

Introduced: 2/7/86  
Referred: State Affairs  
and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 391

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the ethical conduct of govern-  
7 mental activities; and providing for an effective  
8 date."

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

10 \* Section 1. AS 39 is amended by adding a new chapter to read:

11 CHAPTER 52. ALASKA EXECUTIVE BRANCH ETHICS ACT.

12 ARTICLE 1. FINDINGS AND DECLARATIONS.

13 Sec. 39.52.010. FINDINGS. The legislature finds that

14 (1) public office is a public trust that should be free  
15 from the danger of conflicts of interests;

16 (2) the public has a right to know the financial interests  
17 of public officials who hold office in the executive branch;

18 (3) a compelling state interest requires that the governor,  
19 lieutenant governor, and other executive-branch public officials  
20 disclose their financial interests;

21 (4) reasonable disclosure requirements do not violate an  
22 individual's right to privacy when the individual holds public office  
23 and a compelling state interest in disclosure exists; and

24 (5) reasonable disclosure requirements do not have the  
25 effect of chilling the exercise of the right of a qualified person to  
26 hold public office.

27 Sec. 39.52.020. DECLARATION OF POLICY. (a) It is declared (1)  
28 that high moral and ethical standards among public officials and  
29 employees of the executive branch are essential to the conduct of free

1 government; and (2) that the legislature believes that a code of  
2 ethics for the guidance of public officials and employees will dis-  
3 courage those officials and employees from acting upon personal or  
4 financial interests in the performance of their public responsibil-  
5 ities, will improve standards of public service, and will promote and  
6 strengthen the faith and confidence of the people of this state in  
7 their public officials and employees. It is further declared that  
8 holding public office or employment is a public trust and that as one  
9 safeguard of that trust, the people require public officials and  
10 employees to adhere to a code of ethics and, if applicable, to the  
11 financial disclosure requirements set out in this chapter.

12 (b) The legislature recognizes that it may be necessary for  
13 public officials and employees who may have potentially conflicting  
14 public responsibilities to serve on state boards and commissions. The  
15 legislature declares that it is the policy of the state that the  
16 holding of two or more such offices does not constitute the holding of  
17 incompatible offices, unless expressly prohibited by the Alaska Con-  
18 stitution, this chapter, or another statute, or unless subsequently  
19 found incompatible by the Alaska Ethics Commission.

20 ARTICLE 2. THE ALASKA ETHICS COMMISSION.

21 Sec. 39.52.110. ALASKA ETHICS COMMISSION CREATED. (a) There is  
22 created in the Department of Administration the Alaska Ethics Commis-  
23 sion. The commission consists of seven members appointed by the  
24 governor and subject to confirmation by the legislature in joint  
25 session. Only one member of the commission may be a public official  
26 or employee. A member may be removed by the governor for cause.

27 (b) The term of each member of the commission is four years. A  
28 person may not serve more than two consecutive terms on the commis-  
29 sion. A member continues to hold office until a successor is

1 appointed. A vacancy must be filled for the remainder of the un-  
2 expired term within 30 days after the occurrence of a vacancy.

3 (c) The commission shall annually elect a member to chair its  
4 meetings. Four members of the commission constitute a quorum to  
5 transact business. The affirmative vote of four members is required  
6 to approve an action of the commission, unless otherwise specified in  
7 this chapter.

8 (d) The commission shall meet at least six times a year, and  
9 shall meet at the call of the chair or upon the written request of  
10 three members. The commission may conduct a meeting by teleconference  
11 in accordance with AS 44.62.310.

12 Sec. 39.52.120. COMPENSATION. Members of the commission are  
13 entitled to receive compensation of \$100 a day while attending commis-  
14 sion meetings, and are entitled to the per diem and travel expenses  
15 authorized for boards and commissions under AS 39.20.180.

16 Sec. 39.52.130. STAFF. The commission may employ an executive  
17 director to serve at the pleasure of the commission. The executive  
18 director may appoint other employees and may delegate appropriate  
19 tasks to the staff. The executive director and employees are in the  
20 partially exempt service under AS 39.25.120.

21 Sec. 39.52.140. COMMISSION OFFICE. The commission shall estab-  
22 lish an office in the capital city and may establish other offices it  
23 considers necessary to carry out the duties of the commission.

24 Sec. 39.52.150. POWERS AND DUTIES OF THE COMMISSION. (a) The  
25 commission shall

26 (1) prescribe forms for the reports, statements, and other  
27 documents required by this chapter;

28 (2) prepare and publish a manual and guide setting out  
29 uniform methods of reporting for use by the public officials required

1 to make financial disclosure statements under AS 39.52.310 -- 39.52.-  
2 390;

3 (3) receive and hold open for inspection the public reports  
4 and statements required under this chapter and, upon request, furnish  
5 copies at cost;

6 (4) compile and maintain a current list of all filed state-  
7 ments;

8 (5) adopt procedures to facilitate the receipt of inquiries  
9 or complaints and the prompt rendition of opinions and decisions;

10 (6) publish semi-annual summaries of the decisions, adviso-  
11 ry opinions, and interpretations made under this chapter, with suffi-  
12 cient deletions in the summaries to prevent disclosure of the identity  
13 of the persons involved in the decisions or opinions that have re-  
14 mained confidential;

15 (7) prepare and publish an annual report to the legislature  
16 concerning the activities of the commission, the effectiveness of this  
17 chapter, the assistance and enforcement rendered to the commission by  
18 the Department of Law, and the recommendations and proposals for  
19 legislation to promote and maintain high standards of ethical conduct  
20 in government; and

21 (8) establish and maintain programs to educate the public  
22 and public officials and employees with respect to ethics in govern-  
23 ment and the provisions of this chapter.

24 (b) The commission may

25 (1) review, investigate, and take action concerning any  
26 matter under this chapter;

27 (2) examine, investigate, and audit statements required by  
28 AS 39.52.310;

29 (3) adopt regulations necessary to implement, interpret,

1 and clarify this chapter;

2 (4) issue advisory opinions in accordance with AS 39.52.-  
3 410;

4 (5) appoint hearing officers and review their findings,  
5 conclusions, and recommendations in accordance with AS 39.52.560 and  
6 39.52.570; and

7 (6) subpoena witnesses, administer oaths, hold hearings,  
8 take testimony relating to matters before the commission, and require  
9 the production for examination of any records relating to any matter  
10 under investigation or in question before the commission.

11 Sec. 39.52.160. LEGAL COUNSEL. The attorney general is legal  
12 counsel for the commission. The attorney general shall advise the  
13 commission in legal matters arising in the discharge of its duties,  
14 shall assist in the preparation and presentation of complaints to the  
15 commission, and shall represent the commission in legal actions to  
16 which it is a party. The commission may retain counsel outside the  
17 Department of Law if the subject of a complaint or accusation is an  
18 employee of the Department of Law.

19 ARTICLE 3. CODE OF ETHICS.

20 Sec. 39.52.210. SCOPE OF CODE. (a) The legislature reaffirms  
21 that each public official or employee holds office as a public trust,  
22 and any effort to benefit a personal or financial interest through  
23 official action is a violation of that trust. This chapter, however,  
24 does not prevent an official or employee from accepting other employ-  
25 ment or following a pursuit that does not interfere with the full and  
26 faithful discharge of the person's public duties and responsibilities.  
27 The legislature further recognizes that

28 (1) in a representative democracy, the representatives are  
29 drawn from society and, therefore, cannot and should not be without

1 personal and financial interests in the decisions and policies of  
2 government;

3 (2) people who serve as public officials and employees  
4 retain their rights to interests of a personal or financial nature;  
5 and

6 (3) standards of ethical conduct for members of the execu-  
7 tive branch need to distinguish between those minor and inconse-  
8 quential conflicts that are unavoidable in a free society, and those  
9 conflicts of interests that are substantial and material.

10 (b) Conflicts of interests are prohibited, but there is not a  
11 conflict if, as to a specific matter, there is no substantial impro-  
12 priety because the public official's or employee's

13 (1) personal or financial interest in the matter is insig-  
14 nificant, or of a type that is possessed generally by the public or a  
15 large class of persons to which the public official or employee be-  
16 longs, or

17 (2) action or influence would have insignificant or conjec-  
18 tural effect on the matter.

19 (c) The commission must be guided by this section when issuing  
20 opinions and reaching decisions.

21 Sec. 39.52.220. MISUSE OF OFFICIAL POSITION. (a) A public  
22 official or employee may not use, or attempt to use, an official  
23 position for personal gain, and may not intentionally secure or grant  
24 unwarranted benefits or treatment for any person.

25 (b) A public official or employee may not

26 (1) seek other employment or contracts through the use or  
27 attempted use of official position;

28 (2) accept, receive, or solicit compensation for the per-  
29 formance of official duties or responsibilities from a person other

1 than the state;

2 (3) use state time, property, equipment, or other facil-  
3 ities to benefit personal or financial interests; or

4 (4) take or withhold official action in order to affect a  
5 matter in which the public official or employee has a personal or  
6 financial interest.

7 (c) A public official or employee may not

8 (1) engage in a close economic association with a subordi-  
9 nate;

10 (2) directly solicit a subordinate for the purpose of  
11 selling products or services; or

12 (3) attempt to benefit a personal or financial interest  
13 through coercion of a subordinate.

14 Sec. 39.52.230. IMPROPER GIFTS OR BENEFITS. (a) A public  
15 official or employee may not solicit, accept, or receive, directly or  
16 indirectly, a gift or benefit, whether in the form of money, service,  
17 loan, travel, entertainment, hospitality, employment, promise, or in  
18 any other form, under circumstances in which it could reasonably be  
19 inferred that the gift or benefit is intended to influence the perfor-  
20 mance of official duties, actions, or judgment. In accordance with  
21 AS 39.52.410, an official or employee may request guidance from the  
22 commission concerning whether receipt of a particular gift or benefit  
23 is prohibited.

