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1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR 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 abolishing the legislative audit division; and pro-  
9 viding 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) conduct an annual compliance audit of the accounts of  
17 all state agencies;

18 (2) conduct an annual compliance audit of the accounts of  
19 municipalities in accordance with AS 29.48.220;

20 (3) conduct an annual compliance audit of the accounts of  
21 school districts in the state in accordance with AS 14.11.125 and  
22 AS 14.17.190;

23 (4) conduct management and program audits and investiga-  
24 tions when required by the governor, the Legislative Budget and Audit  
25 Committee, or the chief justice of the supreme court;

26 (5) conduct management and program audits of boards and  
27 commissions designated in AS 44.66.010 and of those programs and  
28 activities subject to termination under AS 44.66.020 and 44.66.030,  
29 and submit the audit and evaluation no later than the first day of the  
S

1 regular session of the legislature convening in each year designated  
2 for boards, commissions, and programs subject to AS 44.66;

3 (6) conduct compliance audits of all statements of  
4 financial condition of the state government and agencies of state  
5 government;

6 (7) examine the estimates of receipts and expenditures  
7 prepared for inclusion in each budget report, and certify the results  
8 of that examination for inclusion in the budget report presented by  
9 the governor to the legislature under AS 37.07.060;

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

16 (9) assist state agencies, municipalities, and school  
17 districts in establishing or improving their accounting systems;

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

21 (b) The treasurer may

22 (1) conduct a management or program audit or investigation  
23 of any matter related to state finance; and

24 (2) investigate and examine the conduct of officers who are  
25 authorized to receive, collect, or disburse money for the state, or  
26 who manage or control property belonging to the state or in which the  
27 state is interested, or who make estimates or records that are used as  
28 a basis by a state agency in the disbursement of public money.

29 Sec. 37.06.020. ASSISTANT TREASURER AND EMPLOYEES. (a) The

1 treasurer shall appoint an assistant treasurer who shall be a certi-  
2 fied public accountant. The assistant treasurer shall assist the  
3 treasurer in the performance of duties. If the treasurer is absent or  
4 is rendered incapable of performing the duties, or a vacancy in the  
5 office occurs, the assistant treasurer shall perform the duties of the  
6 treasurer until the necessity ends or, in the case of a vacancy, until  
7 a successor is elected.

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

12 Sec. 37.06.030. ACCESS TO RECORDS AND TESTIMONY. (a) The  
13 treasurer shall have access at all times to records, accounts, re-  
14 ports, vouchers, correspondence, files, books, money, and property,  
15 whether confidential or not, of every state agency, municipality or  
16 school district subject to the audit and investigative authority of  
17 the treasurer. An officer or employee of a state agency who possesses  
18 or controls records or property shall permit access to and examination  
19 of them upon the request of the treasurer or an agent authorized by  
20 the treasurer to make the request.

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

26 Sec. 37.06.040. AUDIT REPORTS. Upon completion of each audit,  
27 the treasurer shall prepare a report containing findings and recom-  
28 mendations. The treasurer shall furnish a copy to the governor, the  
29 legislature, and to the head of the agency to which the report

1 pertains. Unless an audit report is based on or contains information  
2 made confidential by law or protected by the right to privacy estab-  
3 lished in art. I, sec. 22, of the state constitution, the treasurer  
4 shall release the audit report to the public. The treasurer shall  
5 prepare and submit to the legislature an annual report of activities,  
6 summarizing the findings and recommendations of each audit report  
7 prepared and presenting other findings and recommendations considered  
8 necessary.

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

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

15 Sec. 37.06.060. AUDITS. (a) When conducting an audit the  
16 treasurer may

17 (1) require the assistance and cooperation of all state  
18 officials and employees;

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

23 (b) The treasurer shall keep a complete file of all audit re-  
24 ports and other reports or releases issued by the office, and a com-  
25 plete file of audit work papers and other related supportive material.  
26 The treasurer shall also keep a complete and accurate record of all  
27 fiscal transactions involving the office. Audit records are confiden-  
28 tial unless an audit report based on the records has been released  
29 under AS 37.06.040.

1           Sec. 37.06.065. AUDIT STANDARDS.    The treasurer shall adopt  
2           audit standards required for conducting audits in accordance with  
3           generally accepted government auditing standards. The audit standards  
4           may specify separate or particular standards applicable only to audits  
5           of federal grants, aid or trust funds administered by state agencies  
6           in order to comply with applicable federal regulations. Audit stan-  
7           dards established under this section shall govern all audits conducted  
8           by the treasurer.

9           Sec. 37.06.070. CONTRACT AUDITS.   The treasurer may contract  
10          with a certified public accountant licensed in the state to conduct a  
11          compliance audit. An audit conducted under this section shall be in  
12          accordance with audit standards established by the treasurer.

13          Sec. 37.06.080. PAYMENT FOR ANNUAL AUDITS.   A school board,  
14          municipality, or independent state authority, bank or corporation,  
15          including the Alaska Railroad corporation and the Alaska Permanent  
16          Fund, on which the state treasurer is required by law to perform an  
17          annual audit, shall reimburse the state treasurer for the cost of the  
18          audit.

19          Sec. 37.06.090. LEGAL COUNSEL.   (a) The attorney general shall  
20          advise the treasurer in legal matters arising in the discharge of the  
21          treasurer's duties and shall represent the treasurer in suits to which  
22          the treasurer is a party. The treasurer may employ independent legal  
23          counsel for proceedings and court actions in which the attorney gen-  
24          eral is representing another agency of the state government.

