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1 IN THE SENATE

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2 SENATE BILL NO. 148

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for election of a state treasurer;  
7 establishing the treasurer's powers and duties;  
8 repealing the legislative audit division; and provid-  
9 ing for an effective date."

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

11 \* Section 1. AS 37 is amended by adding a new chapter to read:

12 CHAPTER 06. STATE TREASURER.

13 Sec. 37.06.010. POWERS AND DUTIES. (a) The state treasurer  
14 elected or appointed under art. IX, sec. 17 or 18 of the state consti-  
15 tution, shall

16 (1) audit annually, or more often if considered necessary,  
17 the accounts of all state agencies and the general accounts of the  
18 state;

19 (2) audit monthly, or more often if considered necessary,  
20 the accounts of the Department of Administration;

21 (3) make special audits and investigations when required by  
22 the governor, the legislature, or the chief justice of the supreme  
23 court;

24 (4) conduct an audit and performance evaluation of boards  
25 and commissions designated in AS 44.66.010 and of those programs and  
26 activities subject to termination under AS 44.66.020 and 44.66.030,  
27 and submit the audit and evaluation no later than the first day of the  
28 regular session of the legislature convening in each year designated  
29 for boards, commissions, and programs subject to AS 44.66;

1 (5) audit the statements of financial condition and opera-  
2 tions of the state government and examine the estimates of receipts  
3 and expenditures prepared for inclusion in each budget report, and  
4 certify the results of that audit and examination for inclusion in the  
5 budget report presented by the governor to the legislature under  
6 AS 37.07.060;

7 (6) report immediately to the governor, the attorney  
8 general, and the Legislative Budget and Audit Committee any unau-  
9 thorized, illegal, irregular, or unsafe handling or expenditure of  
10 state money, or other improper practice of financial administration,  
11 and any obstruction of the treasurer during the conduct of an audit or  
12 investigation of a state agency;

13 (7) assist state agencies in establishing or improving  
14 their accounting systems;

15 (8) at the direction of the Legislative Budget and Audit  
16 Committee, conduct a performance evaluation of any agency of state  
17 government;

18 (9) assist the Legislative Budget and Audit Committee at  
19 its request at hearings and investigations conducted by it and cooper-  
20 ate with the committee in the preparation of its reports;

21 (10) keep accounts showing the costs of audit operations and  
22 of each audit and investigation conducted, and other accounts neces-  
23 sary for administration of the treasurer's office.

24 (b) The treasurer may

25 (1) conduct a special audit or investigation of any matter  
26 related to state finance; and

27 (2) investigate and examine the conduct of state officers  
28 who are authorized to receive, collect, or disburse money for the  
29 state, or who manage or control property belonging to the state or in

1 which the state is interested, or who make estimates or records that  
2 are used as a basis by a state agency in the disbursement of public  
3 money.

4 Sec. 37.06.020. ASSISTANT TREASURER AND EMPLOYEES. (a) The  
5 treasurer shall appoint an assistant treasurer who shall be a certi-  
6 fied public accountant. The assistant treasurer shall assist the  
7 treasurer in the performance of duties. If the treasurer is absent or  
8 is rendered incapable of performing the duties, or a vacancy in the  
9 office occurs, the assistant treasurer shall perform the duties of the  
10 treasurer until the necessity ends or, in the case of a vacancy, until  
11 a successor is elected.

12 (b) The treasurer may employ other staff as needed to carry out  
13 the duties of the treasurer, including certified public accountants on  
14 a temporary basis for special assignments. Employees of the office of  
15 the treasurer are members of the exempt service under AS 39.25.110.

16 Sec. 37.06.030. ACCESS TO RECORDS AND TESTIMONY. (a) The  
17 treasurer shall have access to and may examine records, accounts,  
18 reports, vouchers, correspondence files, books, money, and property of  
19 a state agency. An officer or employee of a state agency who possess-  
20 es or controls records or property shall permit access to and examina-  
21 tion of them upon the request of the treasurer or an agent authorized  
22 by the treasurer to make the request.

23 (b) The treasurer may require information on oath from any  
24 person regarding matters relating to an account that the treasurer is  
25 required to audit. The treasurer may summon a person to appear and to  
26 give testimony or answer interrogatories under oath respecting audit  
27 matters.

28 Sec. 37.06.040. AUDIT REPORTS. Upon completion of each audit,  
29 the treasurer shall prepare a report containing findings and

1 recommendations. The treasurer shall furnish a copy to the governor,  
2 the legislature, and the chief justice of the supreme court, and to  
3 the head of the agency to which the report pertains. The treasurer  
4 shall prepare and submit to the legislature an annual report of activ-  
5 ities, summarizing the findings and recommendations of each audit  
6 report prepared and presenting other findings and recommendations  
7 considered necessary.

8 Sec. 37.06.050. CONFLICT OF INTEREST. (a) The treasurer,  
9 assistant treasurer, and employees of the treasurer may not serve in  
10 ex officio or other capacity on a board, commission, or other adminis-  
11 trative agency of state government.

12 (b) The treasurer, the assistant treasurer, and their profes-  
13 sional staff are subject to AS 39.50 (conflict of interest).

14 Sec. 37.06.060. AUDITS. When conducting an audit the treasurer  
15 may

16 (1) examine financial transactions, accounts, and reports  
17 and evaluate compliance with applicable laws and regulations;

18 (2) review the efficiency and economy in the use of re-  
19 sources;

20 (3) require the assistance and cooperation of all state  
21 officials and employees;

22 (4) ascertain, as necessary for audit verification, the  
23 amount of agency funds on deposit in any bank as shown on the books of  
24 the bank; a bank may not be held liable for making information re-  
25 quired under this paragraph available to the treasurer;

26 (5) determine whether the desired results are effectively  
27 achieved.

28 (b) The treasurer shall keep a complete file of all audit and  
29 performance evaluation reports and other reports or releases issued by

1 the office, and a complete file of audit and performance evaluation  
2 work papers and other related supportive material. The treasurer  
3 shall also keep a complete and accurate record of all fiscal trans-  
4 actions involving the office. Audit and performance evaluation  
5 records are confidential and audit and performance evaluation reports  
6 are confidential unless the report has been approved for release under  
7 this section or under AS 24.20.311.

8 (c) The treasurer may approve an audit or report for release to  
9 the public.

10 Sec. 37.06.070. LEGAL COUNSEL. (a) The attorney general shall  
11 advise the treasurer in legal matters arising in the discharge of the  
12 treasurer's duties and shall represent the treasurer in suits to which  
13 the treasurer is a party. The treasurer may employ independent legal  
14 counsel for proceedings and court actions in which the attorney gen-  
15 eral is representing another agency of the state government.