24 (b) Notice of the receipt of a gift or benefit by a public  
25 official or employee, including the name of the giver and a descrip-  
26 tion of the gift or benefit and its approximate value, must be provid-  
27 ed to the commission within 30 days after the date of its receipt if  
28 the public official or employee may take or withhold official action  
29 that benefits the giver. The commission may, by regulation,

1           (1) limit the aggregate value of gifts or benefits required  
2 to be reported under this section that may be received within a spec-  
3 ified time period and retained by a public official or employee, and

4           (2) set the minimum value of a gift or benefit that must be  
5 reported under this section.

6           (c) The restrictions relating to gifts or benefits imposed by  
7 this section do not apply to a campaign contribution to a candidate  
8 for elective office if the contribution complies with laws and regu-  
9 lations governing elections and campaign disclosure.

10           Sec. 39.52.240. IMPROPER USE OR DISCLOSURE OF INFORMATION. (a)  
11 A current or former public official or employee may not disclose or  
12 use information gained in the course of, or by reason of, the person's  
13 official duties that could in any way result in the receipt of any  
14 benefit for the person or an immediate family member, if the informa-  
15 tion has not also been communicated to the public.

16           (b) A current or former public official or employee may not  
17 disclose or use, without appropriate authorization, information ac-  
18 quired in the course of official duties that is confidential by law.

19           Sec. 39.52.250. IMPROPER INFLUENCE. (a) A public official or  
20 employee, or an immediate family member, may not attempt to acquire,  
21 receive, apply for, be a party to, or have a personal interest in a  
22 state grant, contract, lease, or loan if the public official or em-  
23 ployee may take or withhold official action that affects the award,  
24 execution, or administration of the state grant, contract, lease, or  
25 loan.

26           (b) The prohibition in (a) of this section does not apply to a  
27 state grant, contract, or lease competitively solicited unless the  
28 official or employee

29           (1) is employed by the administrative unit awarding the

1 grant, contract, or lease or is employed by the administrative unit  
2 for which the grant, contract, or lease is let; or

3 (2) takes official action with respect to the award, exe-  
4 cution, or administration of the grant, contract, or lease.

5 (c) The prohibition in (a) of this section does not apply to a  
6 state loan if

7 (1) the public official or employee does not take or with-  
8 hold official action that affects the award, execution, or adminis-  
9 tration of the loan held by the official or employee, or an immediate  
10 family member;

11 (2) the loan is generally available to members of the  
12 public; and

13 (3) the loan is subject to fixed eligibility standards.

14 (d) A public official or employee shall report to the commis-  
15 sion, on a form prescribed by the commission, a personal or financial  
16 interest held by the official or employee, or an immediate family  
17 member, in a state grant, contract, lease, or loan that is awarded,  
18 executed, or administered by the agency the official or employee  
19 serves.

20 Sec. 39.52.260. IMPROPER REPRESENTATION. (a) A public official  
21 or employee may not represent, advise, or assist a person in any  
22 matter pending before an administrative unit that the official or  
23 employee serves, if the representation, advice, or assistance is

24 (1) for compensation, unless the representation, advice,  
25 assistance, and compensation are required by statute, regulation, or  
26 court rule, or is otherwise customary; or

27 (2) without compensation, but rendered to benefit the per-  
28 sonal or financial interests of the public official or employee.

29 (b) This section does not prohibit activities related to

1 collective bargaining.

2 Sec. 39.52.270. OUTSIDE EMPLOYMENT RESTRICTED. (a) A public  
3 official or employee may not render services to benefit a personal or  
4 financial interest or engage in or accept employment outside the  
5 agency which the official or employee serves, if the outside employ-  
6 ment or service is incompatible or in conflict with the proper dis-  
7 charge of official duties.

8 (b) A public employee rendering services for compensation or  
9 engaging in employment outside the agency shall quarterly report the  
10 outside employment activities to the employee's designated supervisor,  
11 as defined in AS 39.52.950.

12 (c) This section does not apply to non-salaried members of  
13 boards or commissions. The commission may, by regulation, establish  
14 standards of conduct regarding outside employment and the performance  
15 of official duties by non-salaried members of boards or commissions.

16 Sec. 39.52.280. RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE  
17 SERVICE. (a) A public official or employee who leaves state service  
18 may not, for two years after leaving state service, represent a person  
19 for compensation regarding a matter that was under consideration by  
20 the administrative unit served by that public official or employee,  
21 and in which the official or employee participated personally and  
22 substantially through the exercise of official action. For the pur-  
23 poses of this subsection, "matter" includes a case, proceeding, appli-  
24 cation, or determination, but does not include the proposal or consid-  
25 eration of legislative bills, resolutions and constitutional amend-  
26 ments, or other legislative measures; or the proposal, consideration,  
27 or adoption of administrative regulations.

28 (b) Nothing in this section prohibits an agency from contracting  
29 with a former public official or employee to act on a matter on behalf

1 of the state.

2 (c) The head of an agency may waive application of (a) of this  
3 section after determining that representation by a former public  
4 official or employee is not adverse to the public interest. The  
5 waiver must be in writing and a copy of the waiver must be provided to  
6 the commission for its review. The commission may, by regulation,  
7 impose a stricter standard for waiver to protect the public interest.

8 Sec. 39.52.290. AIDING A VIOLATION PROHIBITED. It is a viola-  
9 tion of this chapter for a public official or employee to knowingly  
10 aid a public official or employee in a violation of this chapter.

11 ARTICLE 4. FINANCIAL DISCLOSURE BY PUBLIC OFFICIALS.

12 Sec. 39.52.310. STATEMENT OF FINANCIAL INTERESTS. (a) Except  
13 as provided in AS 39.52.390, a public official shall file an initial  
14 statement with the commission reporting income sources and financial  
15 interests, under oath and penalty of perjury, within 30 days after  
16 taking office as a public official.

17 (b) Except as provided in AS 39.52.390, a public official shall  
18 file an annual statement with the commission each year following the  
19 submission of the initial statement. The annual statement is due,  
20 hand-carried or postmarked, not later than April 15 of each year.

21 (c) All statements required to be filed under this section are  
22 public records open to inspection.

23 Sec. 39.52.320. CONTENTS OF STATEMENT. (a) Each financial  
24 disclosure statement must be an accurate representation of the finan-  
25 cial interests of the public official, and must contain the same  
26 information for each immediate family member to the extent that it is  
27 ascertainable by the public official. An asset or liability under  
28 \$500, household goods, personal effects, retail or revolving charge  
29 accounts, and credit card obligations need not be identified.

1 (b) Each statement filed under AS 39.52.410 must include the  
2 following:

3 (1) the source of all income over \$100 during the preceding  
4 calendar year, including taxable and nontaxable capital gains, re-  
5 ceived by the official or an immediate family member;

6 (2) the identity, by name and address, of each business in  
7 which the official or an immediate family member was a stockholder,  
8 owner, officer, director, partner, proprietor, or employee during the  
9 preceding calendar year;

10 (3) the identity and nature of each interest owned in a  
11 business during the preceding calendar year by the official or an  
12 immediate family member;

13 (4) the identity and nature of each interest in real prop-  
14 erty, including an option to buy, owned at any time during the preced-  
15 ing calendar year by the official or an immediate family member;

16 (5) the identity of each trust or other fiduciary relation  
17 in which the official or an immediate family member held a beneficial  
18 interest during the preceding calendar year, a description and identi-  
19 fication of the property contained in each trust or relation, and the  
20 nature and extent of the beneficial interest in it;

21 (6) a loan or loan guarantee still outstanding or made  
22 during the preceding calendar year to the official or an immediate  
23 family member, the identity of the maker of the loan or loan guarantor  
24 and, except as provided in (a) of this section, the identity of each  
25 creditor owed \$500 or more;

26 (7) a list of all contracts and offers to contract with the  
27 state or an instrumentality of the state during the preceding calendar  
28 year held, bid, or offered by the official, an immediate family mem-  
29 ber, a parent, or a corporation in which the official or an immediate

1 family member, or a combination of them, hold a controlling interest;  
2 and

3 (8) a list of all mineral, timber, oil, or any other natu-  
4 ral resource leases held, or lease offers made, during the preceding  
5 calendar year by the official, an immediate family member, a parent, a  
6 partnership or professional corporation of which the official is a  
7 member, or a corporation in which the official or an immediate family  
8 member, or a combination of them, holds a controlling interest;

9 (9) for each interest identified or listed under (1) -- (8)  
10 of this subsection, the name of any other person jointly owning or  
11 holding the same interest, if that person is a lobbyist registered  
12 under AS 24.45.041 or was registered as a lobbyist under AS 24.45.041  
13 in the preceding calendar year.

14 Sec. 39.52.330. BLIND TRUSTS. (a) A public official may trans-  
15 fer all or a portion of the official's assets to a blind trust for the  
16 duration of service in public office. The original assets placed in  
17 the blind trust must be listed by the official in the statement re-  
18 quired to be filed under AS 39.52.310. The instrument creating the  
19 blind trust must be included with the statement.

20 (b) For a trust to qualify as a blind trust under this section,

21 (1) assets transferred to the trust must be marketable;

22 (2) the trustee must be a bank, an institutional fiduciary,  
23 or another fiduciary acceptable to the commission;

24 (3) the trustee must have full authority to manage the  
25 trust, including the purchase, sale, and exchange of its assets in  
26 accordance with fiduciary principles;

27 (4) information regarding the identity and the nature of  
28 the assets in the blind trust must be confidential from the trustor  
29 for the duration of the trust; and

1 (5) the trustee must be required to report any known breach  
2 of confidentiality or the termination of the trust to the commission.