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

29          Sec. 37.06.100. DEFINITIONS.   In this chapter

1           (1) "agency" means a department, office, institution,  
2 corporation, authority, board, commission, bureau, division, or other  
3 administrative unit forming the state government, including the legis-  
4 lative, executive, and judicial branches of government and the Univer-  
5 sity of Alaska;

6           (2) "compliance audit" means a post audit that determines

7           (A) whether the audited agency has obligated, ex-  
8 pended, received, and used public funds of the state in accor-  
9 dance with the purpose for which those funds have been appropri-  
10 ated or otherwise authorized by law;

11           (B) whether the audited agency has obligated, ex-  
12 pended, received, and used public funds of the state in accor-  
13 dance with any limitations, restrictions, conditions, or manda-  
14 tory directions imposed by law on the obligation, expenditure,  
15 receipt, or use;

16           (C) in the case of a state agency, whether the audit  
17 agency has generally complied with applicable laws and regula-  
18 tions in its financial and fiscal operations;

19           (D) whether the records, books, and accounts of the  
20 audited agency accurately reflect its financial and fiscal op-  
21 erations;

22           (E) whether the audited agency is maintaining effec-  
23 tive accounting control over revenue, obligations, expenditures,  
24 assets, and liabilities;

25           (F) whether collections of state revenue and receipts  
26 by the audited agency are in accordance with applicable laws and  
27 regulations and whether the accounting and record keeping of the  
28 revenue and receipts is fair, accurate, and in accordance with  
29 law;

1 (G) in the case of a state agency, whether money or  
2 negotiable securities or similar assets handled by the audited  
3 agency on behalf of the state or held in trust by the audited  
4 agency have been properly and legally administered, and whether  
5 the accounting and record keeping by the state agency is proper,  
6 accurate and in accordance with law; and

7 (H) whether financial, program, and statistical re-  
8 ports of the audited agency contain useful data and are fairly  
9 presented;

10 (3) "investigation" means an inquiry into specified acts or  
11 allegations of impropriety, malfeasance or nonfeasance in the obliga-  
12 tion, expenditure, receipt or use of public funds of the state, or  
13 into specified financial transactions or practices that may involve  
14 such impropriety, malfeasance or nonfeasance;

15 (4) "management audit" means a post audit that determines  
16 with regard to the purpose, functions, and duties of the audited  
17 agency

18 (A) whether the audited agency is managing or utiliz-  
19 ing its resources, including public funds of the state, person-  
20 nel, property, equipment, and space in an economical and effi-  
21 cient manner; and

22 (B) causes of inefficiencies or uneconomical prac-  
23 tices, including inadequacies in management information systems,  
24 internal and administrative procedures, organizational structure,  
25 use of resources, allocation of personnel, purchasing policies,  
26 and equipment;

27 (5) "program audit" means a post audit that determines  
28 according to established or designed program objectives, responsibil-  
29 ities or duties, including statutes and regulations, program

1 performance criteria or program evaluation standards

2 (A) whether the objectives and intended benefits are  
3 being achieved, and whether efficiently and effectively;

4 (B) whether the program is being performed or adminis-  
5 tered as authorized or required by law; and

6 (C) whether the program duplicates, overlaps, or  
7 conflicts with another state program;

8 (6) "treasurer" means the state treasurer elected or ap-  
9 pointed under art. IX, sec. 17 or 18 of the state constitution.

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

11 (b) Each borough or city that [WHICH] is a school district shall  
12 maintain financial records of the receipt and disbursement of state  
13 funds received under AS 14.11.105 - 14.11.135 and money provided  
14 toward local effort. The records must [SHALL] be in the form pre-  
15 scribed by the department and are subject to audit by the state trea-  
16 surer [IT] at any time.

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

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

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

24 (a) This chapter applies in every election for governor, lieu-  
25 tenant governor, state treasurer, a member of the state legislature, a  
26 delegate to a constitutional convention, or judge seeking electoral  
27 confirmation. It also applies to every candidate for election to a  
28 municipal office in a city or borough with a population of more than  
29 1,000 inhabitants according to the latest United States census figures

1 or estimates of population certified as correct for administrative  
2 purposes by the Department of Community and Regional Affairs. A  
3 municipality may exempt its elected municipal officers from the re-  
4 quirements of this chapter if a majority of the voters voting on the  
5 question at any regular election, as defined in AS 29.78.010 [BY  
6 AS 29.78.010(14)], or a special municipality-wide election called for  
7 that purpose, vote to exempt its elected municipal officers from the  
8 requirements of this chapter. The question of exemption from the  
9 requirements of this chapter may be submitted by the city council or  
10 borough assembly by ordinance or by initiative ordinance. Nothing in  
11 this chapter prohibits a municipality from regulating by ordinance  
12 campaign contributions and expenditures.