16 (b) The treasurer shall inform the attorney general in writing  
17 of the need for the attorney general to direct a prosecution in the  
18 name of the state against any person for an illegal act or omission  
19 discovered in the course of the treasurer's official duties.

20 Sec. 37.06.080. DEFINITIONS. In this chapter

21 (1) "agency" means a department, officer, institution,  
22 board, commission, bureau, division, or other administrative unit  
23 forming the state government, including the legislative, executive,  
24 and judicial branches of government and the University of Alaska;

25 (2) "treasurer" means the state treasurer elected or ap-  
26 pointed under art. IX, sec. 17 or 18 of the state constitution.

27 \* Sec. 2. AS 14.11.125(b) is amended to read:

28 (b) Each borough or city that [WHICH] is a school district shall  
29 maintain financial records of the receipt and disbursement of state

1 funds received under AS 14.11.105 - 14.11.135 and money provided  
2 toward local effort. The records must [SHALL] be in the form pre-  
3 scribed by the department and are subject to audit by the state trea-  
4 surer [IT] at any time.

5 \* Sec. 3. AS 14.17.190(b) is amended to read:

6 (b) Each district shall maintain financial records of the re-  
7 ceipt and disbursement of public school foundation money and money  
8 acquired from local effort. The records must be in the form required  
9 by the commissioner and are subject to audit by the state treasurer  
10 [COMMISSIONER OR THE BOARD] at any time.

11 \* Sec. 4. AS 15.13.010(a) is amended to read:

12 (a) This chapter applies in every election for governor, lieu-  
13 tenant governor, state treasurer, a member of the state legislature, a  
14 delegate to a constitutional convention, or judge seeking electoral  
15 confirmation. It also applies to every candidate for election to a  
16 municipal office in a city or borough with a population of more than  
17 1,000 inhabitants according to the latest United States census figures  
18 or estimates of population certified as correct for administrative  
19 purposes by the Department of Community and Regional Affairs. A  
20 municipality may exempt its elected municipal officers from the re-  
21 quirements of this chapter if a majority of the voters voting on the  
22 question at any regular election, as defined in AS 29.78.010 [BY  
23 AS 29.78.010(14)], or a special municipality-wide election called for  
24 that purpose, vote to exempt its elected municipal officers from the  
25 requirements of this chapter. The question of exemption from the  
26 requirements of this chapter may be submitted by the city council or  
27 borough assembly by ordinance or by initiative ordinance. Nothing in  
28 this chapter prohibits a municipality from regulating by ordinance  
29 campaign contributions and expenditures.

1 \* Sec. 5. AS 15.13.120(f) is amended to read:

2 (f) If, after being sworn into office, a person who was a suc-  
3 cessful candidate or the campaign treasurer or deputy campaign trea-  
4 surer of a person who was a successful candidate is convicted of a  
5 violation of this chapter, proceedings shall be held and appropriate  
6 action taken in accordance with

7 (1) art. II, sec. 12 of the state constitution, if the  
8 candidate is a candidate for the state legislature;

9 (2) art. II, sec. 20 of the state constitution, if the  
10 candidate is a candidate for governor, [OR] lieutenant governor, or  
11 state treasurer;

12 (3) AS 29.23.060(c), if the candidate is a candidate for  
13 the borough assembly;

14 (4) AS 29.23.130(f), if the candidate is a candidate for  
15 borough mayor;

16 (5) AS 29.23.210(b), if the candidate is a candidate for  
17 city council;

18 (6) AS 29.23.255, if the candidate is a candidate for city  
19 mayor;

20 (7) the provisions of the call for the constitutional  
21 convention, if the candidate is a candidate for constitutional conven-  
22 tion delegate;

23 (8) art. IV, sec. 10 of the state constitution, if the  
24 candidate is a candidate for judicial retention.

25 \* Sec. 6. AS 15.13.130(1) is amended to read:

26 (1) "candidate" means a person who files for election to  
27 the state legislature, for governor, for lieutenant governor, for  
28 state treasurer, for municipal office, for retention in judicial  
29 office, or for constitutional convention delegate, or who campaigns as

1 a write-in candidate for any of these offices;

2 \* Sec. 7. AS 15.20.430(a) is amended to read:

3 (a) A defeated candidate or 10 qualified voters who believe  
4 there has been a mistake made by an election official or by the count-  
5 ing board in counting the votes in an election, may file an applica-  
6 tion with the director within five days after the completion of the  
7 state review [TO THE DIRECTOR] for a recount of the votes from any  
8 particular precinct or any election district and for any particular  
9 office, proposition, or question. However, the application may be  
10 filed only within three days after the completion of the state review  
11 after the general election for a recount of votes cast for the office  
12 of governor and lieutenant governor or state treasurer. If there is a  
13 tie vote as provided in AS 15.15.460, the director shall initiate the  
14 recount and give notice to the interested parties as provided in  
15 AS 15.20.470.

16 \* Sec. 8. AS 15.20.460 is amended to read:

17 Sec. 15.20.460. DETERMINATION OF DATE OF RECOUNT. If the direc-  
18 tor determines that the application is substantially in the required  
19 form, the director [HE] shall fix the date of the recount to be held  
20 within three days after the receipt of an application requesting a  
21 recount of the general election votes cast for the office of governor  
22 and lieutenant governor or state treasurer and within five days after  
23 the receipt of an application requesting a recount for any other  
24 office, question, or proposition.

25 \* Sec. 9. AS 15.20.510 is amended to read:

26 Sec. 15.20.510. PROVISION FOR APPEAL TO COURTS. A candidate or  
27 any person who requested a recount who has reason to believe an error  
28 has been made in the recount (1) involving any question or proposition  
29 or the validity of any ballot may appeal to the superior court in

1 accordance with applicable court rules governing appeals in civil  
2 matters, and (2) involving candidates for the legislature or Congress  
3 or the office of governor and lieutenant governor or state treasurer  
4 may appeal to the supreme court in accordance with rules as may be  
5 promulgated by the court. Appeal shall be filed within five days of  
6 the completion of the recount. Upon order of the court, the director  
7 shall furnish the record of the recount taken including all ballots,  
8 registers, and other election material and papers pertaining to the  
9 election contest. The appeal shall be heard by the court sitting  
10 without a jury. The inquiry in the appeal shall extend to the ques-  
11 tions whether or not the director has properly determined what bal-  
12 lots, parts of ballots, or marks for candidates on ballots are valid,  
13 and to which candidate or division on the question or proposition the  
14 vote should be attributed. The court shall enter judgment either  
15 setting aside, modifying, or affirming the action of the director on  
16 recount.

