

HB

154

A M E N D M E N T #2

OFFERED: In the House

By Cuddy

TO: CS FOR HOUSE BILL NO. 154 (State Affairs)

Page 1, line 13:

After "who", insert "gave the public official or candidate a gift of cash or who"

Page 1, line 26:

Delete "(A) a gift of cash;" and redesignate remaining subparagraphs

*This makes only lobbyists  
giving cash identified.  
Not my next door  
neighbor or the Chamber  
President.*

AMENDMENT

1-6 failed

# 3

- Phillips moved

OFFERED IN THE HOUSE

BY Cuddy

TO: CSHB 154(SA)

Page 2, line 18 and 19:

Delete all material and insert:

"(e) A gift from a person who is the spouse of or is related by blood within and including the third degree of kindred to the public official or candidate does not need to be reported under this section."

2  
Need explanation/def.

Cousins not  
teachers  
could be ok.

A M E N D M E N T #4

OFFERED: In the House

By Phillips

TO: CS for House Bill No. 154 (State Affairs)

Page 2, line 20

Delete all material and insert:

"\* Sec. 3. This Act takes effect January 1, 1982."

*was*  
*deleted*

A M E N D M E N T #5

OFFERED: In the House

By Phillips

TO: CS for House Bill No. 154 (State Affairs)

Page 1, line 13

Delete "purchased" and insert "entered into a contract to purchase"

*Some validity, but  
maybe as work in deal  
just as liable*

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 3, 1981

SUBJECT: Section-by-section analysis of Rules  
amendments to CSHB 154

TO: Representative Sally Smith, Chairman  
House Rules Committee

FROM: Richard A. Bradley *B*  
Legislative Counsel

BY: Keith B. Levy *KBL*  
Legislative Legal Extern

AS 39.50.030(b) enumerates what must be included in disclosure statements by public officials and candidates. CSHB 154 adds several items to that list. Specifically, paragraph (9) requires disclosure of the names of certain lobbyists and paragraph (10) requires disclosure of certain persons making cash gifts to public officials or candidates.

Amendment No. 2 (there is no Amendment No. 1) by Representative Cuddy changes what a candidate or public official must disclose about lobbyists. Instead of only reporting the names of lobbyists who purchase goods or services in excess of a certain value from him, he will also have to report the names of lobbyists who gave any gift of cash.

Amendment No. 2 also removed the requirement that a candidate or public official report any gift of cash. Instead, he must report only those specific types of gifts listed in Sec. 30(b)(10) as added in this bill.

Amendment No. 3 by Representative Cuddy changes the list of persons whose gifts a candidate or public official is excluded from reporting. Instead of excluding gifts from a spouse, child, mother, father, brother or sister, the amendment excludes the spouse and any person related by blood within

Representative Sally Smith  
Page 2  
April 3, 1981

and including the third degree of kindred to the public official or candidate.

Amendment No. 4 by Representative Phillips changes the effective date of the Act from July 1, 1981 to January 1, 1982.

Finally, Amendment No. 5 by Representative Phillips changes the requirement that a candidate or public official report the names of lobbyists who purchased goods or services in excess of a certain amount from him. Instead, he must report the names of lobbyists who entered into a contract to purchase goods or services in excess of a certain amount from him.

KBL:ljb

Enclosure

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 6, 1981

SUBJECT: Financial disclosure  
(CSHB 154 (Rules))

TO: Representative Sally Smith  
Chairman, House Rules Committee

FROM: Richard A. Bradley **B**  
Legislative Counsel

You have requested a further review of the effect of the floor amendments to HB 154, a bill proposing amendments to AS 39.50.030.

AS 39.50.030 constitutes a core section of the financial disclosure/conflict of interest law: it determines what is required in a financial disclosure statement. The provisions of the bill do not amend existing requirements; rather, they add new areas of information required on the financial disclosure statement.

Note that the existing eight areas of concern under sec. 30(b) are broad ranging; they ask for information regarding the financial activities of the public official or candidate but do not seek to limit the source of the information to contacts with "lobbyists". The word "lobbyist" did not appear within the provisions of AS 39.50 before the amendments proposed in this bill.

Paragraph (9) as added in the bill requires disclosure of the specified activity by a public official or candidate with a lobbyist; paragraph (10) requires disclosure of the specified activity by a public official or candidate with anyone and paragraph (11) asks the public official or candidate to identify a person known as a lobbyist, as a contractor or vendor with the state, or employee of the state who is related to the public official or with whom the public official or candidate has identified business relationships.

The first amendment, Amendment No. 2, adds the phrase "gave the public official or candidate a gift of cash or" at page 1, line 13 of the State Affairs committee substitute; it simultaneously deleted the requirement in sec. 30(b)(10) that "a gift of cash" from anyone be reported.

The amendment was somewhat ambiguous grammatically. As we prepared the committee substitute incorporating the amendments, there was debate in this office as to whether the amendment should be placed with or apart from the conditional phrase: "in excess of \$100". As I viewed the location of the amendment, it seemed grammatically to be apart from the limitation -- to pick up all cash gifts. The revisor disagreed and suggested that the "gifts" were to be treated like contracts; the first \$100 worth were excluded from the report. I considered the matter closed and drafted it the way it appears when Jack Chenoweth, the drafter of the amendment, said that the goal of the sponsor, Representative Cuddy, was to require the disclosure of all cash gifts from a lobbyist -- but not otherwise. If the person making the gift is not a lobbyist, the reporting threshold is not reached. We believe that goal is achieved in the bill.