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

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

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

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

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

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

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

1                   (6) AS 29.23.255, if the candidate is a candidate for city  
2 mayor;

3                   (7) the provisions of the call for the constitutional  
4 convention, if the candidate is a candidate for constitutional conven-  
5 tion delegate;

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

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

9                   (1) "candidate" means a person who files for election to  
10 the state legislature, for governor, for lieutenant governor, for  
11 state treasurer, for municipal office, for retention in judicial  
12 office, or for constitutional convention delegate, or who campaigns as  
13 a write-in candidate for any of these offices;

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

15                   (a) A defeated candidate or 10 qualified voters who believe  
16 there has been a mistake made by an election official or by the count-  
17 ing board in counting the votes in an election, may file an applica-  
18 tion with the director within five days after the completion of the  
19 state review [TO THE DIRECTOR] for a recount of the votes from any  
20 particular precinct or any election district and for any particular  
21 office, proposition, or question. However, the application may be  
22 filed only within three days after the completion of the state review  
23 after the general election for a recount of votes cast for the office  
24 of governor and lieutenant governor or state treasurer. If there is a  
25 tie vote as provided in AS 15.15.460, the director shall initiate the  
26 recount and give notice to the interested parties as provided in  
27 AS 15.20.470.

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

29                   Sec. 15.20.460. DETERMINATION OF DATE OF RECOUNT. If the

1 director determines that the application is substantially in the  
2 required form, the director [HE] shall fix the date of the recount to  
3 be held within three days after the receipt of an application  
4 requesting a recount of the general election votes cast for the office  
5 of governor and lieutenant governor or state treasurer and within five  
6 days after the receipt of an application requesting a recount for any  
7 other office, question, or proposition.

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

9       Sec. 15.20.510. PROVISION FOR APPEAL TO COURTS. A candidate or  
10 any person who requested a recount who has reason to believe an error  
11 has been made in the recount (1) involving any question or proposition  
12 or the validity of any ballot may appeal to the superior court in  
13 accordance with applicable court rules governing appeals in civil  
14 matters, and (2) involving candidates for the legislature or Congress  
15 or the office of governor and lieutenant governor or state treasurer  
16 may appeal to the supreme court in accordance with rules as may be  
17 promulgated by the court. Appeal shall be filed within five days of  
18 the completion of the recount. Upon order of the court, the director  
19 shall furnish the record of the recount taken including all ballots,  
20 registers, and other election material and papers pertaining to the  
21 election contest. The appeal shall be heard by the court sitting  
22 without a jury. The inquiry in the appeal shall extend to the ques-  
23 tions whether or not the director has properly determined what bal-  
24 lots, parts of ballots, or marks for candidates on ballots are valid,  
25 and to which candidate or division on the question or proposition the  
26 vote should be attributed. The court shall enter judgment either  
27 setting aside, modifying, or affirming the action of the director on  
28 recount.

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

1 (a) At the time the declaration is filed, each candidate shall  
2 pay a filing fee to the director. The filing fee for candidates for  
3 office of governor, lieutenant governor, state treasurer, United  
4 States senator, and United States representative is \$100. The filing  
5 fee for candidates for office of state senator and state representa-  
6 tive is \$30. Subject to legislative appropriation, the director shall  
7 pay the filing fee collected from a candidate under this section to  
8 the central committee of the political party of that candidate.

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

10 Sec. 15.25.160. REQUIRED NUMBER OF SIGNATURES FOR STATEWIDE  
11 OFFICE. Petitions for the nomination of candidates for the office of  
12 governor, lieutenant governor, state treasurer, United States senator  
13 and United States representative shall be signed by qualified voters  
14 of the state equal in number to at least three percent of the number  
15 of votes cast in the preceding general election. Candidates for the  
16 office of governor and lieutenant governor shall file jointly.

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

18 ARTICLE 4. STATE TREASURER.

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

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

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

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

28 Sec. 15.45.480. FILING APPLICATION. The recall of the governor,  
29 lieutenant governor, state treasurer, or a member of the state

1 legislature is proposed by filing an application with the director. A  
2 deposit of \$100 must accompany the application. This deposit will be  
3 retained if a petition is not properly filed. If a petition is prop-  
4 erly filed the deposit shall be refunded.

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

6 (b) No later than 75 days before the state general election, a  
7 candidate for the office of United States senator, United States  
8 representative, governor, lieutenant governor, state treasurer, jus-  
9 tice or judge, state senator, or state representative may file with  
10 the lieutenant governor a photograph and a statement advocating elec-  
11 tion of the candidate [HIS CANDIDACY].

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

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

16 (1) President or Vice-President of the United States,  
17 United States senator, United States representative, governor, lieu-  
18 tenant governor, state treasurer, supreme court justice and court of  
19 appeals judge, \$150 each;

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

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

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

23 (i) A housing authority created under this section shall have  
24 its financial records audited annually by the state treasurer [AN  
25 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT]. The state treasurer [LEGIS-  
26 LATIVE AUDITOR] may prescribe the form and content of the financial  
27 records of the housing authority and shall have access to these re-  
28 cords at any time.

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

1           Sec. 18.56.089. EXECUTIVE BUDGET ACT. The operating budget of  
2 the corporation is subject to the Executive Budget Act (AS 37.07). To  
3 further ensure effective budgetary decision making by the legislature,  
4 the corporation shall present a complete accounting of all assets of  
5 the corporation, including assets of the Alaska housing finance re-  
6 volving fund, to the legislature by January 10 of each year. The  
7 accounting shall be audited by the state treasurer [AN INDEPENDENT  
8 OUTSIDE AUDITOR] and shall include a full description of all mortgage  
9 loan interest and principal repayments and program receipts, including  
10 mortgage loan commitment fees, received by or accrued to the corpora-  
11 tion during the preceding fiscal year, and all income earned on assets  
12 of the corporation during that period, including earnings on assets of  
13 the state assisted mortgage fund.