17 \* Sec. 10. AS 15.25.050(a) is amended to read:

18 (a) At the time the declaration is filed, each candidate shall  
19 pay a filing fee to the director. The filing fee for candidates for  
20 office of governor, lieutenant governor, state treasurer, United  
21 States senator, and United States representative is \$100. The filing  
22 fee for candidates for office of state senator and state representa-  
23 tive is \$30. Subject to legislative appropriation, the director shall  
24 pay the filing fee collected from a candidate under this section to  
25 the central committee of the political party of that candidate.

26 \* Sec. 11. AS 15.25.160 is amended to read:

27 Sec. 15.25.160. **REQUIRED NUMBER OF SIGNATURES FOR STATEWIDE**  
28 **OFFICE.** Petitions for the nomination of candidates for the office of  
29 governor, lieutenant governor, state treasurer, United States senator

1 and United States representative shall be signed by qualified voters  
2 of the state equal in number to at least three percent of the number  
3 of votes cast in the preceding general election. Candidates for the  
4 office of governor and lieutenant governor shall file jointly.

5 \* Sec. 12. AS 15.35 is amended by adding a new section to read:

6 ARTICLE 4. STATE TREASURER.

7 Sec. 15.35.180. ELECTION OF TREASURER. A state treasurer shall  
8 be elected at the general election in 1988 and every four years there-  
9 after.

10 \* Sec. 13. AS 15.45.470 is amended to read:

11 Sec. 15.45.470. PROVISION AND SCOPE FOR USE OF RECALL. The  
12 governor, the lieutenant governor, the state treasurer, and members of  
13 the state legislature are subject to recall by the voters of the state  
14 or the political subdivision from which elected.

15 \* Sec. 14. AS 15.45.480 is amended to read:

16 Sec. 15.45.480. FILING APPLICATION. The recall of the governor,  
17 lieutenant governor, state treasurer, or a member of the state legis-  
18 lature is proposed by filing an application with the director. A  
19 deposit of \$100 must accompany the application. This deposit will be  
20 retained if a petition is not properly filed. If a petition is prop-  
21 erly filed the deposit shall be refunded.

22 \* Sec. 15. AS 15.58.030(b) is amended to read:

23 (b) No later than 75 days before the state general election, a  
24 candidate for the office of United States senator, United States  
25 representative, governor, lieutenant governor, state treasurer, jus-  
26 tice or judge, state senator, or state representative may file with  
27 the lieutenant governor a photograph and a statement advocating elec-  
28 tion of the candidate [HIS CANDIDACY].

29 \* Sec. 16. AS 15.58.060(a) is amended to read:

1 (a) Each general election candidate shall pay to the lieutenant  
2 governor at the time of filing material under this chapter the follow-  
3 ing:

4 (1) President or Vice-President of the United States,  
5 United States senator, United States representative, governor, lieu-  
6 tenant governor, state treasurer, supreme court justice and court of  
7 appeals judge, \$150 each;

8 (2) superior court judge, district court judge, \$75 each;

9 (3) state senator, and state representative, \$50 each.

10 \* Sec. 17. AS 18.55.996(i) is amended to read:

11 (i) A housing authority created under this section shall have  
12 its financial records audited annually by an independent certified  
13 public accountant. The state treasurer [LEGISLATIVE AUDITOR] may  
14 prescribe the form and content of the financial records of the housing  
15 authority and shall have access to these records at any time.

16 \* Sec. 18. AS 18.56.089 is amended to read:

17 Sec. 18.56.089. EXECUTIVE BUDGET ACT. The operating budget of  
18 the corporation is subject to the Executive Budget Act (AS 37.07). To  
19 further ensure effective budgetary decision making by the legislature,  
20 the corporation shall present a complete accounting of all assets of  
21 the corporation, including assets of the Alaska housing finance re-  
22 volving fund, to the legislature by January 10 of each year. The  
23 accounting shall be audited by the state treasurer [AN INDEPENDENT  
24 OUTSIDE AUDITOR] and shall include a full description of all mortgage  
25 loan interest and principal repayments and program receipts, including  
26 mortgage loan commitment fees, received by or accrued to the corpora-  
27 tion during the preceding fiscal year, and all income earned on assets  
28 of the corporation during that period, including earnings on assets of  
29 the state assisted mortgage fund.

1 \* Sec. 19. AS 18.56.200(b) is amended to read:

2 (b) By January 10 of each year, the board shall publish a report  
3 of the corporation for distribution to the governor, legislature, and  
4 the public. The report shall be written in easily understandable  
5 language. The report shall include a financial statement audited by  
6 the state treasurer [AN INDEPENDENT OUTSIDE AUDITOR], a statement of  
7 corporation investments in mortgage loans under this chapter, includ-  
8 ing an estimate of market value of the mortgage loans, a comparison of  
9 the corporation performance with the goals of the corporation, and the  
10 levels of bonding and investment activities anticipated in the pre-  
11 vious year's report under (c) of this section, and any other informa-  
12 tion the board believes would be of interest to the governor, the  
13 legislature, and the public. The annual income statement and balance  
14 sheet of the corporation shall be published in at least one newspaper  
15 in each judicial district. The board may also publish other reports  
16 it considers desirable to carry out its purpose.

17 \* Sec. 20. AS 24.05.040 is amended to read:

18 Sec. 24.05.040. DUAL OFFICE. A [NO] member of the legislature  
19 may not hold any other office or position of profit under the United  
20 States or the state. During the term for which elected and for one  
21 year thereafter, a [NO] legislator may not be nominated, elected or  
22 appointed to any other office or position of profit that [WHICH] has  
23 been created, or the salary or emoluments of which have been increased  
24 while the legislator [HE] was a member. This section does not prevent  
25 any person from seeking or holding the office of governor, lieutenant  
26 governor, state treasurer, or member of Congress. This section does  
27 not apply to employment by or election to a constitutional convention.  
28 A member may serve on or at the request [BEHEST] of an interim commit-  
29 tee of the legislature.

1 \* Sec. 21. AS 24.20.140 is amended to read:

2       Sec. 24.20.140. APPROPRIATIONS. Appropriations for carrying out  
3 AS 24.20.010 - 24.20.140 [SECS. 10 - 140 OF THIS CHAPTER] shall be set  
4 forth in the general appropriation bill or in [SUCH] other bills as  
5 may be necessary. The council may direct the executive director to  
6 transfer amounts from one appropriation to another if the transfer is  
7 considered necessary to accomplish the work of the council. The  
8 council may not exceed the total amount of the authorized appropria-  
9 tion. All expenditures of the council are subject to an annual audit  
10 by the state treasurer [INDEPENDENT AUDIT WHICH SHALL BE MADE ANNUAL-  
11 LY].

