 39.49.120  
12 is not, because of that reporting activity, subject to

- 13 (1) dismissal from office or employment;
- 14 (2) withholding of salary increases;
- 15 (3) withholding of promotions;
- 16 (4) demotion in employment status; or
- 17 (5) transfer of employment location.

18 (c) If a public official who has reported or is about to report a  
19 violation of the standards of conduct established in AS 39.49.010 -  
20 39.49.120 is subject to a sanction described in (b) of this section for  
21 a reason other than reporting a violation of a standard of conduct  
22 established in AS 39.49.010 - 39.49.120, the state agency or municipal-  
23 ity shall establish by a preponderance of evidence that the sanction is  
24 not imposed because the public official reported or intended to report  
25 a violation of a standard of conduct established in AS 39.49.010 -  
26 39.49.120.

27 (d) A person who is not a public official who reports or is about  
28 to report a violation of the standards of conduct established in  
29 AS 39.49.010 - 39.49.120 may not be disqualified because of that report-

1 ing activity from eligibility to

2 (1) bid on contracts with an agency of the state or of a  
3 municipality of the state;

4 (2) receive land under a law of the state or an ordinance of  
5 a municipality;

6 (3) receive any other right or benefit to which the person  
7 is entitled.

8 (e) If a person who is not a public official who has reported or  
9 is about to report a violation of the standards of conduct established  
10 in AS 39.49.010 - 39.49.120 may be determined as ineligible for a right  
11 or benefit described in (d) of this section for a reason other than  
12 reporting a violation of a standard of conduct established in AS 39.49.-  
13 010 - 39.49.120, the state agency or municipality shall establish by a  
14 preponderance of evidence that the sanction is not imposed because the  
15 person reported or intended to report a violation of a standard of  
16 conduct established in AS 39.49.010 - 39.49.120.

17 (f) A person who violates (b) or (d) of this section is subject  
18 to a civil penalty of not more than \$2,000.

19 (g) A person who alleges a violation of (b) or (d) of this section  
20 may bring a civil action in the superior court for appropriate injunc-  
21 tive relief or actual damages or both within 90 days after the occur-  
22 rence of the alleged violation of (b) or (d) of this section. The  
23 court may order reinstatement, payment of back wages, reinstatement of  
24 other rights or benefits including seniority rights, and other actual  
25 damages as the court considers appropriate.

26 (h) A state agency or municipality shall post notices and use  
27 other appropriate means to keep its employees and other persons informed  
28 of their protections under this section.

29 **ARTICLE 2. STATE ETHICS COMMISSION.**

1           Sec. 39.49.150. COMMISSION ESTABLISHED. (a) There is created in  
2 the Department of Administration the State Ethics Commission consisting  
3 of seven members.

4           (b) The governor shall appoint the members of the commission.  
5 Members of the commission are subject to confirmation by a majority of  
6 the members of the legislature in joint session.

7           (c) Terms of office of the members of the commission date from  
8 February 1 of the year of their appointment. The term or office of a  
9 member of the commission is five years and until a successor is ap-  
10 pointed and qualifies. A commission member may not serve more than one  
11 term.

12           (d) A member of the commission may not

13                 (1) hold or campaign for elective office;

14                 (2) be an officer of a political party, political committee,  
15 or group;

16                 (3) support or oppose a candidate, proposition, or question  
17 or make a contribution in support of or in opposition to a candidate  
18 for governor, lieutenant governor, a member of the legislature, for  
19 municipal office, or for a proposition or question that appears on a  
20 ballot in the state including the ballot of a municipality;

21                 (4) participate in an election campaign or participate in or  
22 contribute to a political party; or

23                 (5) lobby or employ a lobbyist.

24           (e) Members of the commission receive compensation of \$150 a day  
25 while attending commission meetings and are entitled to travel expenses  
26 and per diem authorized by law for members of boards and commissions  
27 under AS 39.20.180.

28           (f) The members of the commission shall elect a presiding officer.  
29 Four members of the commission constitute a quorum. A vacancy does not

1 impair the powers of the remaining members to exercise the powers of  
2 the commission.

3 (g) A vacancy on the commission shall be filled by the governor  
4 within 30 days of the occurrence of the vacancy. The member appointed  
5 shall serve for the remaining term of his predecessor.