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

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

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

2           Sec. 24.05.040. DUAL OFFICE. A [NO] member of the legislature  
3 may not hold any other office or position of profit under the United  
4 States or the state. During the term for which elected and for one  
5 year thereafter, a [NO] legislator may not be nominated, elected or  
6 appointed to any other office or position of profit that [WHICH] has  
7 been created, or the salary or emoluments of which have been increased  
8 while the legislator [HE] was a member. This section does not prevent  
9 any person from seeking or holding the office of governor, lieutenant  
10 governor, state treasurer, or member of Congress. This section does  
11 not apply to employment by or election to a constitutional convention.  
12 A member may serve on or at the request [BEHEST] of an interim commit-  
13 tee of the legislature.

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

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

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

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

28                   (1) organize, adopt rules for the conduct of its business  
29 and prescribe procedures for the comprehensive fiscal analysis and [.]

- 1 budget review [AND POST-AUDIT] functions;
- 2 (2) hold public hearings, administer oaths, issue sub-  
3 poenas, compel the attendance of witnesses and production of papers,  
4 books, accounts, documents and testimony, and have the deposition of  
5 witnesses taken in a manner prescribed by court rule or law for taking  
6 depositions in civil actions;
- 7 (3) require all state officials and agencies of state  
8 government to give full cooperation to the committee or its staff in  
9 assembling and furnishing requested information;
- 10 (4) review revenue projections, state agency appropriation  
11 requests, the expenditure of state funds, including the relationship  
12 between state agency program accomplishments and legislative intent,  
13 and the fiscal policies and procedures of state government;
- 14 (5) review and approve proposed changes to agency author-  
15 ized budgets as provided in the Executive Budget Act (AS 37.07)  
16 [(AS 37.07.010 - 37.07.130)];
- 17 (6) make recommendations concerning appropriations, their  
18 expenditure and the fiscal policies and procedures of state government  
19 to the governor when appropriate, and to the legislature;
- 20 (7) prepare and distribute reports, memoranda or other  
21 necessary materials;
- 22 (8) sue in the name of the legislature during the interim  
23 between sessions if authorized by majority vote of the full membership  
24 of the committee;
- 25 (9) hold public hearings on the confirmation of the members  
26 of the Board of Trustees of the Alaska Permanent Fund Corporation;
- 27 (10) make recommendations to the legislature and to agencies  
28 of the state that [WHICH] perform lending or investment functions  
29 concerning the structure and operating practices of the agencies;

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

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

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

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

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

12 Sec. 24.20.206. DUTIES. The Legislative Budget and Audit Com-  
13 mittee shall

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

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

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

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

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

29 (6) in conjunction with the finance committee of each house

1 recommend annually to the legislature the investment policy for the  
2 general fund surplus and for the income from the permanent fund;

3 (7) review the [PROVIDE FOR AN] annual post audit and  
4 annual management and program audit [OPERATIONAL AND PERFORMANCE  
5 EVALUATION] of the Alaska Permanent Fund Corporation investments and  
6 investment programs prepared by the state treasurer;

7 (8) review the annual post audit and [PROVIDE FOR AN]  
8 annual management and program audit [OPERATIONAL AND PERFORMANCE  
9 EVALUATION] of the Alaska Housing Finance Corporation and the Alaska  
10 Industrial Development Authority prepared by the state treasurer; the  
11 management and program audit [PERFORMANCE EVALUATION] shall include,  
12 but is not limited to, a comparison of the impact on various sectors  
13 of the economy by public and private lending, the impact on resident  
14 and nonresident employment, the impact on real wages, and the impact  
15 on state and local operating and capital budgets of the programs of  
16 the Alaska Housing Finance Corporation and the Alaska Industrial  
17 Development Authority.

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

19 Sec. 24.20.281. [SPECIAL] AUDIT REQUEST. A member of the legis-  
20 lature may, in writing and with at least six days notice, request that  
21 the budget and audit committee direct a management or program [SPE-  
22 CIAL] audit or investigation of any state agency or determine the  
23 propriety of any expenditure of state funds received by any political  
24 subdivision or other entity obtaining state funds. Should a majority  
25 of the committee vote to approve the request, the state treasurer  
26 [LEGISLATIVE AUDIT DIVISION] shall make the audit.

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

28 Sec. 24.20.291. CONFLICT OF INTEREST. [THE LEGISLATIVE AUDITOR,  
29 THE SUPERVISOR OF AUDIT, THE] legislative fiscal analyst and members

1 of the staff of the legislative finance division [AND AUDIT DIVISIONS]  
2 may not serve in ex officio or other capacity on any board, [(] except  
3 as authorized in AS 24.20.231(6) [SEC. 231(6) OF THIS CHAPTER)],  
4 commission or other administrative agency of state government; nor may  
5 they have a financial interest in transactions involving any agency of  
6 state government.

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

8 Sec. 24.20.311. REPORTS. The committee shall file copies of  
9 its approved audit reports, including any committee recommendations,  
10 with the governor, the agency concerned and the legislature. An  
11 annual report summarizing the audit reports and committee recommenda-  
12 tions made during the year shall be filed with the governor and with  
13 the legislature within the first five days of each regular session of  
14 the legislature. Reports shall be approved by a majority of the  
15 committee before their release and shall be open to public inspection  
16 after their release to the legislature.