12 \* Sec. 22. AS 24.20.201(a) is amended to read:

13       (a) The Legislative Budget and Audit Committee may [HAS THE  
14 POWER TO:]

15               (1) organize, adopt rules for the conduct of its business  
16 and prescribe procedures for the comprehensive fiscal analysis and [,]  
17 budget review [AND POST-AUDIT] functions;

18               (2) hold public hearings, administer oaths, issue sub-  
19 poenas, compel the attendance of witnesses and production of papers,  
20 books, accounts, documents and testimony, and have the deposition of  
21 witnesses taken in a manner prescribed by court rule or law for taking  
22 depositions in civil actions;

23               (3) require all state officials and agencies of state  
24 government to give full cooperation to the committee or its staff in  
25 assembling and furnishing requested information;

26               (4) review revenue projections, state agency appropriation  
27 requests, the expenditure of state funds, including the relationship  
28 between state agency program accomplishments and legislative intent,  
29 and the fiscal policies and procedures of state government;

1 (5) review and approve proposed changes to agency author-  
2 ized budgets as provided in the Executive Budget Act (AS 37.07)  
3 [(AS 37.07.010 - 37.07.130)];

4 (6) make recommendations concerning appropriations, their  
5 expenditure and the fiscal policies and procedures of state government  
6 to the governor when appropriate, and to the legislature;

7 (7) prepare and distribute reports, memoranda or other  
8 necessary materials;

9 (8) sue in the name of the legislature during the interim  
10 between sessions if authorized by majority vote of the full membership  
11 of the committee;

12 (9) hold public hearings on the confirmation of the members  
13 of the Board of Trustees of the Alaska Permanent Fund Corporation;

14 (10) make recommendations to the legislature and to agencies  
15 of the state that [WHICH] perform lending or investment functions  
16 concerning the structure and operating practices of the agencies;

17 (11) enter into and enforce all contracts necessary or  
18 desirable for the functions of the committee;

19 (12) review the [PROVIDE FOR] annual post audits of the  
20 Alaska Housing Finance Corporation and the Alaska Industrial Develop-  
21 ment Authority.

22 \* Sec. 23. AS 24.20.201 is amended by adding a new subsection to read:

23 (c) The committee shall provide for an annual post audit of the  
24 Office of the State Treasurer by an independent auditor. The commit-  
25 tee shall distribute the audit report to the governor, the legisla-  
26 ture, and the public.

27 \* Sec. 24. AS 24.20.206 is amended to read:

28 Sec. 24.20.206. DUTIES. The Legislative Budget and Audit Com-  
29 mittee shall

1 (1) report to the legislature its recommendations relating  
2 to the confirmation of appointees to the Board of Trustees of the  
3 Alaska Permanent Fund Corporation;

4 (2) annually review the long-range operating plans of all  
5 agencies of the state that [WHICH] perform lending or investment  
6 functions;

7 (3) review periodic reports from all agencies of the state  
8 that [WHICH] perform lending or investment functions;

9 (4) present a complete report of investment programs,  
10 plans, performance, and policies of all agencies of the state that  
11 [WHICH] perform lending or investment functions to the legislature  
12 within 30 days after the convening of each regular session;

13 (5) present to the legislature within 30 days after the  
14 convening of each regular session a review of the report of the gover-  
15 nor under AS 37.07.020(d) with recommendations for needed legislation;

16 (6) in conjunction with the finance committee of each house  
17 recommend annually to the legislature the investment policy for the  
18 general fund surplus and for the income from the permanent fund;

19 (7) review the [PROVIDE FOR AN] annual post audit and  
20 annual operational and performance evaluation of the Alaska Permanent  
21 Fund Corporation investments and investment programs prepared by the  
22 state treasurer;

23 (8) review the annual post audit and [PROVIDE FOR AN]  
24 annual operational and performance evaluation of the Alaska Housing  
25 Finance Corporation and the Alaska Industrial Development Authority  
26 prepared by the state treasurer; the performance evaluation shall  
27 include, but is not limited to, a comparison of the impact on various  
28 sectors of the economy by public and private lending, the impact on  
29 resident and nonresident employment, the impact on real wages, and the

1 impact on state and local operating and capital budgets of the pro-  
2 grams of the Alaska Housing Finance Corporation and the Alaska Indus-  
3 trial Development Authority.

4 \* Sec. 25. AS 24.20.281 is amended to read:

5 Sec. 24.20.281. SPECIAL AUDIT. A member of the legislature may,  
6 in writing and with at least six days notice, request that the budget  
7 and audit committee direct a special audit of any state agency or  
8 determine the propriety of any expenditure of state funds received by  
9 any political subdivision or other entity obtaining state funds.  
10 Should a majority of the committee vote to approve the request, the  
11 state treasurer [LEGISLATIVE AUDIT DIVISION] shall make the audit.

12 \* Sec. 26. AS 24.20.291 is amended to read:

13 Sec. 24.20.291. CONFLICT OF INTEREST. [THE LEGISLATIVE AUDITOR,  
14 THE SUPERVISOR OF AUDIT, THE] legislative fiscal analyst and members  
15 of the staff of the legislative finance division [AND AUDIT DIVISIONS]  
16 may not serve in ex officio or other capacity on any board, [( ) except  
17 as authorized in AS 24.20.231(6) [SEC. 231(6) OF THIS CHAPTER]],  
18 commission or other administrative agency of state government; nor may  
19 they have a financial interest in transactions involving any agency of  
20 state government.

21 \* Sec. 27. AS 24.20.311 is amended to read:

22 Sec. 24.20.311. REPORTS. The committee shall file copies of  
23 its approved audit and performance evaluation reports, including any  
24 committee recommendations, with the governor, the agency concerned and  
25 the legislature. An annual report summarizing the audit and perfor-  
26 mance evaluation reports and committee recommendations made during the  
27 year shall be filed with the governor and with the legislature within  
28 the first five days of each regular session of the legislature.  
29 Reports shall be approved by a majority of the committee before their

1 release and shall be open to public inspection after their release to  
2 the legislature.

3 \* Sec. 28. AS 24.23.030(b) is amended to read:

4 (b) A contract for the Legislative Affairs Agency shall be  
5 approved by the Legislative Council. A contract for the legislative  
6 finance division [OR THE LEGISLATIVE AUDIT DIVISION] shall be approved  
7 by the Legislative Budget and Audit Committee.

8 \* Sec. 29. AS 24.23.030(c) is amended to read:

9 (c) A legislative committee may request the Legislative Affairs  
10 Agency or [,] the legislative finance division [, OR THE LEGISLATIVE  
11 AUDIT DIVISION] to carry out the responsibilities set out in AS 24.-  
12 23.020(a).

13 \* Sec. 30. AS 24.23.040(b) is amended to read:

14 (b) A contract must be executed by the provider of the service  
15 and the person responsible for awarding the contract and must be  
16 approved as to form by the executive director of the Legislative  
17 Affairs Agency or [,] the director of the legislative finance division  
18 [, OR THE LEGISLATIVE AUDIT DIVISION] and also by legislative legal  
19 counsel.