6 (h) The governor may remove a member only for misconduct, neglect  
7 of duty, or disability.

8 (i) The commission may employ an executive director and employees  
9 it considers necessary. A member of the commission may not serve as  
10 executive director or as an employee. The executive director and  
11 employees of the commission are in the exempt service.

12 (j) The commission may delegate to its presiding officer or to  
13 the executive director the authority to act in the name of the commis-  
14 sion between meetings of the commission. The commission may not dele-  
15 gate the power to determine violations.

16 Sec. 39.49.160. OFFICES OF THE COMMISSION. (a) The commission  
17 shall establish an office in each judicial district in the state and  
18 may provide for branch offices and representatives in other municipali-  
19 ties. The commission may not establish more than one office in a  
20 municipality. Each office shall keep on file for public inspection  
21 copies of the reports filed with the commission under AS 15.13 by  
22 candidates for statewide office and by candidates for legislative  
23 office in that district. The offices shall maintain the forms and  
24 pertinent material necessary for candidates to comply with AS 15.13.

25 (b) Reports required by AS 15.13, AS 24.45, or AS 39.50 shall be  
26 filed directly with the commission's central office. The commission  
27 shall insure that copies of reports by statewide and legislative candi-  
28 dates in each senate district are forwarded promptly to the appropriate  
29 district office.

1 (c) The commission shall insure that copies of reports filed by  
2 candidates for municipal office are made available for public inspec-  
3 tion in the municipality.

4 Sec. 39.49.170. DUTIES OF THE COMMISSION. The commission shall

5 (1) develop and provide all forms for the reports and state-  
6 ments required to be made under this chapter, AS 15.13, AS 24.45, and  
7 AS 39.50;

8 (2) prepare and publish a manual setting out uniform methods  
9 of bookkeeping and reporting for use by persons required to make reports  
10 and statements under AS 15.13, AS 24.45, and AS 39.50 and otherwise  
11 assist candidates, groups, and individuals in complying with the re-  
12 quirements of AS 15.13, AS 24.45, and AS 39.50;

13 (3) receive and hold open for public inspection reports and  
14 statements required to be made under AS 15.13, AS 24.45, and AS 39.50  
15 and upon request, furnish copies at cost to interested persons;

16 (4) compile and maintain a current list of filed reports and  
17 statements;

18 (5) prepare a summary of reports filed with the commission  
19 and make copies of this summary available to interested persons at  
20 their actual cost;

21 (6) notify, by registered or certified mail, all persons who  
22 are delinquent in filing reports and statements required to be made  
23 under AS 15.13, AS 24.45, or AS 39.50;

24 (7) report to the attorney general within 60 days the names  
25 of all persons and groups who have failed to comply with reporting  
26 requirements of law;

27 (8) examine, investigate, and compare reports, statements  
28 and actions required by this chapter, AS 15.13, AS 24.45, and AS 39.50  
29 and report to the attorney general the names of persons or groups that

1 the commission has substantial reason to believe have violated this  
2 chapter, AS 15.13, AS 24.45, or AS 39.50;

3 (9) prepare and publish an annual report to the legislature  
4 concerning the activities of the commission, the effectiveness of this  
5 chapter, AS 15.13, AS 24.45, and AS 39.50, their enforcement by the  
6 attorney general, and recommendations and proposals for change;

7 (10) adopt regulations necessary to implement and clarify  
8 this chapter, AS 15.13, AS 24.45, and AS 39.50, subject to the pro-  
9 visions of the Administrative Procedure Act (AS 44.62).

10 Sec. 39.49.180. LEGAL COUNSEL. (a) The commission may retain or  
11 employ legal counsel.

12 (b) Upon request, the attorney general shall provide legal advice  
13 and representation to the commission without charge.

14 (c) If, in the opinion of the commission, the public interest  
15 warrants, the commission may request the chief justice of the supreme  
16 court to appoint a special prosecutor to represent the commission in a  
17 proceeding involving an alleged violation of a law administered by the  
18 commission and to prosecute the violation.