3 Sec. 39.52.340. VIOLATION OF DISCLOSURE REQUIREMENTS; MISDEMEAN-  
4 OR. A public official required to file a statement of financial  
5 interests under AS 39.52.310 who refuses or knowingly fails to dis-  
6 close the required information within the time specified, or who  
7 provides false or misleading information, knowing it to be false or  
8 misleading, is guilty of a class A misdemeanor.

9 Sec. 39.52.350. FAILURE TO REPORT BY A PUBLIC OFFICIAL. (a) A  
10 person hired or appointed as a public official who refuses or fails to  
11 file, within 30 days after taking office, the initial financial dis-  
12 closure statement required under AS 39.52.310, may not continue to  
13 hold that office and, if applicable, the person's name may not be sub-  
14 mitted to the legislature for confirmation until the person complies.  
15 The person may not be confirmed, or retain employment or appointment,  
16 and forfeits and may not be paid a salary, per diem, or travel ex-  
17 penses until the person complies.

18 (b) Except as provided in (c) of this section, if a hired or  
19 appointed public official refuses or fails to file the annual state-  
20 ment required by AS 39.52.310 by April 15, the public official is  
21 guilty of a class A misdemeanor and must be removed from public office  
22 if compliance is not made within 30 days after the due date.

23 (c) The commission may excuse, for good cause shown, a public  
24 official for failing to file a statement within the time prescribed in  
25 (a) or (b) of this section. The commission may not excuse an official  
26 who refuses to file the required statements when due.

27 Sec. 39.52.360. FAILURE TO REPORT BY THE GOVERNOR OR LIEUTENANT  
28 GOVERNOR. (a) The governor and the lieutenant governor shall each  
29 file the initial and annual financial disclosure statements required

1 under AS 39.52.310. If the governor or the lieutenant governor fails  
2 to file a statement when due, salary, per diem, and travel expenses  
3 after the due date are forfeited and may not be paid until the state-  
4 ment is filed. Failure to file the statements required under this  
5 section is a class A misdemeanor.

6 (b) The commission may excuse, for good cause shown, the gover-  
7 nor or lieutenant governor for failing to file a statement within the  
8 time prescribed in AS 39.52.310. The commission may not excuse the  
9 governor or lieutenant governor for refusing to file the required  
10 statements when due.

11 Sec. 39.52.370. CIVIL PENALTY FOR LATE FILING OF REQUIRED STATE-  
12 MENTS. A public official who fails to file a properly completed and  
13 sworn financial disclosure statement within the times required by this  
14 chapter is subject to a civil penalty of not more than \$10 a day for  
15 each day the delinquency continues. An official against whom a civil  
16 penalty is assessed may submit an affidavit stating facts in mitiga-  
17 tion to the commission. The commission may, upon receipt of such an  
18 affidavit, determine the appropriate penalty.

19 Sec. 39.52.380. EFFECT OF IMPOSITION OF PENALTIES. The imposi-  
20 tion of a penalty under AS 39.52.340 -- 39.52.370 does not excuse a  
21 person from filing the statements required by AS 39.52.310.

22 Sec. 39.52.390. NON-SALARIED MEMBERS OF BOARDS AND COMMISSIONS  
23 SUBJECT TO FINANCIAL DISCLOSURE. (a) Except as provided in (b) of  
24 this section, the provisions of AS 39.52.310 -- 39.52.380 do not apply  
25 to a non-salaried member of a board or commission.

26 (b) The provisions of AS 39.52.310 -- 39.52.380 do apply to the  
27 non-salaried members of the following boards or commissions:

- 28 (1) Agricultural Revolving Loan Fund Board;  
29 (2) Alaska State Council on the Arts;

- 1 (3) Alaska Coastal Policy Council;
- 2 (4) Alaska Commission on Postsecondary Education;
- 3 (5) Alaska Ethics Commission;
- 4 (6) Alaska Housing Finance Corporation;
- 5 (7) Alaska Industrial Development Authority;
- 6 (8) Alaska Judicial Council;
- 7 (9) Alaska Medical Facility Authority;
- 8 (10) Alaska Municipal Bond Bank Authority;
- 9 (11) Alaska Oil and Gas Conservation Commission;
- 10 (12) Alaska Permanent Fund Corporation;
- 11 (13) Alaska Power Authority;
- 12 (14) Alaska Public Broadcasting Commission;
- 13 (15) Alaska Public Offices Commission;
- 14 (16) Alaska Railroad Corporation;
- 15 (17) Alaska Resources Corporation;
- 16 (18) Alaska Royalty Oil and Gas Development Advisory Board;
- 17 (19) Alaska Seafood Marketing Institute;
- 18 (20) Alaska State Commission for Human Rights;
- 19 (21) Alaska State Housing Authority;
- 20 (22) Alaska Teachers' Retirement Board;
- 21 (23) Alcoholic Beverage Control Board;
- 22 (24) Board of Education;
- 23 (25) Board of Fisheries;
- 24 (26) Board of Forestry;
- 25 (27) Board of Game;
- 26 (28) Board of Parole;
- 27 (29) Commercial Fishing and Agricultural Bank;
- 28 (30) Commission on Judicial Conduct;
- 29 (31) Council on Domestic Violence and Sexual Assault;

- 1 (32) Employment Security Advisory Council;  
2 (33) Fishermen's Fund Advisory and Appeals Council;  
3 (34) Guide Licensing and Control Board;  
4 (35) Labor Relations Agency;  
5 (36) Local Boundary Commission;  
6 (37) Medicaid Rate Commission;  
7 (38) Medical Indemnity Corporation of Alaska;  
8 (39) Occupational Safety and Health Review Board;  
9 (40) Older Alaskans Commission;  
10 (41) Public Employees' Retirement Board;  
11 (42) Railroad Labor Relations Agency;  
12 (43) Real Estate Commission;  
13 (44) Reapportionment Board;  
14 (45) State Assessment Review Board;  
15 (46) State Personnel Board;  
16 (47) University of Alaska Board of Regents;  
17 (48) Workers' Compensation Board.

18 ARTICLE 5. DISCLOSURE AND ACTION TO PREVENT  
19 VIOLATION OF CODE.

20 Sec. 39.52.410. ADVISORY OPINIONS AND INTERPRETATIONS. (a)

21 Upon the written request of a current or former public official or  
22 employee or a designated supervisor, or upon its own motion, the  
23 commission may issue opinions interpreting this chapter.

24 (b) If a current or former public official or employee, or a  
25 supervisor, is in doubt concerning whether a proposed action would  
26 violate this chapter, the current or former official or employee, or  
27 the designated supervisor may request, in writing, an opinion from the  
28 commission. The requester must supply any additional information  
29 requested by the commission to enable it to issue the opinion. Within

1 60 days after receiving a complete request, the commission shall issue  
2 an advisory opinion on the question.

3 (c) The commission may authorize the executive director to issue  
4 an advisory interpretation if delay would cause substantial inconve-  
5 nience or detriment to the requesting party. The commission shall  
6 review, and approve or disapprove, the executive director's interpre-  
7 tation at its next regularly scheduled meeting. An interpretation  
8 approved by the commission must be published as an advisory opinion.

9 (d) A current or former public official or employee, or a des-  
10 ignated supervisor, is not liable under this chapter for any action  
11 carried out in accordance with an advisory opinion or interpretation  
12 issued under this section, which was in effect at the time of the  
13 action, if the current or former official or employee, or the supervi-  
14 sor, fully disclosed all relevant facts reasonably necessary to the  
15 issuance of the interpretation or opinion.

16 (e) The commission may reconsider an advisory opinion on its own  
17 motion or at the request of any person. The commission may revoke or  
18 modify an advisory opinion at any time, including upon a showing that  
19 material facts were omitted or misstated in the request for the opin-  
20 ion.

21 (f) A person may rely on an advisory opinion which is currently  
22 in effect.

23 (g) The commission's deliberations under this section are confi-  
24 dential and must be conducted in meetings closed to the public. A  
25 member or employee of the commission may not make public the identity  
26 of a person requesting advice or of an individual, business, or orga-  
27 nization discussed in an advisory.

28 (h) The commission shall publish its advisory opinions in the  
29 Alaska Administrative Journal, with sufficient deletions to prevent

1 disclosure of the persons whose identities are confidential under (g)  
2 of this section.

3 Sec. 39.52.420. DECLARATION OF POTENTIAL VIOLATIONS BY PUBLIC  
4 EMPLOYEES. (a) A public employee who is involved in a matter that  
5 may result in a violation of AS 39.52.210 -- 39.52.290 shall

6 (1) refrain from taking any official action relating to the  
7 matter until a determination is made under this section; and

8 (2) immediately disclose the matter in writing to the  
9 designated supervisor.

10 (b) A public employee's designated supervisor shall make an  
11 initial determination of whether an employee's involvement violates  
12 AS 39.52.210 -- 39.52.290. If the supervisor determines that a vio-  
13 lation may exist, the supervisor may, if feasible,

14 (1) reassign duties to cure the employee's potential vio-  
15 lation; or

16 (2) direct the divestiture or removal by the employee of  
17 the personal or financial interests that give rise to the potential  
18 violation.

19 (c) Within 10 days after a designated supervisor's determination  
20 under (b) of this section, the public employee or the supervisor may  
21 request, in writing, an advisory opinion from the commission under  
22 AS 39.52.410. A copy of the request must be provided to the employee  
23 or supervisor, as appropriate, by the requester.