20 \* Sec. 31. AS 24.23.060(a) is amended to read:

21 (a) A copy of each contract and each exemption granted under  
22 AS 24.23.020(b) must be filed, as is appropriate, with the Legislative  
23 Affairs Agency, the ombudsman, or the legislative finance division,  
24 [OR THE LEGISLATIVE AUDIT DIVISION,] and is open for public inspec-  
25 tion. The request for proposals and each proposal submitted must be  
26 attached to the filed copy unless the contract is one in which re-  
27 quests for proposals are not required.

28 \* Sec. 32. AS 24.55.330(2) is amended to read:

29 (2) "agency" includes a department, office, institution,

1 corporation, authority, organization, commission, committee, council  
2 or board of a municipality or in the executive, legislative or judi-  
3 cial branches of the state government, and a department, office,  
4 institution, corporation, authority, organization, commission, commit-  
5 tee, council or board of a municipality or of the state government  
6 independent of the executive, legislative and judicial branches; it  
7 also includes an officer, employee or member of an "agency" acting or  
8 purporting to act in the exercise of [HIS] official duties, but does  
9 not include the governor, lieutenant governor, state treasurer, a  
10 member of the legislature, justice of the supreme court, judge of the  
11 court of appeals, a superior court judge, district court judge, magis-  
12 trate, member of a city council or borough assembly, elected city or  
13 borough mayor, or a member of an elected school board;

14 \* Sec. 33. AS 24.60.050(e) is amended to read:

15 (e) The state treasurer [DIVISION OF LEGISLATIVE AUDIT] shall  
16 annually review state loans granted to or held by persons to whom this  
17 chapter applies to determine whether appropriate procedures were  
18 observed in granting or reviewing the loans and whether loan condi-  
19 tions imposed by the lending agency are being enforced. The treasurer  
20 [DIVISION] shall report the [ITS] findings of these reviews to the  
21 committee by April 1.

22 \* Sec. 34. AS 29.48.220 is amended to read:

23 Sec. 29.48.220. POST AUDIT. The assembly or council shall  
24 provide for an annual [INDEPENDENT] audit by the state treasurer of  
25 the accounts and financial transactions of the municipality or in the  
26 case of a second class city an audit or statement of annual income and  
27 expenditures. [TO MAKE THE AUDIT THE ASSEMBLY OR COUNCIL SHALL DESIG-  
28 NATE A PUBLIC ACCOUNTANT WHO HAS NO PERSONAL INTEREST, DIRECT OR  
29 INDIRECT, IN THE FISCAL AFFAIRS OF THE MUNICIPALITY.] Copies of the

1 audit shall be available to the public upon request. This section  
2 applies to home rule and general law municipalities.

3 \* Sec. 35. AS 30.13.125 is amended to read:

4 Sec. 30.13.125. AUDIT. The state treasurer [LEGISLATIVE AUDI-  
5 TOR] shall audit or shall cause to have audited annually the financial  
6 records of an authority. The state treasurer [LEGISLATIVE AUDITOR]  
7 may prescribe the form and content of the financial records of an  
8 authority and shall have access to these records at any reasonable  
9 time.

10 \* Sec. 36. AS 35.10.135 is amended to read:

11 Sec. 35.10.135. PUBLIC FACILITY PLANNING FUND. There is estab-  
12 lished within the Office of the Governor, office of management and  
13 budget a public facility planning fund. The fund is a capital fund  
14 and consists of (1) money appropriated by the legislature, (2) money  
15 reimbursed to it from the proceeds of the sales of general obligation  
16 bonds and revenue bonds issued for projects and (3) money reimbursed  
17 to it from appropriations for any projects for which money from the  
18 fund has been spent. The fund is available for expenditure, on a  
19 reimbursable basis, only for the purposes of providing working capital  
20 for facility program planning and for facility procurement planning as  
21 specified in this chapter. All expenditures from the fund are subject  
22 to an [INDEPENDENT] audit which shall be made annually by the state  
23 treasurer and reported to the governor and the legislature.

24 \* Sec. 37. AS 37.05.210 is amended to read:

25 Sec. 37.05.210. FISCAL REPORTING AND STATISTICS. The Department  
26 of Administration shall

27 (1) at least once each month and annually, prepare reports  
28 as of the close of the preceding month or fiscal year showing the  
29 financial condition of each fund as of the close of the respective

1 period and the transactions of each fund for those periods;

2 (2) file with the governor and with the state treasurer  
3 [LEGISLATIVE AUDITOR] before October 16 a report of the financial  
4 transactions of the preceding fiscal year and of the financial condi-  
5 tion of the state as of the end of that year, with comments and sup-  
6 plementary data which it considers necessary; this report shall be  
7 printed for the information of the legislature and the public;

8 (3) compile statistics necessary for the budget and other  
9 statistics required by the governor.

10 \* Sec. 38. AS 37.12.090(a) is amended to read:

11 (a) The corporation shall publish an annual report by January 10  
12 of each year for distribution to the governor, the legislature, and  
13 the public. The report shall be written in easily understandable  
14 language, shall consider the assigned duties of the corporation, and  
15 shall include

16 (1) a financial statement audited by the state treasurer  
17 [AN INDEPENDENT OUTSIDE AUDITOR];

18 (2) a statement of the corporation's investments under this  
19 chapter including an appraisal of the investments at market value;

20 (3) a description of corporation investment activity during  
21 the period covered by the report;

22 (4) a comparison of the corporation's performance with the  
23 goals of the corporation;

24 (5) an overall financial plan describing the anticipated  
25 risk and return on investment in the different categories of invest-  
26 ment undertaken;

27 (6) a summary of employment provided and of wages and state  
28 and local taxes paid by resource projects invested in or assisted by  
29 the corporation; and

1 (7) any other information the members of the board believe  
2 would be of interest to the governor, the legislature, and the public.

3 \* Sec. 39. AS 37.12.100 is amended to read:

4 Sec. 37.12.100. ANNUAL AUDIT. The corporation shall have its  
5 financial record audited annually by the state treasurer [AN INDE-  
6 PENDENT OUTSIDE AUDITOR]. The state treasurer [LEGISLATIVE AUDITOR]  
7 may prescribe the form and content of the financial record of the  
8 corporation and shall have access to these records at any time.

9 \* Sec. 40. AS 37.13.160 is amended to read:

10 Sec. 37.13.160. AUDITS. The Legislative Budget and Audit Com-  
11 mittee may request the state treasurer to perform [PROVIDE FOR] an  
12 annual post audit and annual operational and performance evaluation  
13 [EVALUATIONS] of the corporation's investments and investment pro-  
14 grams.