19 Sec. 39.49.190. POWERS OF COMMISSION. (a) The State Ethics  
20 Commission established under AS 39.49.150 shall administer AS 15.13,  
21 AS 24.45, AS 39.50, and this chapter and may

22 (1) issue advisory opinions on the request of a public  
23 official or former public official as to whether stated facts and  
24 circumstances may constitute a violation of this chapter; if an advi-  
25 sory opinion is not issued within 30 days after the request is filed  
26 with the commission, the public official or the former public official  
27 should consider that the facts and circumstances stated in the request  
28 constitute a violation of this chapter; an opinion issued is binding on  
29 the commission in a subsequent charge concerning the public official or

1 former public official who sought the opinion and acted in reliance on  
2 it unless material facts were omitted or misstated in the request;

3 (2) accept or initiate charges concerning a violation of a  
4 law administered by the commission, initiate investigations, and hold  
5 hearings;

6 (3) subpoena witnesses, administer oaths, and take testimony  
7 relating to matters before the commission and require the production  
8 for examination of books or papers relating to a matter under investi-  
9 gation before the commission;

10 (4) publish summaries of decisions and opinions under this  
11 chapter with deletions in the summaries or opinions to prevent dis-  
12 closure of the identity of a person involved in a decision or opinion;

13 (5) distribute its publications without cost to the public  
14 and initiate programs to educate the public and public officials on  
15 ethics in government employment.

16 (b) The commission may authorize its director to issue an advisory  
17 opinion under (a)(1) of this section if delay would substantially  
18 inconvenience the public official requesting the advisory opinion.

19 (c) A charge may be accepted by the commission and a charge may  
20 be initiated by the commission on a violation of this chapter no later  
21 than one year after termination of state employment by a public offi-  
22 cial. This subsection does not prevent a proceeding against a person  
23 who by fraud prevents discovery of a violation of the chapter.

24 Sec. 39.49.200. COMPLAINT PROCEDURES. (a) A charge concerning a  
25 violation of a law administered by the commission must be in writing  
26 and signed by the complainant under oath. A charge initiated by the  
27 commission must be signed by three members of the commission. The  
28 commission shall notify each person against whom a charge is filed and  
29 afford the person an opportunity to explain the conduct stated to be in

1 violation of this chapter. The commission may investigate the charge  
2 and render an advisory opinion to the public official.

3 (b) The commission shall investigate charges involving a viola-  
4 tion of this chapter on a confidential basis. If the advisory opinion  
5 indicates a probable violation, the person charged with a violation may  
6 request a formal opinion or comply with the advisory opinion. If the  
7 person charged fails to comply with the advisory opinion or if a major-  
8 ity of the members of the commission determine that a violation of this  
9 chapter has occurred, a copy of a complaint shall be served on the  
10 person. The person has 20 days after service to reply to the complaint.

11 (c) If a majority of the members of the commission determines  
12 that there is reason to believe that a violation of this chapter has  
13 occurred, the commission shall set a time and place for a hearing with  
14 notice to the complainant and the person charged with a violation.

15 (d) Each party may have an opportunity to (1) be heard, (2)  
16 subpoena witnesses and require the production of books or papers relat-  
17 ing to the proceedings, (3) be represented by counsel, and (4) have the  
18 right of cross-examination. The hearings shall be held under AS 44.62.  
19 A witness shall testify under oath. The commission is not bound by the  
20 strict rules of evidence but the commission's determination must be  
21 based on a preponderance of the evidence. Testimony and evidence taken  
22 at the hearing shall be recorded.

23 (e) A determination of the commission regarding a violation shall  
24 be approved by four members of the commission.

25 Sec. 39.49.210. DETERMINATIONS. (a) When the commission, after  
26 hearings under AS 39.49.200(c), determines that there is sufficient  
27 cause to believe that a public official removable only by impeachment  
28 has violated a provision of this chapter, it shall issue a determina-  
29 tion and refer the determination to the senate. The determination

1 shall contain a statement of the facts constituting the violation. If  
2 within 30 days after the determination a committee of the senate has  
3 not acted on the determination, the commission shall make the determina-  
4 tion public. Days during which the legislature is not in session are  
5 not included in the 30-day period.