24 Sec. 39.52.430. DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS  
25 OF BOARDS OR COMMISSIONS. (a) A member of a board or commission who  
26 is involved in a matter that may result in a violation of AS 39.52.210  
27 -- 39.52.290 shall disclose the matter on the public record and in  
28 writing to the designated supervisor. The supervisor shall make an  
29 initial determination of whether the member's involvement violates

1 AS 39.52.210 -- 39.52.290. If a member of the board or commission  
2 objects to the ruling of the supervisor, or if the supervisor dis-  
3 closes an involvement requiring a determination, the members present  
4 at a meeting, excluding the involved member, shall vote on the matter.  
5 If a determination is made that a violation will exist if the member  
6 continues to participate, the member shall refrain from voting, deliberating,  
7 or participating in the matter. A majority of the board or  
8 commission may also determine that corrective action to cure a violation  
9 must be taken, including divestiture or removal by the member of  
10 the conflicting personal or financial interest.

11 (b) Within 10 days after the member's disclosure, the board or  
12 commission, the designated supervisor, or the member may request an  
13 advisory opinion under AS 39.52.410. The requester shall provide a  
14 copy of the request to the members of the board or commission.

15 Sec. 39.52.440. REPORTING OF POTENTIAL VIOLATIONS. A person may  
16 report to a public official's or employee's designated supervisor,  
17 under oath and in writing, a potential violation of AS 39.52.210 --  
18 39.52.290 by the public official or employee. The supervisor shall  
19 provide a copy of the report to the official or employee who is the  
20 subject of the report, and shall review the report to determine whether  
21 a violation may exist. The supervisor shall act in accordance with  
22 AS 39.52.420 or 39.52.430 if the supervisor determines that the matter  
23 may result in a violation of AS 39.52.210 -- 39.52.290.

24 Sec. 39.52.450. DESIGNATED SUPERVISOR'S REPORT AND COMMISSION  
25 REVIEW. (a) A designated supervisor shall submit a report to the  
26 commission, on a form prescribed by the commission, which states the  
27 facts, circumstances, and disposition of any disclosure made under  
28 AS 39.52.270(b) and 39.52.420 -- 39.52.440. The report prepared under  
29 this section is confidential and not available for public inspection

1 unless formal proceedings under AS 39.52.560 are initiated based on  
2 the report. If formal proceedings are initiated, the relevant por-  
3 tions of the report are public documents open to inspection.

4 (b) The commission shall review determinations reported to it  
5 under this section. The commission may request additional information  
6 from a supervisor concerning a specific disclosure and its disposi-  
7 tion.

8 ARTICLE 6. COMPLAINTS; HEARING PROCEDURES.

9 Sec. 39.52.510. COMPLAINTS. (a) Upon the concurrence of three  
10 or more members, the commission may initiate a complaint, or elect to  
11 treat as a complaint any matter under AS 39.52.410 or 39.52.450.

12 (b) A person may file a complaint with the commission. A com-  
13 plaint must be in writing, signed under oath, and contain a clear  
14 statement of the details of the alleged violation.

15 (c) The executive director shall review each complaint filed, to  
16 determine whether it is properly completed and contains allegations  
17 which, if true, would constitute conduct in violation of this chapter.  
18 The executive director may require the complainant to provide addi-  
19 tional information before accepting the complaint. If the executive  
20 director determines that the allegations in the complaint do not  
21 warrant an investigation, the executive director shall dismiss the  
22 complaint with notice to the complainant and the subject of the com-  
23 plaint.

24 (d) The executive director may refer a complaint to the sub-  
25 ject's designated supervisor for resolution under AS 39.52.420 or  
26 39.52.430.

27 (e) If the executive director accepts a complaint for inves-  
28 tigation, the executive director shall serve a copy of the complaint  
29 upon the subject of the complaint, for a response. The executive

1 director may require the subject to provide, within 20 days after ser-  
2 vice, full and fair disclosure in writing of all facts and circum-  
3 stances pertaining to the alleged violation. Misrepresentation of a  
4 material fact in a response to the executive director is a violation  
5 of this chapter. Failure to answer within the prescribed time, or  
6 within any additional time period that may be granted in writing by  
7 the executive director, is considered an admission of the allegations  
8 in the complaint.

9 (f) If a complaint is accepted under (e) of this section, the  
10 executive director shall investigate to determine whether a violation  
11 of this chapter has occurred. At any stage of an investigation,  
12 review, or audit, the executive director may issue a subpoena under  
13 AS 39.52.580.

14 (g) A violation of this chapter may be investigated within two  
15 years after discovery of the alleged violation.

16 (h) The unwillingness of a complainant to assist in an investi-  
17 gation, the withdrawal of a complaint, or restitution by the subject  
18 of the complaint may, but need not in and of itself, justify abatement  
19 of an investigation or proceeding.

20 Sec. 39.52.520. DISMISSAL BEFORE FORMAL PROCEEDINGS. If, after  
21 investigation, it appears that there is no probable cause to believe  
22 that a violation of this chapter has occurred, the executive director  
23 shall dismiss the complaint and prepare and file a confidential summa-  
24 ry with the commission. The executive director shall communicate  
25 disposition of the matter promptly to the complainant and to the  
26 subject of the complaint.

27 Sec. 39.52.530. CORRECTIVE OR PREVENTIVE ACTION. After deter-  
28 mining that the conduct of the subject of a complaint does not warrant  
29 formal proceedings, the executive director may recommend to the

1 commission action to correct or prevent a violation of this chapter.  
2 The commission shall approve, modify, or reject the executive  
3 director's recommendation. The subject of the complaint shall comply  
4 with a recommendation approved or modified by the commission. If the  
5 commission rejects a recommendation, the executive director shall file  
6 an accusation in accordance with AS 39.52.550.

7 Sec. 39.52.540. CONFIDENTIALITY. (a) Before the initiation of  
8 formal proceedings under AS 39.52.560, information regarding an inves-  
9 tigation conducted under this chapter, or obtained during the inves-  
10 tigation, is confidential. The commission members and staff, com-  
11 plainants, and all persons contacted during the course of an inves-  
12 tigation, shall maintain confidentiality regarding the existence of  
13 the investigation. A person who violates this section is guilty of a  
14 class A misdemeanor.

15 (b) It is not a violation of this section for a person to con-  
16 tact an attorney or to participate in a criminal investigation.

17 (c) The subject of the complaint may, in writing, waive the  
18 confidentiality protection of this section.

19 Sec. 39.52.550. PROBABLE CAUSE. If the executive director  
20 determines that there is probable cause to believe that a knowing  
21 violation of this chapter, or a violation that cannot be corrected  
22 under AS 39.52.530, has occurred, or that the subject of a complaint  
23 failed to comply with a commission-approved recommendation for correc-  
24 tive or preventive action, the executive director shall submit to the  
25 commission a proposed accusation that specifically sets out the al-  
26 leged violations.

27 Sec. 39.52.560. FORMAL PROCEEDINGS. (a) Upon the written  
28 approval of at least three members of the commission, the executive  
29 director shall initiate formal proceedings by serving a copy of the

1 accusation upon the subject of the accusation. After service, the  
2 accusation is a public document open to inspection. Except as provid-  
3 ed in AS 39.52.570, all subsequent proceedings are open to the public.

4 (b) The subject of the accusation shall file an answer with the  
5 executive director within 20 days after service of the accusation, or  
6 at a later time specified by the executive director. If the subject  
7 of the accusation fails to timely answer, the allegations are con-  
8 sidered admitted.

9 (c) If the subject of the accusation denies that a violation of  
10 this chapter has occurred, the commission shall set a time and place  
11 for a hearing, with a minimum of 20 days notice to the subject. A  
12 hearing officer appointed by the commission shall conduct the hearing.

13 (d) If the subject of the accusation admits a violation of this  
14 chapter, the commission may impose the penalties under AS 39.52.370,  
15 39.52.610, 39.52.640, and 39.52.650, as appropriate.

16 (e) The hearing officer may convene a pre-hearing conference for  
17 stipulation as to matters of fact and to simplify issues, identify and  
18 schedule pre-hearing matters, and resolve other similar matters before  
19 the hearing.

20 (f) The hearing officer may issue subpoenas under AS 39.52.580,  
21 administer oaths, hold hearings, and take testimony.

22 (g) The executive director, or a person designated by the execu-  
23 tive director, shall present the charges before the hearing officer.  
24 At a hearing, the executive director has the burden of demonstrating  
25 by a preponderance of the evidence that the subject of the accusation  
26 has, by act or omission, violated this chapter.

27 (h) The parties to a formal proceeding are the executive direc-  
28 tor and the subject of the accusation. Each party has an opportunity  
29 to

- 1 (1) be heard;
- 2 (2) subpoena witnesses, who shall testify under oath;
- 3 (3) require the production of records by the issuance of
- 4 subpoenas;
- 5 (4) cross-examine witnesses; and
- 6 (5) be represented by counsel.

7 (i) The Administrative Procedure Act does not apply to formal  
8 proceedings under this section except as provided in AS 39.52.580.

9 (j) Technical rules of evidence do not apply, but the hearing  
10 officer's findings must be based upon reliable and relevant evidence.  
11 All testimony and other evidence taken at the hearing must be recorded  
12 and the evidence maintained. Copies of transcripts of the hearing  
13 record are available to the subject of the accusation at the subject's  
14 expense; however, upon request, a copy of the recording of the hearing  
15 must be furnished without charge to the subject of the accusation.

16 (k) At the conclusion of the formal hearing, the hearing officer  
17 may direct either or both parties to submit proposed findings of fact,  
18 conclusions of law, and recommendations to be filed within 10 days  
19 after the conclusion of the hearing.

20 (l) Within 30 days after the conclusion of a formal hearing, the  
21 hearing officer shall serve a written report on the commission and the  
22 parties, unless the commission grants an extension of time. The  
23 report must contain the officer's findings of fact, conclusions of  
24 law, and recommendation. The hearing officer shall submit the record  
25 to the commission.

26 Sec. 39.52.570. COMMISSION ACTION. (a) Within 10 days after  
27 receipt of the hearing officer's report, either party may protest the  
28 officer's findings of fact, conclusions of law, and recommendation,  
29 and, if a protest is filed, shall serve a copy on the other party.