15 \* Sec. 41. AS 37.13.170 is amended to read:

16 Sec. 37.13.170. REPORTS AND PUBLICATIONS. By September 30 of  
17 each year, the board shall publish a report of the corporation for  
18 distribution to the governor, legislature, and the public. The report  
19 shall be written in easily understandable language. The report must  
20 include financial statements audited by the state treasurer [INDEPEN-  
21 DENT OUTSIDE AUDITORS], a statement of the amount of money received by  
22 the Alaska permanent fund from each investment during the period  
23 covered, a statement of investments of the corporation including an  
24 appraisal at market value, a description of corporation investment  
25 activity during the period covered by the report, a comparison of the  
26 corporation performance with the intended goals contained in AS 37.-  
27 13.020, an examination of the impact of the investment criteria of  
28 this chapter on the corporation portfolio with recommendations of any  
29 needed changes, and any other information the board believes would be

1 of interest to the governor, the legislature, and the public. The  
2 annual income statement and balance sheet of the corporation shall be  
3 published in at least one newspaper in each judicial district. The  
4 income statement and balance sheet for the two fiscal years preceding  
5 the publication of the election pamphlet under AS 15.58 shall be  
6 included in that pamphlet.

7 \* Sec. 42. AS 39.20.050 is amended to read:

8 Sec. 39.20.050. EXCLUSIVE COMPENSATION. The compensation fixed  
9 by law for the governor, [AND] lieutenant governor and state treasurer  
10 is in full for all services rendered by each of them in any official  
11 capacity or employment whatsoever during their respective terms of  
12 office, and shall be paid throughout their respective terms of office  
13 unless the office becomes vacant.

14 \* Sec. 43. AS 39.20.060 is amended to read:

15 Sec. 39.20.060. EXCLUSION OF GOVERNOR, [AND] LIEUTENANT GOVER-  
16 NOR AND STATE TREASURER FROM PERSONNEL LAWS. Notwithstanding the  
17 provisions of any other law, the governor, [AND] lieutenant governor  
18 and state treasurer are not considered employees of the state for the  
19 purpose of state personnel laws relating to hours of employment,  
20 annual leave, sick leave, overtime, compensatory time, and travel  
21 allowances. Nothing in this section shall be construed to deprive the  
22 governor, [AND] lieutenant governor or state treasurer of the right to  
23 participate in the state retirement system or in state group insurance  
24 plans.

25 \* Sec. 44. AS 39.20.310 is amended to read:

26 Sec. 39.20.310. EXCEPTIONS. AS 39.20.200 - 39.20.330 do not  
27 apply to

28 (1) members of the state legislature, the governor, the  
29 lieutenant governor, the state treasurer, and justices and judges of

1 the supreme and superior courts and of the court of appeals, but  
2 nothing in AS 39.20.200 - 39.20.330 may be construed to diminish the  
3 salaries fixed by law for these officers by reason of absence from  
4 duty on account of illness or otherwise;

5 (2) magistrates serving the state on less than a full-time  
6 basis;

7 (3) officers, members of the teaching staff, and employees  
8 of the University of Alaska;

9 (4) [Repealed

10 (5)] persons employed in a professional capacity to make a  
11 temporary and special inquiry, study, or examination as authorized by  
12 the governor, the state treasurer, the legislature, or a legislative  
13 committee;

14 (5) [(6)] members of boards, commissions, and authorities  
15 who are not otherwise employed by the state;

16 (6) [(7)] temporary employees hired for periods of less  
17 than 12 consecutive months;

18 (7) [(8)] persons employed by the division of marine  
19 transportation as masters and members of the crews operating the state  
20 ferry system who are covered by collective bargaining agreements as  
21 provided in AS 23.40.040, except as expressly provided by law; or [.]

22 (8) [(9)] persons employed by the state who are covered by  
23 collective bargaining agreements as provided in AS 23.40.210, except  
24 as expressly provided by law.

25 \* Sec. 45. AS 39.25.110 is amended by adding a new paragraph to read:

26 (23) employees of the office of the state treasurer.

27 \* Sec. 46. AS 39.50.020(b) is amended to read:

28 (b) The governor, lieutenant governor, state treasurer, members  
29 of the legislature, and candidates for these offices, judicial

1 officers, each commissioner, head or deputy head of, or director of a  
2 division within, a department in the executive branch, assistant to  
3 the governor or chairman or member of a commission or board required  
4 to report under this chapter, shall file the statement with the Alaska  
5 Public Offices Commission. Municipal officers, and candidates for  
6 elective municipal office, shall file with the municipal clerk or  
7 other municipal official designated to receive their filing for  
8 office. All statements required to be filed under this chapter are  
9 public records.

10 \* Sec. 47. AS 39.50.130 is amended to read:

11 Sec. 39.50.130. REPORT OF FINANCIAL INTERESTS OF GOVERNOR, [AND]  
12 LIEUTENANT GOVERNOR AND STATE TREASURER. The governor, [AND] lieu-  
13 tenant governor and state treasurer shall each file a report of finan-  
14 cial interests required by this chapter. If the governor, [OR] lieu-  
15 tenant governor, or state treasurer fails to file the report when due,  
16 salary, per diem, and travel expenses after the due date are forfeited  
17 and may not be paid until compliance, and the person is guilty of a  
18 misdemeanor and upon conviction is punishable by a fine of not less  
19 than \$100 nor more than \$1000.

20 \* Sec. 48. AS 39.50.200(8) is amended to read:

21 (8) "public official" means a judicial officer, a member of  
22 the legislature, the fiscal analyst of the legislative finance divi-  
23 sion, [THE LEGISLATIVE AUDITOR OF THE LEGISLATIVE AUDIT DIVISION,] the  
24 executive director of the Legislative Affairs Agency and the directors  
25 of the divisions within the Legislative Affairs Agency, the governor,  
26 the lieutenant governor, a person hired or appointed as the head or  
27 deputy head of, or director of a division within, a department in the  
28 executive branch, an assistant to the governor, the state treasurer,  
29 chairman or member of a state commission or board, and each appointed

1 or elected municipal officer;

2 \* Sec. 49. AS 42.40.270 is amended to read:

3 Sec. 42.40.270. AUDITS. (a) The board shall have the financial  
4 records of the corporation audited annually by the state treasurer [AN  
5 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT EXPERIENCED IN RAILROAD AC-  
6 COUNTING]. The board shall have an annual performance audit conducted  
7 by the state treasurer [A RECOGNIZED RAILROAD MANAGEMENT EXPERT] to  
8 assure that the railroad is being managed and operated effectively and  
9 efficiently in accordance with the requirements of this chapter and  
10 that each appropriation is used to directly support those services for  
11 which the appropriation was requested. The state treasurer [AUDITORS]  
12 shall use the standards required under AS 42.40.100(9) and determine  
13 whether appropriations received for a service that is not self-sus-  
14 taining were calculated in accordance with United States Interstate  
15 Commerce Commission standards for determining rail service subsidies.