6 (b) When the commission determines after hearings under AS 39.49.-  
7 200(c) that there is sufficient cause to believe that a public official  
8 other than a public official removable only by impeachment has violated  
9 a provision of this chapter, it shall refer

10 (1) to the governor a determination concerning a public  
11 official in the executive branch;

12 (2) to the proper presiding officer of the legislature or to  
13 both presiding officers of the legislature a determination concerning a  
14 public official in the legislative branch other than a member of the  
15 legislature;

16 (3) to the chief justice of the supreme court a determination  
17 concerning a public official in the judicial branch;

18 (4) to the chairman of the Board of Regents a determination  
19 concerning a public official in the University of Alaska;

20 (5) to the municipal governing body a determination concern-  
21 ing a public official of the municipality.

22 (c) The governor, legislature, chief justice, the Board of Regents,  
23 or a municipal governing body shall notify the commission of any action  
24 taken within 30 days of receipt of the determination under (b) of this  
25 section. Days during which the legislature is not in session are not  
26 included in the 30-day period for notification by the legislature.

27 (d) The commission may by a vote of four members issue a public  
28 statement of its determination on a complaint against a former public  
29 official and the attorney general may pursue remedies available to the

1 state.

2 Sec. 39.49.220. DISCIPLINARY ACTION FOR VIOLATION. (a) The  
3 appointing authority may discipline, reprimand, put on probation,  
4 demote, suspend, or discharge an appointed public official determined  
5 to have violated this chapter.

6 (b) If an appointing authority fails to take action under (a) of  
7 this section, the commission may

8 (1) discipline, reprimand, put on probation, demote, suspend,  
9 or discharge the appointed public official determined to have violated  
10 this chapter;

11 (2) assess a civil penalty of not more than \$5,000 against a  
12 public official determined to have violated this chapter.

13 (c) The commission may assess a civil penalty of not more than  
14 \$5,000 against a former public official determined to have violated  
15 this chapter.

16 Sec. 39.49.300. DEFINITIONS. In this chapter,

17 (1) "business" means a corporation, partnership, or sole  
18 proprietorship carrying on a business whether or not operated for  
19 profit;

20 (2) "commission" means the State Ethics Commission;

21 (3) "compensation" means money, a thing of value, or economic  
22 benefit conferred on or received by a person in return for services  
23 rendered or to be rendered by himself for another;

24 (4) "controlling interest" means an interest in a business  
25 that is sufficient in fact to control whether the interest is greater  
26 or less than 50 percent;

27 (5) "dependent" means a person who

28 (A) receives more than half of his support from the  
29 public official;

1 (B) is not the spouse, ward, or minor child of the  
2 public official;

3 (6) "employment" means services performed for compensation;

4 (7) "financial interest" means an interest held by an indi-  
5 vidual or the spouse, minor child, or dependent of an individual that  
6 is

7 (A) an ownership interest in a business;

8 (B) a creditor interest in an insolvent business;

9 (C) employment;

10 (D) prospective employment for which negotiations have  
11 begun;

12 (E) an ownership interest in real or personal property;

13 (F) a loan or other debtor interest;

14 (G) a directorship or officership in a business;

15 (8) "gift"

16 (A) means any payment to the extent that consideration  
17 of equal or greater value is not received;

18 (B) includes but is not limited to

19 (i) a loan, loan guarantee, forgiveness of a loan,  
20 payment of a loan by a third party, or an enforceable promise  
21 to make a payment except when full and adequate consideration  
22 is received;

23 (ii) the purchase of tickets for travel or for  
24 entertainment events; and

25 (iii) the granting of discounts or rebates for goods  
26 or services not extended to the public generally;

27 (C) does not include

28 (i) informational or promotional materials, includ-  
29 ing but not limited to books, reports, pamphlets, calendars

1 or periodicals; however, payments for travel or reimbursement  
2 for expenses may not be considered "informational material";

3 (ii) food and beverages consumed in places of  
4 public accommodation;

5 (9) "limited interest" means

6 (A) an equity interest in not exceeding five percent of  
7 the outstanding shares of a corporation not traded on a public  
8 exchange;

9 (B) an equity interest in not exceeding five percent of  
10 the outstanding shares of a corporation traded on a public exchange  
11 unless the commission establishes a lower percentage by regula-  
12 tion; or

13 (C) an interest as a creditor in not exceeding five  
14 percent of the total indebtedness of a corporation or other organi-  
15 zation;

16 (10) "matter" means a judicial or administrative proceeding,  
17 an investigation preparatory to a judicial or administrative proceeding,  
18 an application, or a contract or claim under a contract, involving a  
19 state agency or a municipality of the state;