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

18 (b) A contract for the Legislative Affairs Agency shall be  
19 approved by the Legislative Council. A contract for the legislative  
20 finance division [OR THE LEGISLATIVE AUDIT DIVISION] shall be approved  
21 by the Legislative Budget and Audit Committee.

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

23 (c) A legislative committee may request the Legislative Affairs  
24 Agency or [,] the legislative finance division [, OR THE LEGISLATIVE  
25 AUDIT DIVISION] to carry out the responsibilities set out in AS 24.-  
26 23.020(a).

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

28 (b) A contract must be executed by the provider of the service  
29 and the person responsible for awarding the contract and must be

1 approved as to form by the executive director of the Legislative  
2 Affairs Agency or [,] the director of the legislative finance division  
3 [, OR THE LEGISLATIVE AUDIT DIVISION] and also by legislative legal  
4 counsel.

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

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

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

14 (2) "agency" includes a department, office, institution,  
15 corporation, authority, organization, commission, committee, council  
16 or board of a municipality or in the executive, legislative or judi-  
17 cial branches of the state government, and a department, office,  
18 institution, corporation, authority, organization, commission, commit-  
19 tee, council or board of a municipality or of the state government  
20 independent of the executive, legislative and judicial branches; it  
21 also includes an officer, employee or member of an "agency" acting or  
22 purporting to act in the exercise of [HIS] official duties, but does  
23 not include the governor, lieutenant governor, state treasurer, a  
24 member of the legislature, justice of the supreme court, judge of the  
25 court of appeals, a superior court judge, district court judge, magis-  
26 trate, member of a city council or borough assembly, elected city or  
27 borough mayor, or a member of an elected school board;

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

29 (e) The state treasurer [DIVISION OF LEGISLATIVE AUDIT] shall

1 annually review state loans granted to or held by persons to whom this  
2 chapter applies to determine whether appropriate procedures were  
3 observed in granting or reviewing the loans and whether loan condi-  
4 tions imposed by the lending agency are being enforced. The treasurer  
5 [DIVISION] shall report the [ITS] findings of these reviews to the  
6 committee by April 1.

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

8 Sec. 29.48.220. POST AUDIT. The assembly or council shall  
9 provide for an annual [INDEPENDENT] audit by the state treasurer of  
10 the accounts and financial transactions of the municipality or in the  
11 case of a second class city an audit or statement of annual income and  
12 expenditures. [TO MAKE THE AUDIT THE ASSEMBLY OR COUNCIL SHALL DESIG-  
13 NATE A PUBLIC ACCOUNTANT WHO HAS NO PERSONAL INTEREST, DIRECT OR  
14 INDIRECT, IN THE FISCAL AFFAIRS OF THE MUNICIPALITY.] Copies of the  
15 audit shall be available to the public upon request. This section  
16 applies to home rule and general law municipalities.

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

18 Sec. 30.13.125. AUDIT. The state treasurer [LEGISLATIVE AUDI-  
19 TOR] shall audit or shall cause to have audited annually the financial  
20 records of an authority. The state treasurer [LEGISLATIVE AUDITOR]  
21 may prescribe the form and content of the financial records of an  
22 authority and shall have access to these records at any reasonable  
23 time.

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

25 Sec. 35.10.135. PUBLIC FACILITY PLANNING FUND. There is estab-  
26 lished within the Office of the Governor, office of management and  
27 budget a public facility planning fund. The fund is a capital fund  
28 and consists of (1) money appropriated by the legislature, (2) money  
29 reimbursed to it from the proceeds of the sales of general obligation

1 bonds and revenue bonds issued for projects and (3) money reimbursed  
2 to it from appropriations for any projects for which money from the  
3 fund has been spent. The fund is available for expenditure, on a  
4 reimbursable basis, only for the purposes of providing working capital  
5 for facility program planning and for facility procurement planning as  
6 specified in this chapter. All expenditures from the fund are subject  
7 to an [INDEPENDENT] audit which shall be made annually by the state  
8 treasurer and reported to the governor and the legislature.

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

10 Sec. 37.05.210. FISCAL REPORTING AND STATISTICS. The Department  
11 of Administration shall

12 (1) at least once each month and annually, prepare reports  
13 as of the close of the preceding month or fiscal year showing the  
14 financial condition of each fund as of the close of the respective  
15 period and the transactions of each fund for those periods;

16 (2) file with the governor and with the state treasurer  
17 [LEGISLATIVE AUDITOR] before October 16 a report of the financial  
18 transactions of the preceding fiscal year and of the financial condi-  
19 tion of the state as of the end of that year, with comments and sup-  
20plementary data which it considers necessary; this report shall be  
21 printed for the information of the legislature and the public;

22 (3) compile statistics necessary for the budget and other  
23 statistics required by the governor.

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

25 (a) The corporation shall publish an annual report by January 10  
26 of each year for distribution to the governor, the legislature, and  
27 the public. The report shall be written in easily understandable  
28 language, shall consider the assigned duties of the corporation, and  
29 shall include

- 1 (1) a financial statement audited by the state treasurer  
2 [AN INDEPENDENT OUTSIDE AUDITOR];
- 3 (2) a statement of the corporation's investments under this  
4 chapter including an appraisal of the investments at market value;
- 5 (3) a description of corporation investment activity during  
6 the period covered by the report;
- 7 (4) a comparison of the corporation's performance with the  
8 goals of the corporation;
- 9 (5) an overall financial plan describing the anticipated  
10 risk and return on investment in the different categories of invest-  
11 ment undertaken;
- 12 (6) a summary of employment provided and of wages and state  
13 and local taxes paid by resource projects invested in or assisted by  
14 the corporation; and
- 15 (7) any other information the members of the board believe  
16 would be of interest to the governor, the legislature, and the public.