16 (b) The corporation shall make all of its financial records  
17 available to an auditor appointed by the governor and to the state  
18 treasurer [AND TO THE LEGISLATIVE AUDIT DIVISION FOR EXAMINATION].  
19 Disclosure to the public by the auditor or state treasurer [OR LEGIS-  
20 LATIVE AUDIT DIVISION] of this information is subject to AS 42.40.220  
21 and rules implementing that section.

22 \* Sec. 50. AS 43.20.013(a) is amended to read:

23 (a) A resident individual is entitled to a tax credit not to  
24 exceed \$100 for

25 (1) a contribution made in a calendar year to a person or  
26 organization for use exclusively

27 (A) for a political campaign for a candidate for

28 (1) President or Vice-President of the United  
29 States, whether or not the candidate will be voted on in a

1 primary election in Alaska;

2 (ii) United States senator from Alaska;

3 (iii) United States representative from Alaska;

4 (iv) governor, [OR] lieutenant governor or state  
5 treasurer of Alaska;

6 (v) the Alaska legislature;

7 (vi) delegate to an Alaska constitutional conven-  
8 tion;

9 (vii) electoral confirmation as a judge or justice  
10 of a court in Alaska; or

11 (viii) municipal office in Alaska; or

12 (B) by a group seeking to influence the outcome of a  
13 ballot proposition or question in Alaska; and

14 (2) dues paid in a calendar year to a nonprofit organiza-  
15 tion organized primarily for the purpose of influencing elections in  
16 Alaska.

17 \* Sec. 51. AS 44.07.200 is amended to read:

18 Sec. 44.07.200. MONEY OF THE CORPORATION. The state treasurer  
19 [LEGISLATIVE AUDITOR] may examine all the accounts and books of the  
20 corporation and all other records and papers relating to its financial  
21 standing. The state treasurer [LEGISLATIVE BUDGET AND AUDIT COMMIT-  
22 TEE] shall conduct an audit of the corporation [EXAMINATION] at least  
23 once every two years [OR MAY ACCEPT AN INDEPENDENT AUDIT OF THE CORPO-  
24 RATION BY A FIRM OF CERTIFIED PUBLIC ACCOUNTANTS MADE AT THE REQUEST  
25 OF THE CORPORATION IN SATISFACTION OF THE EXAMINATION REQUIREMENT].

26 \* Sec. 52. AS 44.07.280 is amended to read:

27 Sec. 44.07.280. STAFF. The state treasurer shall provide audits  
28 [LEGISLATIVE AUDIT DIVISION] and the legislative finance division  
29 shall provide [AUDITS,] reports and analyses requested by the

1 committee. The committee may hire and determine the salary of the  
2 staff it considers necessary within the limit of the budget approved  
3 by the legislature.

4 \* Sec. 53. AS 44.07.320 is amended to read:

5 Sec. 44.07.320. ANNUAL REPORT. The corporation shall submit to  
6 the governor and the Legislative Budget and Audit Committee, within  
7 three months after the end of the corporation's fiscal year, a com-  
8 plete financial report audited by the state treasurer, that [A CERTI-  
9 FIED PUBLIC ACCOUNTANT OR FIRM OF CERTIFIED PUBLIC ACCOUNTANTS, WHICH]  
10 shows

11 (1) its receipts and expenditures during its fiscal year;

12 (2) its assets and liabilities at the end of its fiscal  
13 year, including a schedule of its leases and mortgages and the status  
14 of reserve, special and other funds;

15 (3) the progress of fulfillment of the financial and eco-  
16 nomic projections contained in the general development and specific  
17 development plans; and

18 (4) its operations and accomplishments and any material  
19 problems encountered in implementing the development plan.

20 \* Sec. 54. AS 44.21.253(a) is amended to read:

21 (a) The council shall have its financial records audited by the  
22 state treasurer [AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT]. The  
23 state treasurer [INTERNAL AUDITOR AND LEGISLATIVE AUDITOR] shall  
24 [JOINTLY] prescribe the form and content of the financial records of  
25 the council and shall be afforded access to these records at any time.

26 \* Sec. 55. AS 44.47.530 is amended to read:

27 Sec. 44.47.530. ANNUAL REPORT. To further ensure effective  
28 budgetary decision making by the legislature, the division shall  
29 present a complete accounting of the housing assistance revolving fund

1 to the legislature by January 10 of each year. The accounting shall  
2 be audited by the state treasurer [AN INDEPENDENT OUTSIDE AUDITOR] and  
3 shall include a full description of all mortgage loan interest and  
4 principal repayments and program receipts, including mortgage loan  
5 commitment fees, received by or accrued to the division during the  
6 preceding fiscal year, and all income earned on assets of the division  
7 during that period.

8 \* Sec. 56. AS 44.66.050(a) is amended to read:

9 (a) Before the termination, dissolution, continuation or re-  
10 establishment of a board or commission under AS 08.03.010 or AS 44.-  
11 66.010, or of an agency program under AS 44.66.020 and 44.66.030, a  
12 committee of reference of each house, which shall be the standing  
13 committee of legislative jurisdiction as provided in the Uniform Rules  
14 of the Legislature, shall hold one or more hearings to receive testi-  
15 mony from the public, the commissioner of the department having admin-  
16 istrative responsibility for each named board, commission, or agency  
17 program, and the members of the board or commission involved. The  
18 hearings may be joint hearings. The committee shall also consider the  
19 proposed budget of the board, commission, or agency program, prepared  
20 in accordance with AS 37.07.050(f), the audit and the performance  
21 evaluation [AUDIT] of the activities of the board, commission, or  
22 agency program, prepared by the state treasurer under AS 37.06.010  
23 [LEGISLATIVE AUDIT DIVISION AS PRESCRIBED IN AS 24.20.271(1)]. The  
24 committee may consider any other report of the activities of the  
25 board, commission or program, including but not limited to annual  
26 reports, summaries prepared by the Legislative Affairs Agency, and any  
27 evaluation or general report of the manner of conduct of activities of  
28 the board, commission, or agency program prepared by the office of the  
29 ombudsman.

1 \* Sec. 57. AS 44.81.260(b) is amended to read:

2 (b) The requirements of (a) of this section are subject to the  
3 following exceptions:

4 (1) The state treasurer [LEGISLATIVE AUDIT DIVISION] has  
5 access to the records of the bank to perform an audit authorized under  
6 AS 44.81.270.