1 Oral argument before the commission must be provided only if requested  
2 by either party. The commission chair shall set the deadline for  
3 requests for oral argument, and set the dates for submission of briefs  
4 and oral argument before the commission.

5 (b) For good cause shown, the commission may augment the hearing  
6 record, in whole or in part, or hold a hearing de novo.

7 (c) The commission shall review each report submitted by the  
8 hearing officer and may adopt or amend the findings of fact, con-  
9 clusions of law, and recommendations of the officer. Deliberations of  
10 the commission must be conducted in sessions not open to the public.

11 (d) If the commission determines that a violation occurred, it  
12 may impose the penalties in AS 39.52.370, 39.52.610, 39.52.640, and  
13 39.52.650, as appropriate. If the commission determines that no  
14 violation occurred, the commission shall issue a written order of  
15 dismissal.

16 (e) The executive director shall promptly notify the complainant  
17 and the subject of the accusation of the commission's action.

18 (f) The subject of the complaint may appeal the commission's  
19 decision by filing an appeal in the superior court as provided in the  
20 Alaska Rules of Appellate Procedure.

21 Sec. 39.52.580. SUBPOENAS. (a) As provided in this chapter,  
22 the executive director, a hearing officer, and the commission may  
23 summon witnesses and require the production of records, books, and  
24 papers by the issuance of subpoenas.

25 (b) Subpoenas must be served in the manner prescribed by AS 44.-  
26 62.430 and Rule 45 of the Alaska Rules of Civil Procedure. Failure or  
27 refusal to obey a subpoena issued by the executive director, a hearing  
28 officer, the commission, or the subject of an accusation is punishable  
29 as contempt in the manner provided by law and court rule. The

1 superior court may compel obedience to the subpoena in the same manner  
2 as prescribed for obedience to a subpoena issued by the court.

3 Sec. 39.52.590. SERVICE. Service of an accusation must be  
4 accomplished in accordance with Rule 4 of the Alaska Rules of Civil  
5 Procedure. Service of any other pleading, motion, or other document  
6 must be accomplished in accordance with Rule 5 of the Alaska Rules of  
7 Civil Procedure.

8 ARTICLE 7. ENFORCEMENT; REMEDIES.

9 Sec. 39.52.610. VIOLATIONS; PENALTIES FOR MISCONDUCT. (a) If  
10 the commission determines that a public employee has violated this  
11 chapter, it (1) shall order the employee to stop engaging in any  
12 official action related to the violation; (2) may order divestiture,  
13 establishment of a blind trust, restitution, or forfeiture; and (3)  
14 may recommend that the employee's agency take disciplinary action.  
15 The commission shall report its findings, conclusions, and recommenda-  
16 tions to the employee's designated supervisor.

17 (b) If the commission determines that a non-salaried member of a  
18 board or commission has violated this chapter, it (1) shall order the  
19 member to refrain from voting, deliberating, or participating in the  
20 matter; (2) may order restitution; and (3) may recommend to the appro-  
21 priate appointing authority that the member be removed from the board  
22 or commission.

23 (c) If the commission determines that a former public official  
24 or employee has violated this chapter, it (1) shall issue a public  
25 statement of its findings, conclusions, and recommendations; and (2)  
26 shall request the attorney general to exercise all legal and equitable  
27 remedies available to the state to seek whatever relief is appropri-  
28 ate.

29 (d) If the commission finds a violation of this chapter by a

1 public official removable from office only by impeachment, it shall  
2 report the matter to the Senate, with its finding. The report must  
3 contain a statement of the facts alleged to constitute the violation.

4 Sec. 39.52.620. DISCIPLINARY ACTION FOR VIOLATION. (a) In  
5 addition to any other cause an agency may have to discipline a public  
6 employee, an agency may reprimand, demote, suspend, discharge, or  
7 otherwise subject an employee to agency disciplinary action commensu-  
8 rate with the violations of this chapter. This section does not  
9 prohibit the review of a disciplinary action in the manner prescribed  
10 by an applicable collective bargaining agreement or personnel rule.

11 (b) An agency may initiate appropriate disciplinary action in  
12 the absence of a commission finding or during the pendency of a com-  
13 mission action.

14 Sec. 39.52.630. ACTIONS VOIDABLE. (a) In addition to any other  
15 penalty provided for by law, a state grant, contract, or lease entered  
16 into in violation of this chapter is voidable by the state. In a  
17 determination under this section of whether to void a grant, contract,  
18 or lease, the interests of third parties who may be damaged must be  
19 taken into account. The attorney general shall give notice of intent  
20 to void a state grant, contract, or lease under this section no later  
21 than 60 days after the commission's determination of a violation under  
22 this chapter.

23 (b) In addition to any other penalty provided for by law, the  
24 state may require a state loan received in violation of this chapter  
25 to become immediately payable.

26 (c) Any state action obtained in violation of this chapter is  
27 voidable, except that the interests of third parties and the nature of  
28 the violation must be taken into account. The attorney general may  
29 pursue any other available legal and equitable remedies.

1 (d) The attorney general may recover any fee, compensation,  
2 gift, or benefit received by a person as a result of a violation of  
3 this chapter by a current or former public official or employee.  
4 Action to recover under this subsection must be brought within three  
5 years after discovery of the violation.

6 Sec. 39.52.640. CIVIL PENALTIES. The commission may impose on a  
7 current or former public official or employee civil penalties not to  
8 exceed \$5,000 for a violation of this chapter. A penalty imposed  
9 under this section is in addition to and not instead of any other  
10 penalty that may be imposed according to law.

11 Sec. 39.52.650. PAYMENT OF TWICE THE FINANCIAL BENEFIT. The  
12 commission may, in addition to the civil penalties described in this  
13 chapter, require a current or former public official or employee who  
14 has financially benefited a person in violation of this chapter to pay  
15 to the state up to twice the amount that the person realized from the  
16 violation.

17 Sec. 39.52.660. CRIMINAL SANCTIONS ADDITIONAL. To the extent  
18 that violations under this chapter are punishable in a criminal  
19 action, that sanction is in addition to the civil remedies set out in  
20 this chapter.

21 ARTICLE 8. GENERAL PROVISIONS.

22 Sec. 39.52.910. APPLICABILITY. (a) Except as specifically  
23 provided, this chapter applies to all public officials and employees  
24 within executive-branch agencies, including members of boards or  
25 commissions. This chapter does not apply to a former public official  
26 or employee of the executive branch unless a provision specifically  
27 states that it so applies.

28 (b) The provisions of this chapter supersede the common law on  
29 conflicts of interests that may apply to a public official or employee

1 of an executive-branch agency and any personnel rules relating to  
2 conflict of interests, excluding nepotism, adopted under AS 39.25.  
3 However, nothing in this chapter precludes a prosecution under an  
4 applicable criminal statute nor prevents enforcement of any other  
5 state law that imposes a stricter standard of ethical conduct on  
6 public officials or employees.

7 (c) The governor may, by administrative order, add an exempt or  
8 partially exempt position in the executive branch to the list of  
9 positions included in the definition of "public official" in AS 39.-  
10 52.950, or add a board or commission to the list enumerated in AS 39.-  
11 52.390(b).

12 (d) The provisions of this chapter are not subject to negotia-  
13 tion by collective bargaining under AS 23.40 or AS 42.40.720 --  
14 42.40.880.

15 Sec. 39.52.920. AGENCY POLICIES. Subject to the review and  
16 approval of the commission, an agency may adopt a written policy that

17 (1) in addition to the requirements of this chapter, limits  
18 the extent to which a public official or employee in the agency or an  
19 administrative unit of the agency may

20 (A) acquire a personal interest in an organization or  
21 a financial interest in a business or undertaking that may bene-  
22 fit from official action taken or withheld by the agency or unit;

23 (B) have a personal or financial interest in a state  
24 grant, contract, lease, or loan administered by the agency or  
25 unit; or

26 (C) accept a gift or benefit; or

27 (2) requires a public official or employee of the agency or  
28 unit to turn over a gift to the agency or unit.

29 Sec. 39.52.930. COOPERATION. All agencies and instrumentalities

1 of the state shall cooperate fully with the commission in the perfor-  
2 mance of its duties.

3 Sec. 39.52.940. CONSTRUCTION. This chapter must be liberally  
4 construed to promote high standards of ethical conduct in state gov-  
5 ernment.