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

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

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

24 Sec. 37.13.160. AUDITS. The Legislative Budget and Audit Com-  
25 mittee may request the state treasurer to perform [PROVIDE FOR] an  
26 annual post audit and annual management and program audit [OPERATIONAL  
27 AND PERFORMANCE EVALUATIONS] of the corporation's investments and  
28 investment programs.

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

1           Sec. 37.13.170. REPORTS AND PUBLICATIONS. By September 30 of  
2 each year, the board shall publish a report of the corporation for  
3 distribution to the governor, legislature, and the public. The report  
4 shall be written in easily understandable language. The report must  
5 include financial statements audited by the state treasurer [INDEPEN-  
6 DENT OUTSIDE AUDITORS], a statement of the amount of money received by  
7 the Alaska permanent fund from each investment during the period  
8 covered, a statement of investments of the corporation including an  
9 appraisal at market value, a description of corporation investment  
10 activity during the period covered by the report, a comparison of the  
11 corporation performance with the intended goals contained in AS 37.-  
12 13.020, an examination of the impact of the investment criteria of  
13 this chapter on the corporation portfolio with recommendations of any  
14 needed changes, and any other information the board believes would be  
15 of interest to the governor, the legislature, and the public. The  
16 annual income statement and balance sheet of the corporation shall be  
17 published in at least one newspaper in each judicial district. The  
18 income statement and balance sheet for the two fiscal years preceding  
19 the publication of the election pamphlet under AS 15.58 shall be  
20 included in that pamphlet.

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

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

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

29           Sec. 39.20.060.           EXCLUSION OF GOVERNOR, [AND] LIEUTENANT

1     GOVERNOR AND STATE TREASURER FROM PERSONNEL LAWS. Notwithstanding the  
2     provisions of any other law, the governor, [AND] lieutenant governor  
3     and state treasurer are not considered employees of the state for the  
4     purpose of state personnel laws relating to hours of employment,  
5     annual leave, sick leave, overtime, compensatory time, and travel  
6     allowances. Nothing in this section shall be construed to deprive the  
7     governor, [AND] lieutenant governor or state treasurer of the right to  
8     participate in the state retirement system or in state group insurance  
9     plans.

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

11            Sec. 39.20.310. EXCEPTIONS. AS 39.20.200 - 39.20.330 do not  
12     apply to

13                (1) members of the state legislature, the governor, the  
14     lieutenant governor, the state treasurer, and justices and judges of  
15     the supreme and superior courts and of the court of appeals, but  
16     nothing in AS 39.20.200 - 39.20.330 may be construed to diminish the  
17     salaries fixed by law for these officers by reason of absence from  
18     duty on account of illness or otherwise;

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

21                (3) officers, members of the teaching staff, and employees  
22     of the University of Alaska;

23                (4) [Repealed

24                (5)] persons employed in a professional capacity to make a  
25     temporary and special inquiry, study, or examination as authorized by  
26     the governor, the state treasurer, the legislature, or a legislative  
27     committee;

28                (5) [(6)] members of boards, commissions, and authorities  
29     who are not otherwise employed by the state;

1           (6) [(7)] temporary employees hired for periods of less  
2 than 12 consecutive months;

3           (7) [(8)] persons employed by the division of marine  
4 transportation as masters and members of the crews operating the state  
5 ferry system who are covered by collective bargaining agreements as  
6 provided in AS 23.40.040, except as expressly provided by law; or [.]

7           (8) [(9)] persons employed by the state who are covered by  
8 collective bargaining agreements as provided in AS 23.40.210, except  
9 as expressly provided by law.

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

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

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

13           (b) The governor, lieutenant governor, state treasurer, members  
14 of the legislature, and candidates for these offices, judicial offi-  
15 cers, each commissioner, head or deputy head of, or director of a  
16 division within, a department in the executive branch, assistant to  
17 the governor or chairman or member of a commission or board required  
18 to report under this chapter, shall file the statement with the Alaska  
19 Public Offices Commission. Municipal officers, and candidates for  
20 elective municipal office, shall file with the municipal clerk or  
21 other municipal official designated to receive their filing for  
22 office. All statements required to be filed under this chapter are  
23 public records.

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

25           Sec. 39.50.130. REPORT OF FINANCIAL INTERESTS OF GOVERNOR, [AND]  
26 LIEUTENANT GOVERNOR AND STATE TREASURER. The governor, [AND] lieu-  
27 tenant governor and state treasurer shall each file a report of finan-  
28 cial interests required by this chapter. If the governor, [OR] lieu-  
29 tenant governor, or state treasurer fails to file the report when due,

1 salary, per diem, and travel expenses after the due date are forfeited  
2 and may not be paid until compliance, and the person is guilty of a  
3 misdemeanor and upon conviction is punishable by a fine of not less  
4 than \$100 nor more than \$1000.