20 (11) "member of his household" means

21 (A) a person who is the spouse, child, ward, dependent,  
22 or parent of a public official;

23 (B) the child, ward, dependent, or parent of the spouse  
24 of a public official, and who shares the common residence of a  
25 public official; or

26 (C) a person who is the child, ward, dependent, or  
27 parent of a public official or of the spouse of a public official,  
28 and over whose financial affairs and holdings the public official  
29 has legal or actual control, whether or not they share a common

1 residence;

2 (12) "municipality" includes

3 (A) a city or borough of any class;

4 (B) a municipality unified under AS 29.68.240 - 29.68.-  
5 440;

6 (C) a school district or a regional educational atten-  
7 dance area;

8 (13) "official action" means a decision, recommendation,  
9 approval, disapproval, or other action, including inaction, that  
10 involves discretion;

11 (14) "public official" means a member of the legislature, the  
12 governor and lieutenant governor, a justice of the supreme court, a  
13 judge of the court of appeals, of the superior court, or of the district  
14 court, appointed officers and employees of a state agency, elected and  
15 appointed officers and employees of a municipality of the state, and a  
16 person under a personal services contract to a state agency or to a  
17 municipality of the state;

18 (15) "state agency" means a department, board, board of  
19 regents, commission, council, committee, subcommittee, institution,  
20 office, corporation, authority or organization in the executive, legis-  
21 lative, or judicial branch of the state government, advisory or other-  
22 wise, and includes the University of Alaska and public corporations  
23 having a separate and independent legal existence.

24 \* Sec. 3. AS 24.45.021(a) is amended to read:

25 (a) This chapter shall be administered by the State Ethics [ALASKA  
26 PUBLIC OFFICES] Commission created under AS 39.49.150(a) [AS 15.13.-  
27 020(a)].

28 \* Sec. 4. AS 39.25.110 is amended by adding a new paragraph to read:

29 (27) the executive director and staff of the State Ethics

1 Commission;

2 \* Sec. 5. AS 39.50.020(b) is amended to read:

3 (b) The governor, lieutenant governor, members of the legis-  
4 lature, and candidates for these offices, judicial officers, each  
5 commissioner, head or deputy head of, or director of a division within,  
6 a department in the executive branch, assistant to the governor or  
7 chairman or member of a commission or board required to report under  
8 this chapter, shall file the statement with the State Ethics [ALASKA  
9 PUBLIC OFFICES] Commission. Municipal officers, and candidates for  
10 elective municipal office, shall file with the municipal clerk or other  
11 municipal official designated to receive their filing for office. All  
12 statements required to be filed under this chapter are public records.

13 \* Sec. 6. AS 39.50.050(a) is amended to read:

14 (a) The State Ethics [ALASKA PUBLIC OFFICES] Commission created  
15 under AS 39.49.150(a) [AS 15.13.020(a)] shall administer the provisions  
16 of this chapter. The commission shall prepare and keep available for  
17 distribution, standardized forms on which the reports required by this  
18 chapter shall be filed.

19 \* Sec. 7. AS 39.50.200(a)(4) is amended to read:

20 (4) "commission" means the State Ethics [ALASKA PUBLIC  
21 OFFICES] Commission created under AS 39.49.150(a) [AS 15.13.020(a)];

22 \* Sec. 8. AS 44.62.330(a)(39) is amended to read:

23 (39) State Ethics [ALASKA PUBLIC OFFICES] Commission.

24 \* Sec. 9. AS 15.13.020, 15.13.030, 15.13.045, 15.13.122, AS 39.25.120-  
25 (12); and AS 39.50.090 are repealed.

26 \* Sec. 10. The terms of the members of the Alaska Public Offices Commis-  
27 sion are terminated on the effective date of this Act. The initial members  
28 of the State Ethics Commission shall be appointed within 30 days of the  
29 effective date of this Act for the following terms:

- 1 (1) two members shall be appointed for a five-year term;
- 2 (2) two members shall be appointed for a four-year term;
- 3 (3) one member shall be appointed for a three-year term;
- 4 (4) one member shall be appointed for a two-year term;
- 5 (5) one member shall be appointed for a one-year term.

6 \* Sec. 11. This Act takes effect June 1, 1982.

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