6 Sec. 39.52.950. DEFINITIONS. In this chapter, unless the con-  
7 text requires otherwise,

8 (1) "administrative unit" means a branch, bureau, center,  
9 committee, division, fund, office, program, section, or any other  
10 subdivision of an agency;

11 (2) "agency" means a department, office of the governor, or  
12 entity in the executive branch, including the University of Alaska,  
13 the Alaska Railroad, public or quasi-public corporations, and boards  
14 or commissions;

15 (3) "benefit" means anything that is to a person's advan-  
16 tage or self-interest, or from which a person profits, regardless of  
17 the financial gain, including any dividend, pension, salary, acqui-  
18 sition, agreement to purchase, transfer of money, deposit, loan or  
19 loan guarantee, promise to pay, grant, contract, lease, money, goods,  
20 service, privilege, exemption, patronage, advantage, advancement, or  
21 anything of value;

22 (4) "board or commission" means a board, commission, au-  
23 thority, or board of directors of a public or quasi-public corpo-  
24 ration, established by statute in the executive branch;

25 (5) "business" includes a corporation, company, firm,  
26 partnership, sole proprietorship, trust or foundation, or any other  
27 individual or entity carrying on a business, whether operated for  
28 profit or non-profit;

29 (6) "child" includes a biological child, an adoptive child,

1 and a stepchild;

2 (7) "commission" means the Alaska Ethics Commission;

3 (8) "compensation" means any money, thing of value, or  
4 economic benefit conferred on or received by a person in return for  
5 services rendered or to be rendered by the person for another;

6 (9) "controlling interest" means an interest in a business  
7 or other undertaking which is sufficient in fact to control the busi-  
8 ness, whether the interest is greater or less than 50 percent;

9 (10) "designated supervisor" or "supervisor" means

10 (A) the commissioner of each department in the execu-  
11 tive branch, for public officials or employees within the depart-  
12 ment;

13 (B) the president of the University of Alaska, for  
14 university employees;

15 (C) the commission, for the governor and lieutenant  
16 governor;

17 (D) the executive director of a board or commission  
18 for the staff of the board or commission;

19 (E) the chair of the board or commission, for the  
20 members and the executive director of a board or commission; and

21 (F) the governor, for commissioners and for other  
22 public officials and employees not included in (A) -- (E) of this  
23 subsection; or

24 (G) a public official designated by a commissioner,  
25 the university president, or the governor to act as the supervi-  
26 sor if the name and position of the official designated has been  
27 reported to the commission;

28 (11) "financial interest" means

29 (A) an interest held by a public official or employee,

1 an immediate family member, or parent, which includes an involve-  
2 ment or ownership of an interest in a business, including a  
3 property ownership, or a professional or private relationship,  
4 that is a source of income, or from which, or as a result of  
5 which, a person has received or expects to receive a financial  
6 benefit;

7 (B) holding a position in a business, such as an  
8 officer, director, trustee, partner, employee, or the like, or  
9 holding a position of management;

10 (C) involvement, or ownership of an interest, in a  
11 property or a business as specified by regulation of the commis-  
12 sion;

13 (12) "gain" includes actual or anticipated gain, benefit,  
14 profit, or compensation, whether for oneself or for another person;

15 (13) "immediate family member" means a public official's or  
16 employee's spouse, financially dependent child, and a regular member  
17 of the official's or employee's household;

18 (14) "instrumentality of the state" means a state agency or  
19 administrative unit, whether in the legislative, judicial, or execu-  
20 tive branch, including such entities as the University of Alaska, the  
21 Alaska Railroad, and any public or quasi-public corporations, boards,  
22 or commissions; the term includes municipalities;

23 (15) "non-salaried member of a board or commission" means a  
24 member of a board or commission who is not a public employee by virtue  
25 of membership on a board or commission; receipt of per diem, nominal  
26 compensation for attendance at meetings, and travel expense reimburse-  
27 ment does not make a member of a board or commission a public employee  
28 for purposes of this chapter;

29 (16) "official action" means a recommendation, decision,

1 approval, disapproval, vote, or other similar action, including inac-  
2 tion, by a public official or employee;

3 (17) "organization" includes a group, association, society,  
4 political party, or other entity made up of two or more persons,  
5 whether operated for profit or non-profit;

6 (18) "parent" includes a biological parent, an adoptive  
7 parent, and a step-parent of the public official;

8 (19) "person" includes a natural person, a business, and an  
9 organization;

10 (20) "personal interest" means

11 (A) an interest held or involvement by a public offi-  
12 cial or employee, or the official's or employee's immediate  
13 family member or parent, including membership, in any organiza-  
14 tion, whether fraternal, non-profit, for profit, charitable, or  
15 political, from which, or as a result of which, a person or  
16 organization receives a benefit;

17 (B) an involvement, as may be specified by the regu-  
18 lations of the commission, in any organization;

19 (21) "public employee" or "employee" means a permanent,  
20 probationary, temporary, provisional, or nonpermanent employee of an  
21 agency, whether in the classified, partially exempt, or exempt ser-  
22 vice;

23 (22) "public official" or "official" means

24 (A) a public employee who is in the exempt service  
25 under AS 39.25.110 or the partially exempt service under AS 39.-  
26 25.120, and whose position is classified as equal to or greater  
27 than range 26 of the state's position classification plan or, if  
28 the classification plan is not applicable, at a substantially  
29 equivalent level of authority or responsibility;

1 (B) a director of a division within a state agency who  
2 is not otherwise covered by (A) of this paragraph;

3 (C) an executive director of a board or commission  
4 listed in AS 39.52.390(b) who is not otherwise covered by (A) of  
5 this paragraph;

6 (D) a person appointed as an assistant to the gover-  
7 nor;

8 (E) a member of a board or commission; and

9 (F) an individual in a state agency designated as a  
10 public official by administrative order of the governor under  
11 AS 39.52.910(c);

12 (23) "source of income" means an entity for which service is  
13 performed for compensation or which is otherwise the origin of pay-  
14 ment; if the person whose income is being reported is employed by  
15 another, the employer is the source of income; if the person is self-  
16 employed by means of a sole proprietorship, partnership, professional  
17 corporation, or a corporation in which the person, the person's spouse  
18 or child, or a combination of them, holds a controlling interest, the  
19 "source" is the client or customer of the proprietorship, partnership,  
20 or corporation; if the entity which is the origin of payment is not  
21 the same as the client or customer for whom the service is performed,  
22 both are considered the source.

23 \* Sec. 2. AS 24.45.051 is amended to read:

24 Sec. 24.45.051. REPORTS. Each lobbyist registered under AS 24.-  
25 45.041 shall file with the commission a report concerning the lobby-  
26 ist's activities during each reporting period prescribed in AS 24.45.-  
27 081, so long as the lobbyist continues to engage in lobbying activ-  
28 ities. The report must [SHALL] be made on a form prescribed by the  
29 commission and filed in accordance with AS 24.45.071 and 24.45.081.

1 The report must also [SHALL] include any changes in the information  
2 required to be supplied under AS 24.45.041(b) and the following infor-  
3 mation for the reporting period, as applicable:

4 (1) the source of income, as defined in AS 39.50.200 and  
5 the monetary value of all payments, including but not limited to  
6 salary, fees, and reimbursement of expenses, received in consideration  
7 for or directly or indirectly in support of or in connection with  
8 influencing legislative or administrative action, and the full name  
9 and complete address of each person from whom amounts or things of  
10 value have been received and the total monetary value received from  
11 each person;

12 (2) the aggregate amount of disbursements or expenditures  
13 made or incurred during the period in support of or in connection with  
14 influencing legislative or administrative action by the lobbyist, or  
15 on behalf of the lobbyist by the lobbyist's employer in the following  
16 categories:

17 (A) food and beverages;

18 (B) living accommodations;

19 (C) travel;

20 (3) the date and nature of any gift exceeding \$100 in value  
21 made to a public official and the full name and official position of  
22 that person;

23 (4) the name and official position of each public official,  
24 and the name of each member of the immediate family of any of these  
25 officials, with whom the lobbyist has engaged in an exchange of money,  
26 goods, services or anything of more than \$100 in value and the nature  
27 and date of each of these exchanges and the monetary values exchanged;

28 (5) the name and address of any business entity in which  
29 the lobbyist knows or has reason to know that a public official is a

1 proprietor, partner, director, officer or manager, or has a control-  
2 ling interest, and whom the lobbyist has engaged in an exchange of  
3 money, goods, services, or anything of value and the nature and date  
4 of each exchange and the monetary value exchanged if the total value  
5 of these exchanges is \$100 or more in a calendar year; [AND]

6 (6) a notice of termination if the lobbyist has ceased the  
7 lobbying activity that [WHICH] required registration under this chap-  
8 ter and if this report constitutes the final report of the lobbyist's  
9 activities; and

10 (7) the amount and identity of every ownership or financial  
11 interest jointly held with a public official or employee, as defined  
12 in AS 39.52.950, in any business or real property, during the preced-  
13 ing calendar year.

14 \* Sec. 3. AS 39.25.120(c) is amended by adding a new paragraph to read:

15 (19) the executive director and staff of the Alaska Ethics  
16 Commission.

17 \* Sec. 4. AS 39.26 is amended by adding a new section to read:

18 CHAPTER 26. RIGHTS AND PROTECTIONS OF STATE EMPLOYEES.

19 Sec. 39.26.030. PROTECTION FOR REPORTING VIOLATIONS OF LAW. (a)

20 A public employee may not be discharged, demoted, suspended, laid off,  
21 or otherwise made subject to a disciplinary or adverse employment  
22 action because the employee, or a person acting on behalf of the  
23 employee,

24 (1) reports or is about to report to a public body, orally  
25 or in writing, a violation of law, which the employee knows or rea-  
26 sonably believes has occurred or is about to occur; or

27 (2) is requested to participate in an investigation, hear-  
28 ing, or inquiry held by a public body, or in a court action.

29 (b) An employee who alleges a violation of (a) of this section

1 may bring a civil action in the superior court for appropriate injunc-  
2 tive relief or actual damages, or both, within 180 days after the  
3 occurrence of the alleged violation. The employee must show by a  
4 preponderance of the evidence that the employee, or a person acting on  
5 the employee's behalf, engaged in the protected activity described in  
6 (a)(1) or (2) of this section, and that the employee was subject to a  
7 disciplinary or adverse employment action. The public employer may  
8 rebut the employee's case by establishing by a preponderance of the  
9 evidence that the disciplinary action is not a sanction imposed be-  
10 cause of the employee's reporting an alleged violation. If the court  
11 finds a violation of (a) of this section, the court may order rein-  
12 statement of the employee, payment of back wages, reinstatement of  
13 other rights or benefits, including seniority rights, and any other  
14 remedy the court considers appropriate.

15 (c) In addition to the remedies stated in (b) of this section, a  
16 person who violates (a) of this section is subject to a civil penalty  
17 of not less than \$1,000 but not more than \$5,000.

18 (d) This section does not affect the rights of a public employee  
19 or a public employer under a collective bargaining agreement.