7 (2) The board of directors or the president of the bank  
8 shall supply statistical and other impersonal information pertaining  
9 to members, applicants, and loans in response to requests from the  
10 legislature or a state agency or members of the federal farm credit  
11 system and may provide similar information upon request to a respon-  
12 sible private organization.

13 (3) Information concerning members may be given for the  
14 confidential use of a member of the federal farm credit system or  
15 other financial institution in contemplation of the extension of  
16 credit or the collection of loans.

17 (4) Impersonal information based solely on transactions or  
18 experience with a member, such as amounts of loans, terms, and payment  
19 records may be given by the bank for the confidential use of a reli-  
20 able organization in contemplation of the extension of credit.

21 (5) Credit information concerning a member may be given  
22 when the member consents to it in writing.

23 (6) In litigation between a member (or the member's succes-  
24 sor in interest) and the bank, any competent evidence may be intro-  
25 duced with respect to relevant statements made orally or in writing by  
26 or to the member or the successor.

27 \* Sec. 58. AS 44.81.270 is amended to read:

28 Sec. 44.81.270. AUDIT OF BANK. The state treasurer [LEGISLATIVE  
29 AUDITOR] may audit the bank under AS 37.06 [CAUSE THE BANK TO RE

1 AUDITED IN THE MANNER AND UNDER THE CONDITIONS PRESCRIBED BY AS 24.-  
2 20.271 FOR AUDITS PERFORMED BY THE LEGISLATIVE AUDIT DIVISION]. The  
3 state treasurer [LEGISLATIVE AUDIT DIVISION] has free access to all  
4 books and papers of the bank that relate to its business and books and  
5 papers kept by a director, officer, or employee relating to or upon  
6 which a record of its business is kept, and may summon witnesses and  
7 administer oaths or affirmations in the examination of the directors,  
8 officers, or employees of the bank or any other person in relation to  
9 its affairs, transactions, and conditions, and may require and compel  
10 the production of records, books, papers, contracts, or other docu-  
11 ments by court order if not voluntarily produced.

12 \* Sec. 59. AS 44.81.280 is amended to read:

13 Sec. 44.81.280. PROHIBITION ON DISCLOSURE. The state treasurer  
14 [LEGISLATIVE AUDITOR] and the treasurer's [AUDITOR'S] employees may  
15 not disclose information acquired by them in the course of an audit of  
16 the bank concerning the particulars of the business or affairs of a  
17 borrower of the bank or another person, unless the information is  
18 required to be disclosed by law or under a court order.

19 \* Sec. 60. AS 44.82.180 is amended to read:

20 Sec. 44.82.180. ANNUAL AUDIT. The authority shall have its  
21 financial records audited annually by the state treasurer [LEGISLATIVE  
22 AUDITOR OR BY A CERTIFIED PUBLIC ACCOUNTANT APPROVED BY THE LEGISLA-  
23 TIVE AUDITOR]. The state treasurer [LEGISLATIVE AUDITOR] may pre-  
24 scribe the form and content of the financial records of the authority  
25 and is entitled to access to these records at any time.

26 \* Sec. 61. AS 44.83.190 is amended to read:

27 Sec. 44.83.190. ANNUAL AUDIT. The authority shall have its  
28 financial records audited annually by the state treasurer [A CERTIFIED  
29 PUBLIC ACCOUNTANT]. The state treasurer [LEGISLATIVE AUDITOR] may

1 prescribe the form and content of the financial records of the author-  
2 ity and shall have access to these records at any time.

3 \* Sec. 62. AS 44.85.100(a) is amended to read:

4 (a) Before October 1 of each year the bond bank authority shall  
5 make a report of its activities for the preceding fiscal year to the  
6 governor and to the legislature. The report shall set out a complete  
7 operating and financial statement covering its operations during the  
8 year. The bond bank authority shall have an audit of its books and  
9 accounts made at least once in each year by the state treasurer [CER-  
10 TIFIED PUBLIC ACCOUNTANTS] and the cost of the audit shall be con-  
11 sidered an expense of the bond bank authority and a copy of the audit  
12 shall be filed with the commissioner of revenue and the legislature.

13 \* Sec. 63. AS 44.88.200 is amended to read:

14 Sec. 44.88.200. ANNUAL AUDIT. The authority shall have its  
15 financial records audited annually by the state treasurer [LEGISLATIVE  
16 AUDITOR OR BY A CERTIFIED PUBLIC ACCOUNTANT APPROVED BY THE LEGISLA-  
17 TIVE AUDITOR]. The state treasurer [LEGISLATIVE AUDITOR] may pre-  
18 scribe the form and content of the financial records of the authority  
19 and shall have access to these records at any time.

20 \* Sec. 64. AS 44.88.210(a) is amended to read:

21 (a) By January 10 of each year, the authority shall publish a  
22 report for distribution to the governor, legislature, and the public.  
23 The report shall be written in easily understandable language. The  
24 report shall include a financial statement audited by the state trea-  
25 surer [AN INDEPENDENT OUTSIDE AUDITOR], a statement of the authority's  
26 investments under this chapter including an appraisal of the invest-  
27 ments at market value, a comparison of the authority's performance  
28 with the goals of the authority and the levels of bonding and invest-  
29 ment activities anticipated in the previous year's report under (b) of

1 this section, and any other information the members of the authority  
2 believe would be of interest to the governor, the legislature, and the  
3 public. The annual income statement and balance sheet of the authori-  
4 ty shall be published in at least one newspaper in each judicial  
5 district. The authority may also publish other reports it considers  
6 desirable to carry out its purpose.

7 \* Sec. 65. AS 47.40.031 is amended to read:

8 Sec. 47.40.031. REQUIRED ACCOUNTING PROCEDURES. Facilities that  
9 solicit or receive grants from the department for the cost of services  
10 provided under AS 47.40.011 - 47.40.091 shall

11 (1) meet accepted standards of fiscal accountability for  
12 public money and shall, upon request, submit to the department and to  
13 the state treasurer [DIVISION OF LEGISLATIVE AUDIT] a complete finan-  
14 cial statement prepared by an independent certified public accountant;

15 (2) keep records of the expenditures for the services  
16 provided, using cost-accounting procedures in accordance with depart-  
17 ment regulations;

18 (3) upon request, furnish the department and the state  
19 treasurer [DIVISION OF LEGISLATIVE AUDIT] all fiscal information,  
20 books, records, and accounts pertaining to services paid for under  
21 AS 47.40.011 - 47.40.091.

22 \* Sec. 66. AS 24.20.241, 24.20.251, 24.20.261, 24.20.271, 24.20.301(a);  
23 and AS 24.23.060(b) are repealed.

24 \* Sec. 67. This Act takes effect on the effective date of the constitu-  
25 tional amendment proposing amendments to the Constitution of the State of  
26 Alaska relating to the office of state treasurer.