Note that the effect of the amendment, when contrasted with the State Affairs committee substitute, is to minimize the reports that must identify the receipt of cash. In the State Affairs committee substitute, all cash gifts are reported; in the Rules committee substitute resulting from the floor amendments, cash is reported only if received from a lobbyist and then only when it exceeds \$100.

Note that as adopted the amendment seems consistent with the thresholds in AS 24.45.051(3) and in AS 24.34.061(b)(4). The former section requires a lobbyist to report "the date and nature of any gift exceeding \$100 in value made to a public official and the full name and official position of that person"; the latter section requires the employer of a lobbyist to disclose "the date and nature of any gift exceeding \$100 in value made to any public official and the full name and official position of the recipient of each gift".

Under the State Affairs committee substitute lobbyists would not need to report the gift but public officials and candi-

Representative Sally Smith

Page 3

April 6, 1981

dates would; the Rules committee substitute will establish equal thresholds for the reports of both lobbyists and public officials and candidates.

Amendment No. 3 by Representative Cuddy changes sec. 30(e), added by this bill. The former provision eliminated reports of gifts from a spouse, a child, a mother or father, or a brother or sister. The amendment eliminates reports from a spouse or from a person "related by blood within and included the third degree of kindred to the public official or candidate".

It does not appear that the phrase "third degree of kindred" has been used in the statutes. I located the phrase "second degree of kindred" in two places: AS 39.10.010, an anti-nepotism law prohibits employment of a person related "by blood within and including the second degree of kindred" to the executive head of the department or agency; AS 16.05.407 permits a nonresident to hunt for big game either with a guide or a person who is an Alaskan resident "within and including the second degree of kindred".

The concept is a measurement of blood relationships used most frequently with regard to descent and distribution in estates where no will has been left. As 26A C.J.S., Descent and Distribution, Sec. 22, reports:

Since kindred [relatives] of the degree nearest to the intestate [a person dying without a will] succeed to his estate to the exclusion of those of more distant degree, . . . it is important . . . to ascertain the relative degree of kinship between the intestate and the several claimants. In most states, the civil law rule of ascending from the intestate to a common ancestor and descending from him [the common ancestor] to a claimant, reckoning a degree each generation, both in the ascending and descending lines, is followed in reckoning degrees of consanguinity.

Thus children and parents are kindred of the first degree to a given person. Grandparents, grandchildren, and brothers and sisters are kindred of the second degree to a given person. And kindred of the third degree includes, for a given person, great-grandchildren, great-grandparents, uncles, aunts, nephews, and nieces.

Representative Sally Smith  
Page 4  
April 6, 1981

Note that the relationships described are limited to those qualifying by "blood". Relationships resulting from marriage are excluded.

The fourth amendment delays the effective date of the Act from the date in the State Affairs committee substitute, July 1, 1981 to January 1, 1982. To the extent that a reporting year is a calendar year (see AS 39.50.030(b)), the amendment may foster some administrative convenience.

Amendment No. 5 changes the language within sec. 30(b)(9)(B) which would have required the reporting of the names of lobbyists who "purchased" goods to read rather than a report is required on lobbyists who "enter into a contract to purchase goods".

Jack Chenoweth tells that the purpose of the amendment is to eliminate any requirement that essentially casual, cash transactions be reported.

If I may assist further, please advise.

RAB:ljb

Original Sponsor: Rules Committee

Offered: 3/23/81  
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 154 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial disclosure; and provid-  
7 ing for an effective date."

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

9 \* Section 1. AS 39.50.030(b) is amended by adding new paragraphs to  
10 read:

11 (9) the name of a person known by the public official or  
12 candidate to have been a lobbyist during the preceding calendar year  
13 who purchased goods or services

14 (A) in excess of \$100 from a

15 (i) sole proprietorship owned by the public  
16 official or candidate;

17 (ii) partnership in which the public official or  
18 candidate is a partner;

19 (B) in excess of \$1,000 from a partner of the public  
20 official or candidate; or

21 (C) in excess of \$100 from a corporation over 50  
22 percent of the stock of which is owned by the public official or  
23 candidate;

24 (10) the name of a person from whom he received during the  
25 preceding calendar year

26 *in excess of 100*  
*Handwritten: Unad. Adopt \** (A) a gift of cash;  
27 (B) a single gift not of cash having a reasonable value  
28 in excess of \$100;

29 (C) gifts other than cash having an aggregate reason-

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able value in excess of \$250;

(11) the name of a person known by the public official or candidate to have been a lobbyist, or a contractor or vendor who does business with the state, or an employee of the state during the preceding calendar year who is

(A) a partner, officer, or director of a corporation in which the public official or candidate is a partner, officer, director, or employee, with a description of the legislative or administrative matters which were the object of the activity of the lobbyist, the contractor or vendor who does business with the state, or employee of the state; or

(B) a spouse, child, mother or father, brother or sister of the public official or candidate.

\* Sec. 2. AS 39.50.030 is amended by adding new subsections to read:

(d) A campaign contribution reported by a public official or candidate under AS 15.13 does not need to be reported under this section.

(e) A gift from a spouse, child, mother or father, brother or sister does not need to be reported under this section.

\* Sec. 3. This Act takes effect July 1, 1981.

*Uncle, Grandparent or grandchild*  
*Jointly, aunts, uncles, nephews, nieces*  
*2-5*

# STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

## LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 3, 1981

SUBJECT: Section-by-section analysis of Rules amendments to CSHB 154

TO: Representative Sally Smith, Chairman  
House Rules Committee

FROM: Richard A. Bradley *RB*  
Legislative Counsel

BY: Keith E. Levy *KEL*  
Legislative Legal Extern

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KBL:ljb

Enclosure