20 (e) The protection of (a) of this section does not apply to a  
21 public employee who reports information that the employee knows or  
22 has reason to know is false, or to a public employee who violates  
23 AS 11.56.860.

24 (f) As used in this section,

25 (1) "law" includes a statute or ordinance, administrative  
26 regulation, or other written standard, policy, or requirement of the  
27 state, of a political subdivision of the state, or of the United  
28 States; however, a "law" does not include the provisions of AS 39.25,  
29 a personnel rule adopted under that chapter, or a collective

1 bargaining agreement negotiated under AS 23.40 or AS 42.40.860;

2 (2) "public body" includes all of the following:

3 (A) an agency, department, division, board, commis-  
4 sion, council, authority, or other body in the executive branch  
5 of state or federal government;

6 (B) an agency, board, commission, committee, council,  
7 or member of the legislative branch of state or federal govern-  
8 ment;

9 (C) a municipality, assembly, council, school dis-  
10 trict, or a board, department, commission, agency, or a member of  
11 one of them;

12 (D) any other body created by, or primarily funded by  
13 or through, a state or local authority, or any member of that  
14 body;

15 (E) a law enforcement agency; and

16 (F) the judiciary;

17 (3) "public employee" means a person employed by the state  
18 in the classified, partially-exempt, or exempt service; and

19 (4) "public employer" means a department, agency, or office  
20 of the state.

21 \* Sec. 5. AS 39.50.020 is amended to read:

22 Sec. 39.50.020. REPORT OF FINANCIAL AND BUSINESS INTERESTS. (a)  
23 A public official other than an elected public official [JUDICIAL  
24 OFFICER, COMMISSIONER, CHAIRMAN OR MEMBER OF A STATE COMMISSION OR  
25 BOARD SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS  
26 HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT  
27 IN THE EXECUTIVE BRANCH, A PERSON APPOINTED AS ASSISTANT TO THE GOVER-  
28 NOR, AND A MUNICIPAL OFFICER,] shall file a statement giving income  
29 sources and business interests, under oath and on penalty of perjury,

1 within 30 days after taking office as a public official. A candidate  
2 [CANDIDATES] for state elective office shall file the [SUCH A] state-  
3 ment at the time of filing a declaration of candidacy or within 30  
4 days after [OF THE] filing a [OF ANY] nominating petition, or [WITHIN  
5 30 DAYS OF] becoming a candidate by any other means. A candidate  
6 [CANDIDATES] for election as a [ELECTIVE] municipal officer [OFFICE]  
7 shall file the [SUCH A] statement at the time of filing a nominating  
8 petition, declaration of candidacy, or other required filing for the  
9 elective municipal office. If a candidate refuses or fails [REFUSAL  
10 OR FAILURE] to file the statement within the time prescribed, [SHALL  
11 REQUIRE THAT] the candidate's filing fees, if any, and filing for  
12 office must be refused and [OR THAT] a previously accepted filing fee  
13 must be returned, and the candidate's name must be removed from the  
14 filing records. A public official shall file a statement [SHALL ALSO  
15 BE FILED BY PUBLIC OFFICIALS] no later than April 15 [OR 15 DAYS AFTER  
16 THE PERSON FILES A FEDERAL INCOME TAX RETURN] in each following year  
17 [, WHICHEVER COMES FIRST. PERSONS WHO, ON OR AFTER DECEMBER 11, 1974,  
18 WERE MEMBERS OF BOARDS OR COMMISSIONS NOT NAMED IN AS 39.50.200(b) ARE  
19 NOT REQUIRED TO FILE FINANCIAL STATEMENTS].

20 (b) A candidate for the office of [THE] governor [,] or lieuten-  
21 ant governor, a member [MEMBERS] of the legislature, [AND] a candidate  
22 [CANDIDATES] for the legislature [THESE OFFICES], and other public  
23 officials except municipal officers [JUDICIAL OFFICERS, EACH COMMIS-  
24 SIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A  
25 DEPARTMENT IN THE EXECUTIVE BRANCH, ASSISTANT TO THE GOVERNOR OR  
26 CHAIRMAN OR MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER  
27 THIS CHAPTER], shall file the statement with the Alaska Public Offices  
28 Commission. A municipal [MUNICIPAL] officer [OFFICERS], and a candi-  
29 date [CANDIDATES] for election as a [ELECTIVE] municipal officer

1 [OFFICE], shall file with the municipal clerk or other municipal  
2 official designated to receive their filing for office. All state-  
3 ments required to be filed under this chapter are public records.

4 \* Sec. 6. AS 39.50.030 is amended to read:

5 Sec. 39.50.030. CONTENTS OF STATEMENT. (a) Each statement must  
6 [SHALL] be an accurate representation of the financial affairs of the  
7 public official or candidate and must [SHALL] contain the same infor-  
8 mation for each immediate family member [OF THE PERSON'S FAMILY], as  
9 specified in (b) of this section, to the extent that it is ascertain-  
10 able by the public official or candidate. An asset or liability under  
11 \$500, household goods, and personal effects need not be identified.

12 (b) Each statement filed by a public official or candidate under  
13 this chapter must [SHALL] include the following:

14 (1) the source of all income over \$100 during the preceding  
15 calendar year, including taxable and nontaxable capital gains, re-  
16 ceived by the person or an immediate family member [, THE PERSON'S  
17 SPOUSE OR DEPENDENT CHILD, OR A NONDEPENDENT CHILD OF THE PERSON WHO  
18 IS LIVING WITH THAT PERSON];

19 (2) the identity, by name and address, of each business in  
20 which the person or an immediate family member [, THE PERSON'S SPOUSE  
21 OR DEPENDENT CHILD, OR A NONDEPENDENT CHILD OF THE PERSON WHO IS  
22 LIVING WITH THAT PERSON] was a stockholder, owner, officer, director,  
23 partner, proprietor, or employee during the preceding calendar year;

24 (3) the identity and nature of each interest owned in any  
25 business during the preceding calendar year by the person or an imme-  
26 diante family member [, THE PERSON'S SPOUSE OR DEPENDENT CHILD, OR A  
27 NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH THAT PERSON];

28 (4) the identity and nature of each interest in real prop-  
29 erty, including an option to buy, owned at any time during the

1 preceding calendar year by the person or an immediate family member [,  
2 THE PERSON'S SPOUSE OR DEPENDENT CHILD, OR A NONDEPENDENT CHILD OF THE  
3 PERSON WHO IS LIVING WITH THAT PERSON];

4 (5) the identity of each trust or other fiduciary relation  
5 in which the person or an immediate family member [, THE PERSON'S  
6 SPOUSE OR DEPENDENT CHILD, OR A NONDEPENDENT CHILD OF THE PERSON WHO  
7 IS LIVING WITH THAT PERSON] held a beneficial interest during the  
8 preceding calendar year, a description and identification of the  
9 property contained in each trust or relation, and the nature and  
10 extent of the beneficial interest in it;

11 (6) any loan or loan guarantee made to the person or an  
12 immediate family member [, THE PERSON'S SPOUSE OR DEPENDENT CHILD, OR  
13 A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH THAT PERSON,]  
14 and the identity of the maker of the loan or loan guarantor and the  
15 identity of each creditor [TO WHOM THE PERSON, THE PERSON'S SPOUSE OR  
16 DEPENDENT CHILD, OF A NONDEPENDENT CHILD OF THE PERSON WHO LIVES WITH  
17 THAT PERSON] owed \$500 or more;

18 (7) a list of all contracts and offers to contract with the  
19 state or an instrumentality of the state during the preceding calendar  
20 year held, bid, or offered by the person, an immediate family member  
21 [THE PERSON'S SPOUSE OR DEPENDENT CHILD, A NONDEPENDENT CHILD OF THE  
22 PERSON WHO IS LIVING WITH THAT PERSON], a parent [THE PERSON'S MOTHER  
23 OR FATHER], or a corporation in which the person or an immediate  
24 family member [THE PERSON'S SPOUSE OR CHILDREN], or a combination of  
25 them, holds [HOLD] a controlling interest; and

26 (8) a list of all mineral, timber, oil, or any other natu-  
27 ral resource lease held, or lease offer made, during the preceding  
28 calendar year by the person, an immediate family member [THE PERSON'S  
29 DEPENDENT CHILD, A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH

1 THAT PERSON], a parent [THE PERSON'S MOTHER OR FATHER], a partnership  
2 or professional corporation of which the person is a member, or a  
3 corporation in which the person or an immediate family member [THE  
4 PERSON'S SPOUSE OR CHILDREN], or a combination of them, holds a con-  
5 trolling interest.

6 \* Sec. 7. AS 39.50.060 is amended to read:

7 Sec. 39.50.060. PENALTY FOR [WILFUL] VIOLATION OF DISCLOSURE  
8 REQUIREMENTS. (a) A person required to file a report of financial or  
9 business interests under this chapter who refuses or knowingly fails  
10 to disclose required information within the time required in this  
11 chapter, or who provides false or misleading information, knowing it  
12 to be false or misleading, is guilty of a class A misdemeanor and upon  
13 conviction is punishable by a fine of not less than \$1,000 [\$100] nor  
14 more than \$5,000 [\$1,000], or by imprisonment for a period of not more  
15 than one year [SIX MONTHS ], or by both.

16 (b) Any person failing or refusing to comply with the require-  
17 ments of this chapter, in addition to the penalties prescribed, for-  
18 feits [SHALL FORFEIT] nomination to office and may [SHALL] not be  
19 seated or installed in office if the person has not complied. [NOM-  
20 INATED, HIRED, OR APPOINTED OFFICIALS, COMMISSIONERS, CHAIRMEN OR  
21 MEMBERS OF COMMISSIONS OR BOARDS SPECIFIED IN AS 39.50.200(b) MAY NOT  
22 BE CONFIRMED BY THE LEGISLATURE IF COMPLIANCE HAS NOT BEEN MADE.] In  
23 the case of elected public officials, the lieutenant governor, or  
24 other certifying authority, may not certify a person's nomination for  
25 office or the person's election to office if compliance was not made  
26 within the time required. The nomination to office or election to  
27 office must [SHALL] be certified to the highest vote getter for that  
28 nomination for that office or election to that office who has complied  
29 within the times required and who shall be declared nominated or

1       elected.