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

6 (8) "public official" means a judicial officer, a member of  
7 the legislature, the fiscal analyst of the legislative finance divi-  
8 sion, [THE LEGISLATIVE AUDITOR OF THE LEGISLATIVE AUDIT DIVISION,] the  
9 executive director of the Legislative Affairs Agency and the directors  
10 of the divisions within the Legislative Affairs Agency, the governor,  
11 the lieutenant governor, a person hired or appointed as the head or  
12 deputy head of, or director of a division within, a department in the  
13 executive branch, an assistant to the governor, the state treasurer,  
14 chairman or member of a state commission or board, and each appointed  
15 or elected municipal officer;

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

17 Sec. 42.40.270. AUDITS. (a) The board shall have the financial  
18 records of the corporation audited annually by the state treasurer [AN  
19 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT EXPERIENCED IN RAILROAD AC-  
20 COUNTING]. The board shall have an annual performance audit conducted  
21 by the state treasurer [A RECOGNIZED RAILROAD MANAGEMENT EXPERT] to  
22 assure that the railroad is being managed and operated effectively and  
23 efficiently in accordance with the requirements of this chapter and  
24 that each appropriation is used to directly support those services for  
25 which the appropriation was requested. The state treasurer [AUDITORS]  
26 shall use the standards required under AS 42.40.100(9) and determine  
27 whether appropriations received for a service that is not self-sus-  
28 taining were calculated in accordance with United States Interstate  
29 Commerce Commission standards for determining rail service subsidies.

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

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

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

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

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

13           (i) President or Vice-President of the United  
14 States, whether or not the candidate will be voted on in a  
15 primary election in Alaska;

16           (ii) United States senator from Alaska;

17           (iii) United States representative from Alaska;

18           (iv) governor, [OR] lieutenant governor or state  
19 treasurer of Alaska;

20           (v) the Alaska legislature;

21           (vi) delegate to an Alaska constitutional conven-  
22 tion;

23           (vii) electoral confirmation as a judge or justice  
24 of a court in Alaska; or

25           (viii) municipal office in Alaska; or

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

28           (2) dues paid in a calendar year to a nonprofit organiza-  
29 tion organized primarily for the purpose of influencing elections in

1 Alaska.

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

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

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

12 Sec. 44.07.280. STAFF. The state treasurer shall provide audits  
13 [LEGISLATIVE AUDIT DIVISION] and the legislative finance division  
14 shall provide [AUDITS,] reports and analyses requested by the commit-  
15 tee. The committee may hire and determine the salary of the staff it  
16 considers necessary within the limit of the budget approved by the  
17 legislature.

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

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

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

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

29 (3) the progress of fulfillment of the financial and

1 economic projections contained in the general development and specific  
2 development plans; and

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

5 \* Sec. 54. AS 44.47.530 is amended to read:

6 Sec. 44.47.530. ANNUAL REPORT. To further ensure effective  
7 budgetary decision making by the legislature, the division shall  
8 present a complete accounting of the housing assistance revolving fund  
9 to the legislature by January 10 of each year. The accounting shall  
10 be audited by the state treasurer [AN INDEPENDENT OUTSIDE AUDITOR] and  
11 shall include a full description of all mortgage loan interest and  
12 principal repayments and program receipts, including mortgage loan  
13 commitment fees, received by or accrued to the division during the  
14 preceding fiscal year, and all income earned on assets of the division  
15 during that period.

16 \* Sec. 55. AS 44.66.050(a) is amended to read:

17 (a) Before the termination, dissolution, continuation or re-  
18 establishment of a board or commission under AS 08.03.010 or AS 44.-  
19 66.010, or of an agency program under AS 44.66.020 and 44.66.030, a  
20 committee of reference of each house, which shall be the standing  
21 committee of legislative jurisdiction as provided in the Uniform Rules  
22 of the Legislature, shall hold one or more hearings to receive testi-  
23 mony from the public, the commissioner of the department having admin-  
24 istrative responsibility for each named board, commission, or agency  
25 program, and the members of the board or commission involved. The  
26 hearings may be joint hearings. The committee shall also consider the  
27 proposed budget of the board, commission, or agency program, prepared  
28 in accordance with AS 37.07.050(f), the management and program audit  
29 [AND THE PERFORMANCE AUDIT] of the activities of the board,

1 commission, or agency program, prepared by the state treasurer under  
2 AS 37.06.010 [LEGISLATIVE AUDIT DIVISION AS PRESCRIBED IN AS 24.20.-  
3 271(1)]. The committee may consider any other report of the  
4 activities of the board, commission or program, including but not  
5 limited to annual reports, summaries prepared by the Legislative  
6 Affairs Agency, and any evaluation or general report of the manner of  
7 conduct of activities of the board, commission, or agency program pre-  
8 pared by the office of the ombudsman.

9 \* Sec. 56. AS 44.81.260(b) is amended to read:

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

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

15 (2) The board of directors or the president of the bank  
16 shall supply statistical and other impersonal information pertaining  
17 to members, applicants, and loans in response to requests from the  
18 legislature or a state agency or members of the federal farm credit  
19 system and may provide similar information upon request to a respon-  
20 sible private organization.

21 (3) Information concerning members may be given for the  
22 confidential use of a member of the federal farm credit system or  
23 other financial institution in contemplation of the extension of  
24 credit or the collection of loans.

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

29 (5) Credit information concerning a member may be given

1       when the member consents to it in writing.