2       \* Sec. 8. AS 39.50.090 is amended to read:

3               Sec. 39.50.090. PROHIBITED ACTS. (a) A public official may not  
4       use an [THE] official position or office for the [PRIMARY] purpose of  
5       obtaining personal financial gain or financial gain for an immediate  
6       family member, parent [A SPOUSE, CHILD, MOTHER, FATHER], or business  
7       with which the official is associated or in which the official owns  
8       stock.

9               (b) A person may not offer or pay to a public official, and a  
10       public official may not solicit or receive money for legislative  
11       advice or assistance, or for advice or assistance given in the course  
12       of the official's public employment or relating to the public employ-  
13       ment. However, this prohibition does not apply to a [CHAIRMAN OR  
14       MEMBER OF A STATE COMMISSION OR BOARD OR] municipal officer if the  
15       subject matter of the legislative advice or assistance is not related  
16       directly to the function of the [COMMISSION, BOARD, OR] municipal body  
17       served by the municipal officer [; THIS EXCEPTION FROM THE GENERAL  
18       PROHIBITION DOES NOT APPLY TO ONE WHOSE SERVICE ON A STATE COMMISSION  
19       OR BOARD CONSTITUTES THE PERSON AS A FULL-TIME STATE EMPLOYEE UNDER  
20       AS 39].

21              (c) A public official may not represent a client before a state  
22       agency for a fee. However, this prohibition does not apply to a  
23       municipal officer [, OR CHAIRMAN OR MEMBER OF A STATE COMMISSION OR  
24       BOARD EXCEPT WITH REGARD TO REPRESENTATION BEFORE THAT COMMISSION OR  
25       BOARD; THIS EXCEPTION FROM THE GENERAL PROHIBITION DOES NOT APPLY TO  
26       ONE WHOSE SERVICE ON THE COMMISSION OR BOARD CONSTITUTES THE PERSON AS  
27       A FULL-TIME STATE EMPLOYEE UNDER AS 39].

28              (d) A municipal officer may not represent a client for a fee  
29       before the municipal body the officer serves.

1 (e) Violation of this section is a class A misdemeanor, punish-  
2 able upon conviction by a fine of not less than \$1,000 [\$500] nor more  
3 than \$5,000 [\$2,000], by imprisonment up to one year, or by both.

4 [(f) IN THIS SECTION, "PUBLIC OFFICIAL" INCLUDES, IN ADDITION TO  
5 THE PERSONS SPECIFIED IN AS 39.50.200(a), CHAIRMEN AND MEMBERS OF ALL  
6 COMMISSIONS AND BOARDS CREATED BY STATUTE OR ADMINISTRATIVE ACTION AS  
7 AGENCIES OF THE STATE.]

8 \* Sec. 9. AS 39.50.135 is amended to read:

9 Sec. 39.50.135. CIVIL PENALTY: LATE FILING OF REQUIRED REPORTS.  
10 A person who fails to file a properly completed and certified report  
11 within the time required by this chapter is subject to a civil penalty  
12 of not more than \$10 a day for each day the delinquency continues as  
13 the commission determines, subject to appeal to the superior court.  
14 An affidavit stating facts in mitigation may be submitted to the  
15 commission by a person against whom a civil penalty is assessed.  
16 However, the imposition of the penalties prescribed in this section or  
17 in AS 39.50.060 -- 39.50.120 [39.50.130] does not excuse that person  
18 from filing reports required by this chapter.

19 \* Sec. 10. AS 39.50.145 is amended to read:

20 Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. This chapter  
21 does not apply to a municipality with a population of 1,000 or less.  
22 Any other [A] municipality may exempt its municipal officers or candi-  
23 dates for election as municipal officers from the requirements of this  
24 chapter if a majority of the voters voting on the question at a regu-  
25 lar election, as defined by AS 29.71.800(20), or a special munic-  
26 ipality-wide election, vote to exempt its municipal officers or candi-  
27 dates from the requirements of this chapter. The question of exemp-  
28 tion from the requirements of this chapter may be submitted by the  
29 city council or borough assembly by ordinance or by initiative

1 election. Municipal officers or candidates for election as municipal  
2 officers of a municipality with a population of 1,000 or less are  
3 covered by this chapter if a majority of the voters voting on the  
4 question at a regular election, as defined by AS 29.78.010(14), or a  
5 special municipality-wide election, vote to make the requirements of  
6 this chapter apply to its municipal officers and candidates for elec-  
7 tion as municipal officers. For the purpose of this section, popula-  
8 tion must be determined in the same manner as provided in AS 15.13.-  
9 010. Nothing in this chapter prohibits a municipality from regulat-  
10 ing, by ordinance, financial disclosure or conflicts of interests by  
11 its municipal officers or candidates for election as municipal offi-  
12 cers.

13 \* Sec. 11. AS 39.50.200 is repealed and reenacted to read:

14 Sec. 39.50.200. DEFINITIONS. In this chapter

15 (1) "child" includes a biological child, an adoptive child,  
16 and a stepchild;

17 (2) "commission" means the Alaska Public Offices Commission  
18 created under AS 15.13.020(a);

19 (3) "immediate family member" includes an official's or  
20 candidate's spouse, a financially dependent child, and a regular  
21 member of the official's or candidate's household;

22 (4) "instrumentality of the state" means a state department  
23 or agency, whether in the legislative, judicial, or executive branch,  
24 including such entities as the University of Alaska and the Alaska  
25 State Housing Authority, and municipalities;

26 (5) "judicial officer" means a person appointed as a jus-  
27 tice to the supreme court, or as a judge to the court of appeals,  
28 superior court, or district court, or as a magistrate in a district  
29 court, or the person hired as the administrative director or deputy

1 director of the Alaska Court System;

2 (6) "municipal officer" includes a borough or city mayor,  
3 borough assemblyman, city councilman, school board member, city or  
4 borough manager, city or borough administrator, members of a city or  
5 borough planning or zoning commission within a home rule or general  
6 law city or borough, or a unified municipality;

7 (7) "parent" includes a biological parent, an adoptive  
8 parent, and a step-parent of the official or candidate;

9 (8) "public official" means a judicial officer, a member of  
10 the legislature, the fiscal analyst of the legislative finance divi-  
11 sion, the legislative auditor of the legislative audit division, the  
12 executive director of the Legislative Affairs Agency, the directors of  
13 the divisions within the Legislative Affairs Agency, and each ap-  
14 pointed or elected municipal officer;

15 (9) "source of income" means an entity for which service is  
16 performed for compensation or which is otherwise the origin of pay-  
17 ment; if the person whose income is being reported is employed by  
18 another, the employer is the source of income; if the person is self-  
19 employed by means of a sole proprietorship, partnership, professional  
20 corporation, or a corporation in which the person, the person's spouse  
21 or child, or a combination of them, holds a controlling interest, the  
22 "source" is the client or customer of the proprietorship, partnership,  
23 or corporation; if the entity which is the origin of payment is not  
24 the same as the client or customer for whom the service is performed,  
25 both are considered the source.

26 \* Sec. 12. AS 42.40.710 is amended to read:

27 Sec. 42.40.710. CORPORATION EMPLOYEES. Employees of the Alaska  
28 Railroad are employees of the corporation and not of the state. The  
29 provisions of AS 39, except AS 39.52, do not apply to employees of the

1 corporation.

2 \* Sec. 13. AS 44.62.175(a) is amended by adding a new paragraph to  
3 read:

4 (10) in accordance with AS 39.52.410(h), advisory opinions  
5 of the Alaska Ethics Commission.

6 \* Sec. 14. AS 39.50.070, 39.50.080, and 39.50.130 are repealed.

7 \* Sec. 15. The Alaska Ethics Commission has no jurisdiction over an  
8 alleged violation of AS 39.52.210 -- 39.52.290 that occurred before July 1,  
9 1987, unless the violation continues after that date.

10 \* Sec. 16. Notwithstanding the provisions of AS 39.52.110(b), the terms  
11 of the seven members initially appointed shall be as follows: two of the  
12 initial members must be appointed for two years, two of the initial members  
13 must be appointed for three years, and three of the initial members must be  
14 appointed for four years.

15 \* Sec. 17. The financial disclosure statements of all executive-branch  
16 public officials filed under AS 39.50 must be transferred from the Alaska  
17 Public Offices Commission to the Alaska Ethics Commission.

18 \* Sec. 18. An agency or administrative unit with a policy in effect on  
19 July 1, 1986 related to the subject of AS 39.52.210 -- 39.52.290 shall, by  
20 January 1, 1987, submit the policy to the commission for its review as to  
21 conformity with the provisions enacted in this Act, the commission's sug-  
22 gestions for amendment, and the commission's necessary approval under  
23 AS 39.52.920.

24 \* Sec. 19. AS 39.52.010 -- 39.52.160, 39.52.310 -- 39.52.390, and  
25 39.52.910 -- 39.52.950, enacted in sec. 1 of this Act, and secs. 2 -- 18 of  
26 this Act take effect July 1, 1986.

27 \* Sec. 20. AS 39.52.410 -- 39.52.450, enacted in sec. 1 of this Act,  
28 take effect January 1, 1987.

29 \* Sec. 21. AS 39.52.210 -- 39.52.290, and 39.52.510 -- 39.52.660,

1 enacted in sec. 1 of this Act, take effect July 1, 1987.