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

6       \* Sec. 57. AS 44.81.270 is amended to read:

7               Sec. 44.81.270. AUDIT OF BANK. The state treasurer [LEGISLATIVE  
8       AUDITOR] may audit the bank under AS 37.06 [CAUSE THE BANK TO BE  
9       AUDITED IN THE MANNER AND UNDER THE CONDITIONS PRESCRIBED BY AS 24.-  
10       20.271 FOR AUDITS PERFORMED BY THE LEGISLATIVE AUDIT DIVISION]. The  
11       state treasurer [LEGISLATIVE AUDIT DIVISION] has free access to all  
12       books and papers of the bank that relate to its business and books and  
13       papers kept by a director, officer, or employee relating to or upon  
14       which a record of its business is kept, and may summon witnesses and  
15       administer oaths or affirmations in the examination of the directors,  
16       officers, or employees of the bank or any other person in relation to  
17       its affairs, transactions, and conditions, and may require and compel  
18       the production of records, books, papers, contracts, or other docu-  
19       ments by court order if not voluntarily produced.

20       \* Sec. 58. AS 44.81.280 is amended to read:

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

27       \* Sec. 59. AS 44.82.180 is amended to read:

28               Sec. 44.82.180. ANNUAL AUDIT. The authority shall have its  
29       financial records audited annually by the state treasurer [LEGISLATIVE

1 AUDITOR OR BY A CERTIFIED PUBLIC ACCOUNTANT APPROVED BY THE LEGISLA-  
2 TIVE AUDITOR]. The state treasurer [LEGISLATIVE AUDITOR] may pre-  
3 scribe the form and content of the financial records of the authority  
4 and is entitled to access to these records at any time.

5 \* Sec. 60. AS 44.83.190 is amended to read:

6 Sec. 44.83.190. ANNUAL AUDIT. The authority shall have its  
7 financial records audited annually by the state treasurer [A CERTIFIED  
8 PUBLIC ACCOUNTANT]. The state treasurer [LEGISLATIVE AUDITOR] may  
9 prescribe the form and content of the financial records of the author-  
10 ity and shall have access to these records at any time.

11 \* Sec. 61. AS 44.85.100(a) is amended to read:

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

21 \* Sec. 62. AS 44.88.200 is amended to read:

22 Sec. 44.88.200. ANNUAL AUDIT. The authority shall have its  
23 financial records audited annually by the state treasurer [LEGISLATIVE  
24 AUDITOR OR BY A CERTIFIED PUBLIC ACCOUNTANT APPROVED BY THE LEGISLA-  
25 TIVE AUDITOR]. The state treasurer [LEGISLATIVE AUDITOR] may pre-  
26 scribe the form and content of the financial records of the authority  
27 and shall have access to these records at any time.

28 \* Sec. 63. AS 44.88.210(a) is amended to read:

29 (a) By January 10 of each year, the authority shall publish a

1 report for distribution to the governor, legislature, and the public.  
2 The report shall be written in easily understandable language. The  
3 report shall include a financial statement audited by the state trea-  
4 surer [AN INDEPENDENT OUTSIDE AUDITOR], a statement of the authority's  
5 investments under this chapter including an appraisal of the invest-  
6 ments at market value, a comparison of the authority's performance  
7 with the goals of the authority and the levels of bonding and invest-  
8 ment activities anticipated in the previous year's report under (b) of  
9 this section, and any other information the members of the authority  
10 believe would be of interest to the governor, the legislature, and the  
11 public. The annual income statement and balance sheet of the authori-  
12 ty shall be published in at least one newspaper in each judicial  
13 district. The authority may also publish other reports it considers  
14 desirable to carry out its purpose.

15 \* Sec. 64. AS 47.40.031 is amended to read:

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

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

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

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

1       \* Sec. 65. TRANSITION. All litigation, hearings, investigations and  
2 other proceedings pending under a law amended or repealed by this Act, or  
3 in connection with functions transferred by this Act, continue in effect  
4 and may be continued and completed notwithstanding a transfer or amendment  
5 or repeal provided for in this Act. Certificates, orders, and regulations  
6 issued or adopted under authority of a law amended or repealed by this Act  
7 remain in effect for the term issued, until revoked, vacated, or otherwise  
8 modified under the provisions of this Act. All contracts, rights,  
9 liabilities, and obligations created by or under a law amended or repealed  
10 by this Act, and in effect on the effective date of this Act, remain in  
11 effect notwithstanding this Act's taking effect. Records, equipment, and  
12 other property of agencies of the state whose functions are transferred  
13 under this Act shall be transferred commensurate with the provisions of  
14 this Act.

15       \* Sec. 66. NAME CHANGE. To be consistent with the changes made by this  
16 Act, wherever in the Alaska Statutes and in regulations adopted under those  
17 statutes, "Legislative Audit Division" and other terms identifying the  
18 division are used, they must be read as referring to the Office of the  
19 State Treasurer. Under AS 01.05.031, the revisor of statutes shall  
20 implement this section in the statutes, and under AS 44.62.125(b)(6), the  
21 regulations attorney shall implement this section in the administrative  
22 regulations.

23       \* Sec. 67. AS 24.20.241, 24.20.251, 24.20.261, 24.20.271, 24.20.301(a);  
24 and AS 24.23.060(b) are repealed.

25       \* Sec. 68. Sections 4 - 16, 20, 46 and 50 of this Act take effect on  
26 the effective date of the constitutional amendment proposing amendments to  
27 the Constitution of the State of Alaska relating to the office of state  
28 treasurer.

29       \* Sec. 69. Sections 1 - 3, 17 - 19, 21 - 45, 47 - 49 and 51 - 67 take

1 effect on the first day of the first term of the first state treasurer.